FINANCIAL PERFORMANCE ANALYSIS AND EVALUATION OF PT MATAHARI DEPARTMENT STORE TBK. FOR THE PERIOD OF 2016-2020

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ABSTRACT

Indonesia's retail industry has been rapidly developed and transformed. However, the performance has experienced a downturn in growth, especially in the current pandemic situation. This study objected to analyzing and evaluating the financial performance of PT Matahari Department Store Tbk as one of the biggest retail companies in Indonesia from 2016 to 2020, before and during the pandemic. The Decree of the Ministry of SOE No. KEP 100/MBU/2002 is used as the standard of financial ratios of the company by measuring and rating ROE, ROI, cash ratio, current ratio, collection period, inventory turnover, total asset turnover, and total equity to total asset. The result showed in 2016-2019 the financial performance of PT Matahari Department Store Tbk was constantly very healthy (AAA) but decreased to healthy (B) in 2020. It is indicated that the pandemic situation has influenced the company's financial conditions especially in sales management and asset utilization. Therefore, this study could help managers make decisions and increase their profitability to survive in the current pandemic situation.
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Keywords: financial performance, retail industry, PT Matahari Department Storee Tbk

INTRODUCTION

The retail industry in Indonesia plays a vital role in employment and economic growth. In 2016, the global retail development reported that Indonesia entered the top five nations with the most active retail and also the top five Asian countries with the highest sales. However, retailing in Indonesia has witnessed a downturn in growth, falling to 3.7 percent in 2017 from 10.7 percent the previous year. Other than that, 9 out of 25 retail companies that made the initial information tend to decline from 2015 to 2017 (Yulian *et al*., 2020).

Retail companies need to establish effective and efficient productive long haul methodologies and transient choices. Financial ratios analysis can support managers in determining the company's degree of financial performance, regardless of whether fortunate or unfortunate. Ratio analysis is defined in various types , which are liquidity ratio, solvency, activity, and profitability. In the end, the results will provide an overview of a company's business trends and may be utilized as a foundation for both internal and external stakeholders' decision-making (Priari & Wulandari, 2019).

PT Matahari Department Store Tbk conducted an initial public offering in 1992. By the end of 2020, PT Matahari Department Store Tbk operated 147 locations in 76 cities and an online store, Matahari.com, which offers a diverse choice of high-quality items and exclusive brands to complement people's lifestyles. Clothing, accessories, luggage, shoes, cosmetics, home appliances, and tableware are among their offerings.

PT Matahari Department Store Tbk is one of the retail organizations that experienced a reduction in revenue. In 2019 it reached Rp 10 trillion but only generated Rp 4 trillion in 2020. It is possibly caused by the Covid-19 pandemic. According to statistics released by Exabytes, an Indonesian hosting service provider, in Tirto.id’s written statement, e-commerce customers climbed by 38.3 percent during the Covid-19 pandemic from January to July 2020. Indonesian Central Bureau of Statistics (BPS) study on "Big Data Overview of the Impact of COVID-19 2020” stated that online sales expanded essentially contrasted with sales in early 2020, as proven by a 320 percent ascend in March 2020, trailed by a 480 percent increment in April 2020 (Fihartini *et al.*, 2021). Financial health and performance evaluation will help the company survive this pandemic circumstance, which will aid in decision-making for the company's future. Therefore, this research will analyze and evaluate the financial performance of PT Matahari Department Store Tbk from 2016-2020 using financial ratio analysis.

LITERATURE REVIEW

Fashion Retail Store in Indonesia

Fashion retail industry in Indonesia started in the 1960s-1980s with the emergence of Sarinah, followed by Pasaraya, Ramayana, and Matahari Department Store. The golden years of Indonesia fashion retail industry happened in the 1990s-2000s where the trade activities were mainly conducted in a conventional way that still relied on physical stores to be visited by end-customers. The industry was massively expanding and opening new outlets around Indonesia. However, in the 2010s, this industry faced new challenges and competitions by the rise of online fashion applications and marketplaces that brought significant changes. One of the changes was the consumer's behaviors, which prefer the instant online shopping experience rather than buying directly from the store. This leads the conventional fashion retail industry to adapt in order to survive and sustain in the business (Daryanto et al., 2020).

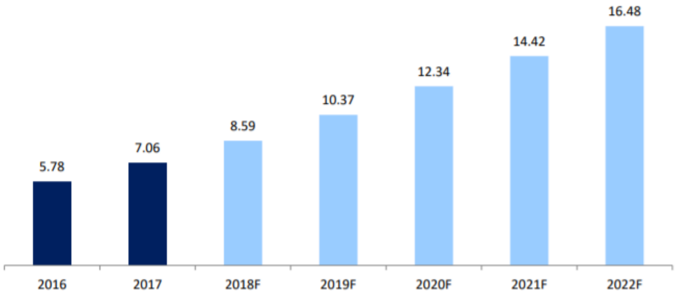

Figure 1. E-commerce Retail Sales in Indonesia
Source: Office of Chief Economist Bank Mandiri

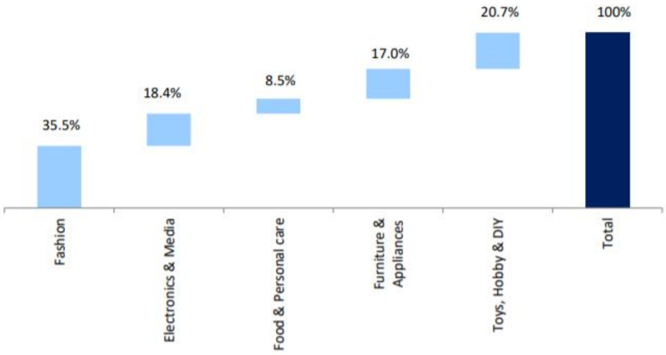

Figure 2. E-commerce Retail Sales by Product Category in Indonesia
Source: Office of Chief Economist Bank Mandiri

In addition, Indonesian consumer behavior is switching from offline to internet buying. Online sales as a percentage of overall retail sales increased from 5.78 percent in 2016 to 7.06 percent in 2017, with projections that the figure would rise to 14.42% by 2021. Amongst the other categories, fashion has the highest e-commerce retail sales in Indonesia, as shown by Figure 2.

Financial Statement

Generally, a financial statement is the result of an accounting process for communicating a company's financial data or activities to other parties. Financial statements are the group of reporting forms in some manner. It is combined with systematic indicators of a company's financial status in a certain period of time (Pelekh *et al*., 2020).

Financial statements for a company consists of (Afif & Nawirah, 2020) :

(1) Financial Position Report,
(2) Income Statement,
(3) Notes to the Financial Statements.

Financial statements will reflect a company's financial performance. Financial statements ratios are able to provide the reflection of a company's financial health condition (Farkhan, 2012-2013).

Financial Report Form

The report that shows a company's financial condition in a certain period of time is named financial report form. The financial statements provided will be very constructive for the company and/or various parties to settle on a choice and to depict the exhibition of the organization monetarily (Mesak, 2019).

Financial Performance

Financial performance can make an impression about how successful the company is in completing its target. It also can be used to evaluate their business performance (Zatira & Puspitasari, 2020). Financial statements are able to measure the performance of a company in creating profits, especially for the financial industry (banking, etc.). Generally, financial statements consist of (Fatihudin & Mochklas, 2018):

a. Balance Sheet
b. Income statement
c. Cash Flow
d. Changes in Capital

Financial Ratio

Financial ratios are a correlation of the quantity of parts in financial statements for making the analysis. There are some types of ratio analysis (Kasmir, 2016):

a. Profitability Ratio

Profitability ratio is the company's ability to get the profits from sales, total assets, and own capital (Sartono, 2012).
- Net Profit Margin
- Return On Assets
- Return On Equity

b. Liquidity Ratio Analysis

The liquidity ratio analysis is done to determine the company's ability to meet its financial obligations to maintain its short-term debt-paying ability (Thakur & Vaidya, 2021).
- Current Ratio
- Cash Ratio
- Quick Ratio

c. Activity Ratio

d. Solvency Ratio

Solvency Ratio is done to measure the company's ability to meet the interest cost and repayment schedule according to its long-term obligations (David Hawkins, 2012).
- Debt to Equity Ratio
- Debt to Total Assets Ratio

Financial ratios are routinely employed to evaluate data and, as a result, have developed into a model for predicting bankruptcy. These are valuable statistics that can be calculated from financial records to understand the past, present, and future conditions (Khaliq *et al.*, 2014). The greater value of ratio indicates the company is regarded to be stronger since it displays its capacity to meet short-term obligations (Fitriyah & Hariyati, 2013).

Previous Research on Financial Performance

Financial performance can make an impression about how successful the company is in completing and achieving its target. It also can be used to evaluate their business performance. (Zatira & Puspitasari, 2020). It can be done by making the comparison of financial ratios of two companies in the same industry or using other methods stated. Therefore, the financial condition of a company will show after analyzing the financial statement of the company. There are three types of ratios in financial ratio analysis, namely liquidity ratios, profitability ratios, and solvency ratios (Khaerunnisa, 2019). Financial performance will show that several ratio comparisons exist in financial statements to measure the ability and healthiness of the company (Wiagustini, 2014). On the other hand, financial health analysis is the analysis from the financial aspect to evaluate the financial performance of the company, other than operational and administrative aspects. (Masri, 2020). There have been many previous studies about financial ratios across many sectors. In the retail industry, financial ratios can be used as an alternative in determining bankruptcy possibilities (Achmada et al., 2020). As an industry with high capital turnover, liquidity and profitability should be in a good position. A retail company must always be prepared to face its short-term obligations and manage its working capital (Yulidar et al., 2018).

The Ministry of State-Owned Enterprises Decree No. KEP 100/MBU/2002

KEP-100/MBU/2022 was issued by the BUMN in June 2002 to evaluate the financial health of SOEs. SOE's financial health score had a significant relationship with the company's performance. It can be concluded that the KEP 100/MBU/2002 can be used to measure the company's financial health score and has a significant impact in Indonesia (Hermansjah, Sugiarto, Shinta S, & Hulu, 2021). The healthiness of a company's financial performance also can be determined using the SOE ministers in The Minister Decree of SOE No. KEP 100/MBU/2002 (Asriani, 2015). The Minister Decree of SOE No. KEP 100/MBU/2002 specify that the performance level of a company consists of three aspects; financial aspect, operational aspect, and administrative aspect. Then, they explained that after analyzing it from those aspects, the company could be classified as healthy, less healthy, and not healthy (Zatira & Puspitasari, 2020). The weight score differs between infrastructure and non-infrastructure sectors, which score 50 and 70, respectively.

METHODOLOGY

Financial Health of PT Matahari Department Store Tbk is analyzed by measuring, describing, and evaluating five years financial report of Matahari (2016 - 2020). The liquidity, solvency, profitability, and activity ratio of Matahari is being analyzed using "The Decree of Ministry of SOE No. KEP 100/MBU/2002" to see the weight score of each ratio. Not only that but the data collected is also being validated to see the financial healthiness level, as follows:

A. Very Healthy Level (AAA, AA, A)

AAA : Total score > 95
AA : 80 < Total Score < 95
A : 65 < Total Score < 80

B. Healthy Level (BBB, BB, B)

BBB : 50 < Total Score < 65
B : 40 < Total Score < 50
B : 30 < Total Score < 40

C. Not Healthy Level (CCC, CC, C)

CCC : 20 < Total Score < 30
CC : 10 < Total Score < 20
C : Total Score < 10

The indicators and weight score obtained from The Decree of Ministry of SOE No. KEP 100/MBU/2002 as follows:

Table 1: The Indicators and Weight Score

No	Indicators	Weight score
1	ROE	20
2	ROI	15
3	Cash Ratio	5
4	Current Ratio	5
5	Collection Period	5
6	Inventory Turnover	5
7	Total Asset Turnover	5
8	Total Equity to Total Asset	10
Total Weight Score		70

Source: The Decree of the Ministry of SOE No. KEP 100/MBU/2002

Financial ratios are used for the evaluation and comparison of the number of components contained in financial statements. Liquidity performance, solvency performance, profitability solvency, and activity performance are analyzed using profitability performance, liquidity performance, activity performance, and solvency performance.

This research makes use of secondary data obtained through intermediate media. The data sources are the Annual Report of PT Matahari Department Store Tbk. for the year 2016-2020 from their website www.matahari.co.id. It includes a financial statement and financial report analysis that serves as a reference for the qualitative descriptive analysis.

A. Profitability Performance

Profitability performance can be analyzed by the ratio of Return on Equity (ROE), and Return on Investment (ROI) is calculated. ROE is calculated to measure the return on shareholder's investment, while ROI is calculated to measure the effectiveness of the company's investment. Equation of ROI and ROE as follows:

Return on Equity (ROE) = (Net Income/Shareholders'Equity) x 100 %

Return on Investment (ROI) = ((EBIT + Depreciation)/Capital Employed) x 100 %

Table 2: The Indicators and Weight Score of Profitability Performance

ROE (%)	Score	ROI (%)	Score
15 < ROE	20	18 < ROI	15
13 < ROE ≤ 15	18	15 < ROI ≤ 18	13.5
11 < ROE ≤ 13	16	13 < ROI ≤ 15	12
9 < ROE ≤ 11	14	12 < ROI ≤ 13	10.5
7.9 < ROE ≤ 9	12	10.5 < ROI ≤ 12	9
6.6 < ROE ≤ 7.9	10	9 < ROI ≤ 10.5	7.5
5.3 < ROE ≤ 6.6	8.5	7 < ROI ≤ 9	6
4.0 < ROE ≤ 5.3	7	5 < ROI ≤ 7	5
2.5 < ROE ≤ 4	5.5	3 < ROI ≤ 5	4
1.0 < ROE ≤ 2.5	4	1 < ROI ≤ 3	3
0 < ROE ≤ 1	2	0 < ROI ≤ 1	2
ROE < 0	0	ROI < 0	1

Source: The Decree of the Ministry of SOE No. KEP 100/MBU/2002

B. Liquidity Performance

To analyze liquidity performance, the ratio of current and cash is calculated. The current ratio is used to measure a company's ability to meet its short-term obligations, while the cash ratio is used to measure a company's dignity. The indicators and weight score obtained from The Decree of Ministry of SOE No. KEP 100/MBU/2002. Equation of cash ratio and current ratio as follows:

Cash Ratio = (Cash + Cash Equivalents/Current Liabilities) x 100 %

Current Ratio = (Current Asset/Current Liabilities) x 100 %

Table 3: The Indicators and Weight Score of Liquidity Performance

Cash Ratio (%)	Score	Current Ratio (%)	Score
Cash Ratio ≥ 35	5	$125 \leq$ Current Ratio	5
$25 \leq$ Cash Ratio < 35	4	$110 \leq$ Current Ratio < 125	4
$15 \leq$ Cash Ratio < 25	3	$100 \leq$ Current Ratio < 110	3
$10 \leq$ Cash Ratio < 15	2	$95 \leq$ Current Ratio < 100	2
$5 \leq$ Cash Ratio < 10	1	$90 \leq$ Current Rati < 95	1
$0 \leq$ Cash Ratio < 5	0	Current Ratio < 90	0

Source: The Decree of the Ministry of SOE No. KEP 100/MBU/2002

C. Activity Performance

To analyze activity performance, the Total Asset Turnover (TATO), Collection Period, and Inventory Turnover are calculated. TATO is determined to see the productivity of an organization in utilizing its resources for create and assist financial backers with having the option to investigate the organization's shortcomings. The collection period is calculated to help companies screen their income and distinguish their capacity to take care of their obligation. Inventory Turnover is calculated to examine the organization's business and assist them in decision making. TATO, Collection Period, and Inventory Turnover are calculated and scored to get the weight result to analyze the company's performance as follows:

Collection Period = (Average Accounts Receivables/Sales Revenue) x 365 days

Inventory Turnover = Cost of goods sold / Average Inventory

Total Asset Turnover (TATO) = (Revenue/Capital Employed) x 100 %

Table 4: The Indicators and Weight Score of Collection Period and Inventory Turnover

Collection Period (Days)	Adjustment (days)	Score	Inventory Turnover (Days)	Adjustment (Days)	Score
CP ≤ 60	CP > 35	5	IT ≤ 60	IT > 35	5
$60 <$ CP ≤ 90	$30 <$ CP ≤ 35	4.5	$60 <$ IT ≤ 90	$30 <$ IT ≤ 35	4.5
$90 <$ CP ≤ 120	$25 <$ CP ≤ 30	4	$90 <$ IT ≤ 120	$25 <$ IT ≤ 30	4
$120 <$ CP ≤ 150	$20 <$ CP ≤ 25	3.5	$120 <$ IT ≤ 150	$20 <$ IT ≤ 25	3.5
$120 <$ CP ≤ 150	$15 <$ CP ≤ 20	3	$150 <$ IT ≤ 180	$15 <$ IT ≤ 20	3
$150 <$ CP ≤ 180	$10 <$ CP ≤ 15	2.4	$180 <$ IT ≤ 210	$10 <$ IT ≤ 15	2.4
$180 <$ CP ≤ 210	$6 <$ CP ≤ 10	1.8	$210 <$ IT ≤ 240	$6 <$ IT ≤ 10	1.8
$219 <$ CP ≤ 240	$3 <$ CP ≤ 6	1.2	$240 <$ IT ≤ 270	$3 <$ IT ≤ 6	1.2
			$270 <$ IT ≤ 300	$1 <$ IT ≤ 3	0.6

Source: The Decree of the Ministry of SOE No. KEP 100/MBU/2002

Table 5: The Indicators and Weight Score of Activity Performance

TATO (%)	Adjustment (%)	Score
TATO > 120	TATO > 20	5
$105 <$ TATO ≤ 120	$15 <$ TATO ≤ 20	4.5
$90 <$ TATO ≤ 105	$10 <$ TATO ≤ 15	4
$75 <$ TATO ≤ 90	$5 <$ TATO ≤ 10	3.5
$60 <$ TATO ≤ 75	$0 <$ TATO ≤ 5	3
$40 <$ TATO ≤ 60	TATO ≤ 10	2.5
$20 <$ TATO ≤ 40		2
TATO ≤ 20		1.2

Source: The Decree of the Ministry of SOE No. KEP 100/MBU/2002

D. Solvency Performance

To analyze the solvency performance, Total Equity to Total Asset (TETA) or usually known as debt to equity, is calculated to compare a company's total liabilities to its shareholder equity.

Total Equity to Total Asset = (Total Equity/Total Asset) x 100 %

Table 6: The Indicators and Weight Score of TETA

TETA (%)	Score
TETA < 0	0
0 ≤ TETA < 10	4
10 ≤ TETA < 20	6
20 ≤ TETA < 30	7.25
30 ≤ TETA < 40	10
40 ≤ TETA < 50	9
50 ≤ TETA < 60	8.5
60 ≤ TETA < 70	8
70 ≤ TETA < 80	7.5
80 ≤ TETA < 90	7
90 ≤ TETA < 100	6.5

Source: The Decree of the Ministry of SOE No. KEP 100/MBU/2002

RESULT AND FINDINGS

A. Profitability Performance

Figure 1 shows the percentage of ROE and ROI PT Matahari Department Store Tbk from 2016 to 2020, which decreased significantly from 2019 to 2020. In 2016, the ROE started at 108.86% and became -150.26% in 2020. The decline also happened in 2018 with 60.43% from 81.92% in 2017. Daryanto *et al.* (2020) reported that the profitability ratio decline during the period 2016-2018 was affected by the entrance of online e-commerce such as Shopee Indonesia, where the main reason was PT Matahari Department Store Tbk was not able to generate more net profit with their increasing revenues. The minimum standard of ROE decree is 15%; thus, the ratio is far higher than the standard for 2015-2019. The lower ratio in 2020 was caused by decreasing sales due to the pandemic situation and it also shows poor financial performance as it reached a negative return by 2020. ROI percentage from 2016 to 2020 are 41.57%, 35.14%, 21.79%, 28.28%, and -13.82%. The minimum standard of ROI decree is 18%. Therefore the ratio from 2016 to 2019 is also far higher than the standard. However, in 2020 it declined significantly to -13.82% resulting in poor financial performance. ROI decrease might be caused by sales dropped, so the net income experienced slower growth than the assets.

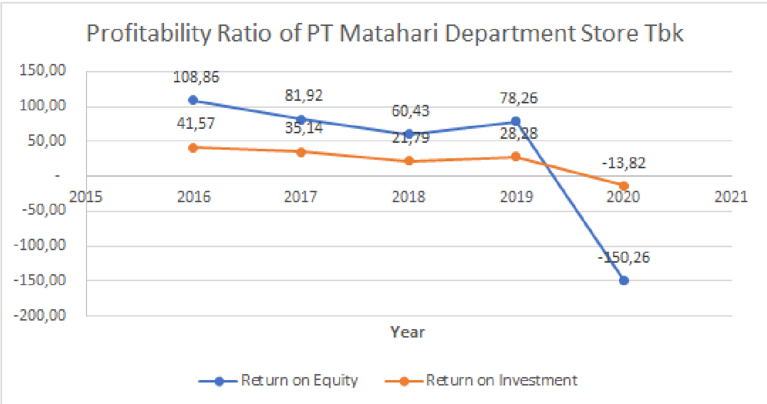

Figure 3. Profitability Ratio of PT Matahari Department Store Tbk

B. Liquidity Performance

Liquidity performance is calculated by determining the current ratio and cash ratio from the year 2016 to the year 2020. Figure 2 explained how the Liquidity ratios of PT Matahari Department Store Tbk keep decreasing year by year from 2016 to 2020. The current ratios of PT Matahari Department Store Tbk on 2016 to 2020 are on 114.90%, 113.90%, 110.02%, 105.81%, and 56.37% while the cash ratios are on 66.18%, 60.63%, 43.22%, 45.13%, and 18.34%. From 2016 to 2019, PT Matahari Department Store Tbk. had a current ratio percentage of more than 100% while the cash ratio was below 100%, which means that company liabilities were paid by other assets instead of cash. From figure 1, there is a quite drastic decrease from 2019 to 2020 for both current and cash ratios. It can be caused by the pandemic that occurred in 2020 - now. In general, there are some changes in people's lifestyles that might affect retail businesses like PT Matahari Department Store Tbk. People believe that purchasing online is a more secure method for staying away from the infection during this pandemic period than going to a real store (Fihartini et al., 2021). The decline of both ratios in 2020 was caused by current assets being lower than the current liabilities or simply because the company ran out of cash. However, the average of 5-year current ratios is 100.20%, while the average of 5-year cash ratios is 46.70%. It shows that the liquidity ratio of PT Matahari Department Store Tbk was not efficient.

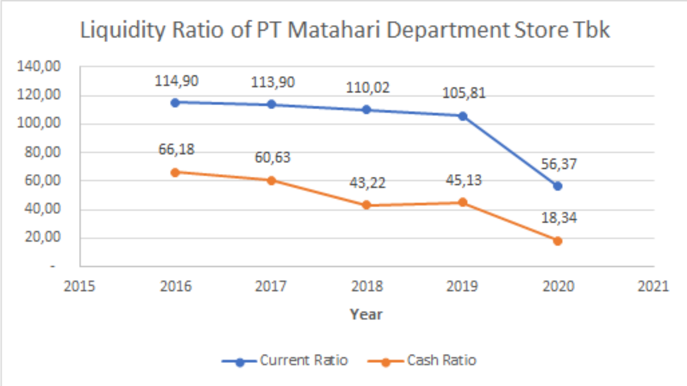

Figure 4. Liquidity Ratios of PT Matahari Department Store

C. Activity Performance

Figure 3 shows inventory turnover and collection period, which fluctuated from 2016 to 2020. Lower inventory turnover means that the company took more time in selling the products; thus, the inventory was increased and cost more in storing it (Horne and Wachowicz, 1992). In 2020, the inventory turnover decreased to 2.26 days, while the collection period was at the highest point of 5.51 days. It was possibly caused by decreasing sales, so the management decided to grant more credit to customers in order to increase the sales during the pandemic. Figure 4 showed that the total asset turnover (TATO) of PT Matahari Department Store Tbk fluctuated between 2016-2019 with an average of 201% and decreased significantly in 2020 to 76.58%. They generated 4.84 trillion sales using 6.32 trillion assets, which means the company did not efficiently generate the revenue due to the pandemic situation. Total Asset Turnover determined how effective the assets were in generating sales (Gitman, 2015). Therefore, a lower ratio indicates that the company poorly manages its assets in generating revenue, so it only resulted in low profit (Sunjoko and Arilyn, 2016).

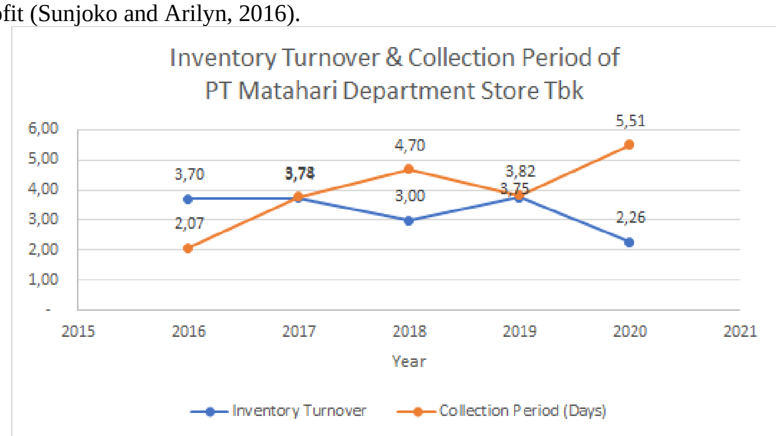

Figure 5. Inventory Turnover and Collection Period of PT Matahari Department Store Tbk

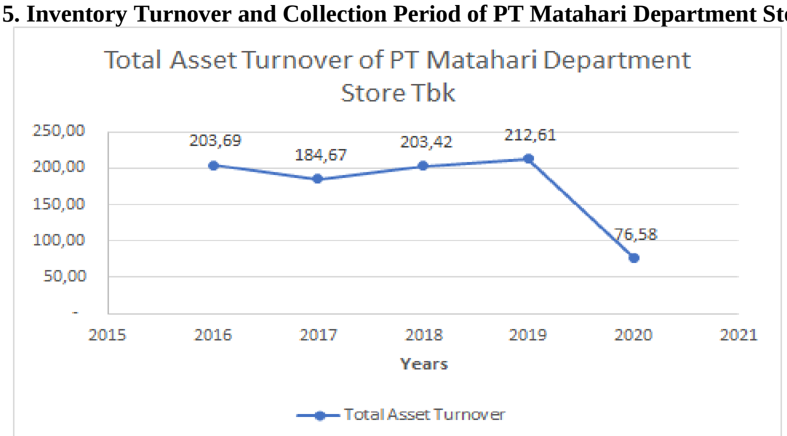

Figure 6. Total Asset Turnover of PT Matahari Department Store Tbk

D. Solvency Performance

Solvency performance is used to determine how much of a company's assets are funded by debt. They are used to determine a company's capacity to pay its debts (Munawir, 2007). It is calculated by comparing the Total Equity to Total Assets (TETA) from 2016 to 2020. Figure 5 shows that there is data fluctuation from the year 2016 to the year 2020, while from the year 2019 to the year 2020, there is a significant decrease in PT Matahari Department Store Tbk Solvency Ratios. The TETA ratios from the year 2016 to the year 2020 are 38.18%, 42.89%, 36.05%, 36.14%, and 9.20%, with an average of 32.49%. The extreme decline in 2020 may be caused by the pandemic. TETA is used to measure the degree of financial leverage. It explained how the TETA of PT Matahari Department Store Tbk was risky because all ratios were below standards of 50%. This means that they were in a middle-risk condition during 2016-2019, while in 2020, they were in high-risk condition. The ratio shows that more than half of its total assets were financed by its liabilities. Thus, the company was in insolvent conditions with high risks.

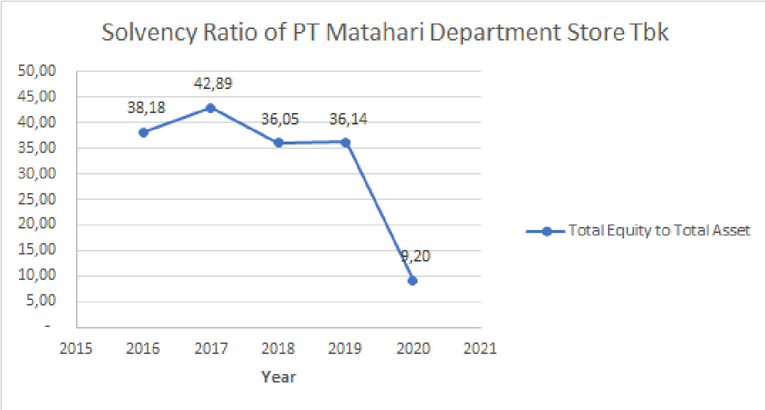

Figure 7. Solvency Ratios of PT Matahari Department Store

VALIDATION TESTING

After doing the calculation to determine the performance of PT Matahari Department Store Tbk from 4 aspects of performance; liquidity performance, solvency performance, profitability performance, and activity performance, the validation needed to see and analyze the financial healthiness of PT Matahari Department Store Tbk in 2016-2020 based on the decree of Ministry of SOEs No. KEP- 100/MBU/2002. Based on Table 7, the total score in 2020 is declined significantly while there was a slight fluctuation in 2016-2019. Next, the total weight is counted by dividing the total score, and the weight is then multiplied by 100. The lowest weight score was in 2020 with 30.71, resulting in a healthy level, while previously, in 2016-2019, it remained in very healthy condition.

Table 7: Test Result for PT Matahari Department Store Tbk

Indicators	**2016**		**2017**		**2018**		**2019**		**2020**	
	Ratio	**Score**	**Ratio**	**Score**	**Ratio**	**Score**	**Ratio**	**Score**	**Ratio**	**Score**
ROE (%)	108.86	20	81.92	20	60.43	20	78.26	20	-150.26	0
ROI (%)	41.57	15	35.14	15	21.79	15	28.28	15	-13.82	1
Cash Ratio (%)	66.18	5	60.63	5	43.22	5	45.13	5	18.34	3
Current Ratio (%)	114.90	4	113.90	4	110.02	4	105.81	3	56.37	0
Collection Period (Days)	2.07	5	3.78	5	4.70	5	3.82	5	5.51	5
Inventory Turnover (Days)	3.70	5	3.74	5	3	5	3.75	5	2.26	5
Tato (%)	203.69	5	184.67	5	203.42	5	212.61	5	76.58	3,5
Solvency (%)	38.18	10	42.89	9	36.05	10	36.14	10	9.20	4
Total		**69**		**68**		**69**		**68**		**21.50**

Table 8: Summary of Test Results of PT Matahari Department Store Tbk

Year	Total Score	Weight	Total Weight	Value	Level	Category
2016	69.00	70	98.57	TS>95	AAA	Very Healthy
2017	68.00	70	97.14	TS>95	AAA	Very Healthy
2018	69.00	70	98.57	TS>95	AAA	Very Healthy
2019	68.00	70	97.14	TS>95	AAA	Very Healthy
2020	21.50	70	30.71	30<TS<40	B	Healthy

LIMITATION

This examination utilizes an assessment dependent on SOE Decree No. KEP-100/MBU/2002, which ought to just be executed for corporate state-owned enterprises. In any case, due to the absence of enactment in assessing monetary execution for public firms, the SOE's Decree approach was picked as a standard other option. Following that, the ideas for financial backers are exclusively founded on the review's discoveries. Subsequently, a more expansive review ought to be attempted later on.

CONCLUSION AND RECOMMENDATION

The objective of this study is to measure the financial performance of PT Matahari Department Store Tbk during the period 2016 to 2020 (before and during a pandemic) based on the decree of the Ministry of SOEs No. KEP-100/MBU/2002 about financial health assessment of SOEs. The study examined four financial ratios, which are liquidity, solvency, profitability, and activity ratio. The result is PT Matahari Department Store Tbk shows healthy performance during 2016 to 2020 although the score decreased significantly in 2020 it's still on the healthy standard with scores AAA, AAA, AAA, AAA, B respectively. However, the company should pay more attention to their financial performance (especially liquidity, profitability, and activity ratios), wherein 2020 it's significantly declined than the previous years, so management needs to find the solutions and strategies in order to face the pandemic. The Payment System Policy Department of Bank Indonesia (BI) likewise revealed that during the pandemic, e-commerce transactions moved by 26%, with day by day transactions expanding to IDR 4.8 million with clothing products as the most purchased items after food and beverages (Fihartini et al., 2021). Therefore, PT Matahari Department Store Tbk should keep up with the trends in using online e-commerce platforms to survive the pandemic.

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