

The Effect Of Liquidity, Solvency, Profitability and Activity On Financial Performance AT PT. Adi Sarana Armada Tbk On The IDX

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Abstract. This research is motivated by a decrease in the Liquidity Ratio in cash and cash equivalents due to an increase in investment acquisition and purchase of fixed assets which will cause depreciation expenses in the coming years to be greater which will directly reduce the company's profit. The Solvency Ratio has increased due to an increase in debt which will directly increase interest expenses, so it must be covered from operating profit. The Profitability Ratio has decreased in current year profit because the increasing amount of expenses will reduce net profit. The Activity Ratio has decreased inventory turnover due to decreased sales which has resulted in an increase in the amount of inventory. The purpose of this study is to determine the effect of Liquidity, Solvency, Profitability and Activity on Financial Performance at PT. Adi Sarana Armada Tbk. which is listed on the Indonesia Stock Exchange (IDX). The method used in this study is a quantitative descriptive method, the data in this study uses secondary data. Based on the results of the study, it shows that Liquidity ratio using Current Ratio has a partial positive effect on Financial Performance with Good criteria, this shows the company's ability to pay short-term obligations. Solvency ratio using Debt To Equity Ratio does not have a partial effect on Financial Performance with Poor criteria, this shows the company's inability to meet long-term obligations because risk assessment is ineffective, resulting in a greater risk of loss. Profitability ratio using Return On Asset does not have a partial effect on Financial Performance with Poor criteria, this shows that it is inefficient in using its assets to generate profits and ineffectiveness in accounts receivable turnover so that the small capital invested. Activity ratio using Total Asset Turn Over has a partial positive effect on Financial Performance with Very Good criteria, this shows the company's ability to utilize its assets to generate income.

Keywords Liquidity Ratio, Solvency Ratio, Profitability Ratio, Activity Ratio and Financial Performance.

INTRODUCTION

The company's financial performance is the company's ability or achievement in running its business which is financially stated in the financial report. The company's financial performance can be seen from the rapid increase in revenue and greatly affects the company's profit. Financial reports need to be prepared to find out whether the company's performance is increasing or even decreasing and in analyzing financial reports, financial analysis tools are needed. There are several groups of ratios that are often used in analyzing company finances, namely liquidity, solvency, profitability, and activity ratios in financial performance.

Analysis of financial statements is used for calculating ratios that can evaluate the condition of a company in the past, present, and future. Financial statements are very necessary to be prepared so that we can find out whether the performance of the company

is increasing or decreasing and to analyze financial statements, financial ratios are needed, namely Liquidity, Solvency, Profitability and Activity Ratios on financial performance.

PT. Adi Sarana Armada, Tbk. is a transportation service company in Indonesia that provides transportation services that include vehicle rental for corporations, logistics, driver services, and car sales. That is why, in developed countries, currently many companies prefer to rent cars rather than buy them. In Indonesia, the trend of car rental by this company is not yet very popular and perhaps this is what was captured by the Triputra Group, which since 2003 has entered the vehicle rental business for institutional/corporate customers through one of its subsidiaries, Adira Rent which in 2010 changed its name to Adi Sarana Armada (ASSA). ASSA then held an IPO in November 2012, and so far is one of only two car rental companies whose shares are listed on the IDX, and the other is the Cipaganti/CPGT company.

Listed companies, ASSA's financial performance will be a major concern. Investors and analysts will monitor their financial statements to understand the company's financial health, including revenue, profit and expenses. Many companies face financial challenges during the pandemic, including declining revenue and increasing operating costs.

PT. Adi Sarana Armada Tbk. also experienced financial impacts that require strategies to manage cash flow and costs. During the pandemic, the company pushed to focus more on sustainability and innovation. To stay relevant, PT. Adi Sarana Armada Tbk. developed innovative and sustainable solutions in their services, such as environmentally friendly vehicles or more efficient logistics solutions. In such conditions, it is estimated that there will be growth in the company's performance due to the ebb and flow of sales, costs and current assets.

Table 1. Financial Report Data to Assess Financial Performance of PT. Adi Sarana Armada Tbk. Listed on the IDX Year 2012 – 2023

Year	Liquidity	Solvency	Profitability	Activity
	<i>Current Ratio</i>	<i>Debt to Equity Ratio</i>	<i>Return On Asset</i>	<i>Total Asset Turn Over</i>
2012	109,83%	187,74%	1,40%	37,64%
2013	48,94%	163,30%	4,24%	46,90%
2014	40,11%	199,42%	1,71%	45,48%
2015	42,50%	238,56%	1,15%	48,14%
2016	48,96%	235,32%	2,07%	51,83%

2017	42,83%	235,55%	3,20%	51,09%
2018	46,66%	256,85%	3,50%	45,94%
2019	52,61%	262,38%	1,88%	48,13%
2020	43,68%	259,25%	1,23%	58,73%
2021	89,77%	241,65%	2,64%	84,35%
2022	86,21%	194,16%	0,05%	80,76%
2023	88,14%	181,87%	0,26%	60,50%

Source: www.assa.id (2024)

Based on the table above, it shows the rise and fall of the Liquidity Ratio percentage level measured using the Current Ratio at the company PT. Adi Sarana Armada Tbk. which is listed on the IDX in 2012-2023. The Liquidity Ratio is used to measure the company's ability to meet its short-term obligations on time. The better the Liquidity Ratio, the better the management's ability to manage the funds that have been entrusted. This information is very useful for investors in terms of cash dividend distribution and for creditors as a guideline for the return of principal and interest loans.

Based on the table above, it shows the rise and fall of the Solvency Ratio percentage level measured using the Debt to Equity Ratio at the company PT. Adi Sarana Armada Tbk. which is listed on the IDX in 2012-2023. The Solvency Ratio is used to measure the company's ability to pay off all short-term and long-term obligations if the company is liquidated or declared bankrupt. The higher the level of solvency, the higher the risk of the company going bankrupt, this can be a signal for the company and other parties in decision making.

Based on the table above, it shows the rise and fall of the Profitability Ratio presentation level measured using Return On Asset at the company PT. Adi Sarana Armada Tbk. which is listed on the IDX in 2012-2023. The Profitability Ratio is used to measure the company's ability to generate profit or gain. This ratio also shows the level of effectiveness and efficiency of a company's management. The better the Profitability Ratio, the higher the company's ability to earn profit or gain.

Based on the table above, it shows the rise and fall of the Activity Ratio presentation level measured using Total Asset Turn Over at PT. Adi Sarana Armada Tbk. which is listed on the IDX in 2012-2023. The Activity Ratio is used to measure the effectiveness of the company in utilizing company resources. A good Activity Ratio is when there is a proper balance between sales and company assets. Assets with low sales levels will result

in greater excess funds being invested in these assets, where it would be better if these funds were invested in other more productive assets.

LITERATURE REVIEW

1. Theory Signaling

According to Brigham and Houston in Sofiatin (2020), "A signal is an action taken by a company to provide investors with instructions on how management views the company's prospects". This signal is in the form of information about what management has done to realize the owner's wishes. Signal theory explains that companies have an incentive to provide financial report information to external parties, because there is an asymmetry between the company and external parties. The company has more knowledge than outsiders (investors and creditors) about its company or its prospects in the future. Good financial reports will provide a signal or sign that a company has been operating well. According to Hery (2018) "Measurement of financial performance is a formal effort to evaluate the efficiency and effectiveness of a company in generating certain profits and cash positions". With this measurement of financial performance, the prospects for growth and financial development of the company can be seen from relying on the resources it has. Signaling theory is used for owners of company information to inform investors about the condition of a company, so that financial performance greatly helps owners and investors in making decisions about the company's finances.

2. Financial Performance

According to Fahmi (2015), "Financial Performance is an analysis conducted to see the extent to which a company implements using financial implementation rules properly and correctly". Meanwhile, according to Jumingan Wardayani (2015), "Financial Performance is a description of the financial condition in a certain period, both concerning aspects of fundraising and fund distribution". According to Jumingan Wardayani (2015), there are several objectives related to financial performance analysis, namely:

- a. To determine the success of the company's financial management, especially the liquidity condition, capital adequacy and profitability achieved in the current year and the previous year.
- b. To determine the company's ability to utilize all assets owned in generating profits efficiently.

The standard assessment criteria for the Liquidity Ratio measured through the Current Ratio are as follows:

Table 2. Standard Current Ratio

Standard	Criteria
≥ 100	Very Good
80 s/d < 100	Good
60 s/d < 80	Pretty Good
40 s/d < 60	Not Good
< 40	Very Not Good

Source: Kasmir (2016)

The standard assessment criteria for the Solvency Ratio measured through the Debt To Equity Ratio are as follows:

Table 3. Standard Debt to Equity Ratio

Standard	Criteria
< 70%	Very Good
70% s/d < 100%	Good
100% s/d < 150%	Pretty Good
150% s/d 200%	Not Good
> 200%	Very Not Good

Source: Kasmir (2016)

The standard assessment criteria for the Profitability Ratio measured through Return on Assets are as follows:

Table 4. Standard Return on Asset

Standard	Criteria
> 20%	Very Good
5% s/d 20%	Good
< 5%	Pretty Good

Source: Kasmir (2016)

The Activity Ratio standard measured through Total Asset Turn Over is as follows:

Table 5. Standard Total Asset Turn Over

Standard	Criteria
> 40	Very Good
30 – 40	Good
20 – < 30	Pretty Good
10 – < 20	Not Good
< 10	Very Not Good

Source: Kasmir (2016)

3. Liquidity Ratio

According to Brigham and Houston (2018), "Liquidity Ratio shows the relationship between cash and other current assets of a company with its current liabilities. Current assets include cash and cash equivalents, marketable securities, accounts receivable, and inventory. While current liabilities include accounts payable, wages and taxes accrued, and short-term notes payable to banks, all of which mature within one year.

According to Sunyoto (2013) stated that, "Liquidity Ratio measures the company's ability to meet financial obligations that must be met immediately or the company's ability to meet financial obligations when billed". A company that is able to meet financial obligations on time means that the company is in a liquid state. The higher the Liquidity Ratio, the better, meaning that current assets can cover current liabilities called liquidity. However, too high a Liquidity Ratio is also not good, because the company cannot manage current assets effectively.

According to Kasmir (2016), "The type of Liquidity Ratio used to measure the ability to meet short-term obligations is: Current Ratio". Current Ratio is used to measure the company's ability to meet its short-term obligations that will mature by using the total current assets available. Current Ratio describes the amount of current assets available compared to the total current liabilities. The following is the formula used to calculate the current ratio. Current Ratio is a ratio used to measure the company's ability to meet its short-term obligations that will mature soon by using the total current assets available. The formula used to calculate the Current Ratio is:

$$\text{Current Ratio} : \frac{\text{Current Assets}}{\text{Current Debt}} \times 100 \%$$

4. Solvency Ratio

According to Kasmir (2016) "The solvency ratio is a ratio used to measure the extent to which a company's assets are financed by debt". This means how much debt burden is borne by the company compared to its assets. In a broad sense, it is said that the solvency ratio is used to measure the company's ability to pay all its obligations, both short-term and long-term if the company is dissolved (liquidated). Based on the definition above, it can be concluded that the solvency ratio is how much debt the company has compared to the equity and assets it owns. The solvency ratio is a ratio that functions to assess the company's ability to pay off all its obligations, both in the short and long term

with collateral assets or wealth owned by the company so that the company is liquidated or closed.

Solvency ratio is a ratio that shows the company's ability to meet all its obligations, both long-term and short-term if the company is liquidated. According to Kasmir (2016), the types of Solvency Ratios used to measure the company's ability to use its assets are: Debt to Equity Ratio. Debt to Equity Ratio shows the relationship between the amount of long-term debt and the amount of equity provided by the company's owners, in order to determine the company's financial condition. Debt to Equity Ratio is a ratio used to assess debt with equity. To find this ratio by comparing all debts, including current debt with all equity. The higher the Debt to Equity Ratio value, the higher the risk borne by the company because most of the funding sources come from creditors. The formula for the Debt to Equity Ratio value:

$$\text{Debt to Equity Ratio} : \frac{\text{Total Debt}}{\text{Total Equity}} \times 100 \%$$

5. Profitability Ratio

According to Kasmir (2016) "Profitability Ratio is a ratio to assess a company's ability to seek profit". Profitability Ratio also provides a measure of the level of effectiveness of a company's management. This is indicated by the profit generated from sales and investment income. The point is that the use of Profitability Ratio shows the efficiency of the company. According to Sunyoto (2013), "Profitability Ratio measures the company's ability to generate profit before a certain period". Meanwhile, according to Martono and Harjito (2014), "Profitability Ratio is a ratio that shows the company's ability to gain profit from the use of its capital". Profitability Ratio also provides a measure of the level of effectiveness of a company's management. This is indicated by the profit generated from sales and investment income. The type of Profitability Ratio used to measure a company's ability to seek profit is Return On Assets. Return On Assets is a financial ratio that measures the efficiency of a company in generating profit from its assets. The higher the Return On Asset, the more the company is able to utilize assets well to gain profit. Return On Asset value formula:

$$\text{Return On Asset} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

6. Activity Ratio

According to Kasmir (2015), "Activity ratio is a ratio used to measure the effectiveness of a company in using its assets". Activity ratio is used to measure the level of efficiency and effectiveness of the use of company resources. Low assets at a certain level of sales will result in an increase in excess funds invested in these assets. These excess funds would be better invested in other more productive assets. The types of Activity Ratios used to assess a company's ability in sales, collection of receivables and utilization of assets owned are: Total Asset Turn Over. Total Asset Turn Over is a ratio used to measure the turnover of all assets owned by the company, measuring the amount of sales from each asset. Total Asset Turn Over is a ratio used to measure the amount of sales obtained from each asset. The greater the Total Asset Turn Over value, the better, where assets can rotate faster and generate profits and show the more efficient use of all assets in generating sales. The Total Asset Turn Over ratio can be calculated using the formula:

$$\text{Total Asset Turn Over} : \frac{\text{Sales}}{\text{Average Total Assets}} \times 100\%$$

7. Conceptual Framework

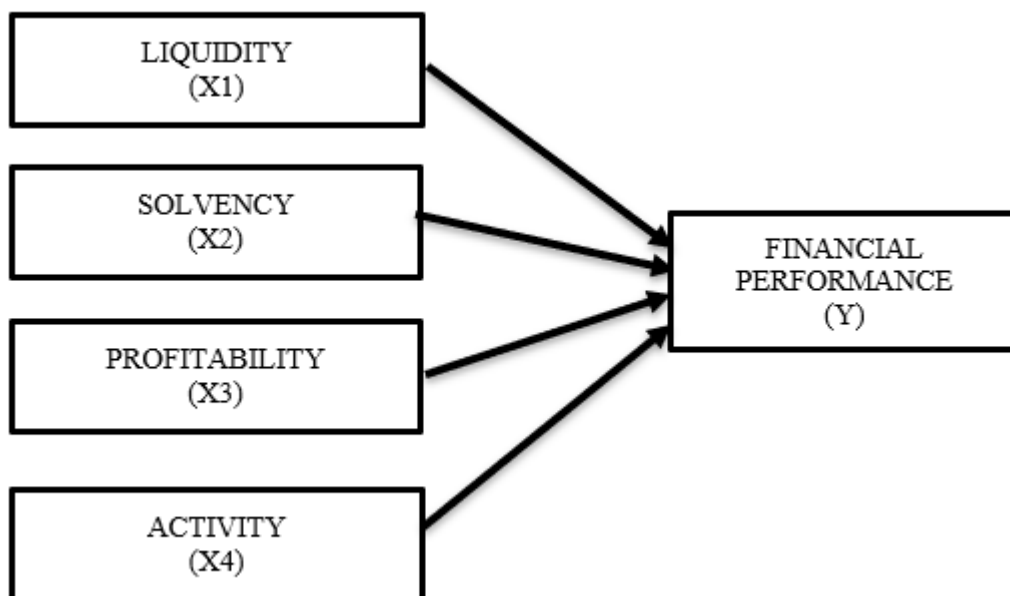


Figure 1. Conceptual Framework Figure

METHODS

1. Research Approach

The research approach used in this study is quantitative descriptive, where quantitative descriptive research is a research method that shows the characteristics of the phenomenon being studied, the description of which uses numbers or numerics (statistics). According to Nurdin and Hartati (2019), "Quantitative descriptive research intends to describe a condition precisely and accurately. Quantitative descriptive research is used because this research tries to describe certain facts and phenomena systematically, in detail, and factually". Based on this explanation, it can be concluded that quantitative descriptive research is an effort to find answers or in-depth information on a particular problem or phenomenon systematically by paying attention to the stages of research carried out quantitatively.

2. Data Types And Sources

The type of data used in this study is quantitative data. According to Sugiyono (2020), "Quantitative data is a research method that aims to test hypotheses by obtaining data through measurement or observation of previously determined variables".

The data source used in this study is secondary data. According to Sugiyono (2018), "Secondary data is a data source that does not directly provide data to data collectors, for example through other people or through documents".

3. Data Collection Techniques

In order to obtain data that can be tested for truth, the data collection methods used by the author are as follows:

a. Documentation Study

The data collection technique used in this study is the documentation technique. According to Usman and Akbar (2014), "The documentation data collection technique is the collection of data obtained through documents". This documentation technique is used because the data source in this study is the company's financial report.

b. Literature Study

The author obtained Company Information from the company's official website, namely: <http://assarent.co.id> and in the form of the Company's Financial Report from the official website: www.idx.co.id, www.assa.co.id and data from previous research results in the form of journals, books, theses, dissertations. In this study, the author's library data was obtained from various sources including books, journals, the internet, research results, and information that is considered relevant to the research topic.

4. Data Analysis Techniques

According to Wiratna (2018), "Data analysis is defined as an effort to process available data using statistics and can be used to answer the formulation of problems in research". Thus, data analysis techniques can be defined as a way to carry out data analysis, with the aim of processing the data to answer the formulation of the problem. The data analysis techniques used by the Author in this study are:

a. Data Collection

According to Sugiyono (2018), "Data collection can be done in various settings, various sources, and various ways". When viewed from the settings, data can be collected in scientific settings, respondents, at a seminar, discussion and others. When viewed from the data source, data collection can use secondary data sources.

b. Data Presentation

After reducing the data, the next step is to present the data. In qualitative research, data presentation can be done in the form of tables, graphs, flowcharts, pictograms and the like. Through the presentation of the data, the data can be organized, arranged in a relationship pattern, so that it will be easy to understand. In addition, in qualitative research, data presentation can be done in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like, but what is often used to present data in qualitative research is narrative text. Through the presentation of this data, the data is organized and structured so that it will be easier to understand (Sugiyono, 2018).

c. Data Analysis

According to Bogdan in Hardani, et al. (2020), "Data analysis is the process of systematically searching for and compiling data obtained from the results of materials collected through data so that they are easy to understand and the findings can be communicated to others".

d. Reporting Results

According to Sugiyono (2018), "Reporting results is an important research stage that follows the process of data collection and analysis". Reporting results as an effort to present research findings systematically and logically. that reporting research results must be done objectively and transparently so that readers can understand and evaluate

the quality and validity of the research. Good presentation also helps in conveying research messages clearly and effectively.

RESULTS

1. Liquidity Ratio

Table 6. Liquidity Ratio Using Current Ratio PT. Adi Sarana Armada Tbk. On Indonesia Stock Exchange Year 2012 – 2023

No	Year	Current Assets	Current Debt	Current Rasio	Criteria
1	2012	435.661.177.548	396.686.090.694	109,83%	Very Good
2	2013	200.696.682.735	410.110.600.279	48,94%	Not Good
3	2014	215.694.874.010	537.744.820.888	40,11%	Not Good
4	2015	265.669.161.853	625.123.073.152	42,50%	Not Good
5	2016	292.211.049.808	596.788.731.977	48,96%	Not Good
6	2017	343.676.979.857	802.405.786.738	42,83%	Not Good
7	2018	536.760.828.132	1.150.241.108.007	46,66%	Not Good
8	2019	652.506.417.924	1.240.237.695.433	52,61%	Not Good
9	2020	627.688.000.000	1.436.932.000.000	43,68%	Not Good
10	2021	1.061.789.000.000	1.182.733.000.000	89,77%	Good
11	2022	1.545.235.000.000	1.792.268.000.000	86,21%	Good
12	2023	1.466.081.000.000	1.663.304.000.000	88,14%	Good

Source: Author's Data Processing Results (2024)

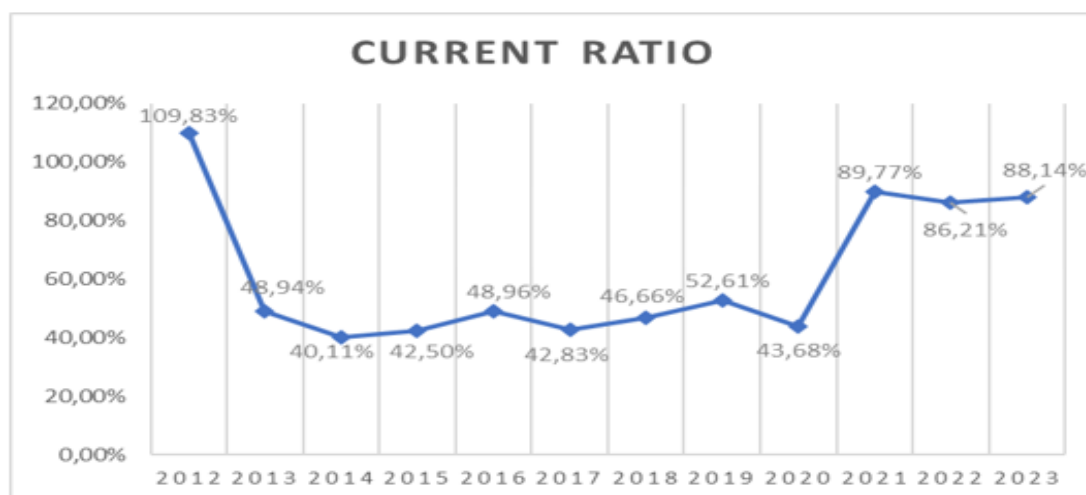


Figure 2. Current Ratio

Source: Author's Data Processing Results (2024)

Liquidity Ratio using Current Ratio at PT. Adi Sarana Armada, Tbk. experienced fluctuations in 2013 showing a decreasing ratio of 48.94% which shows that every current

liability of Rp. 1.00 is guaranteed by cash and securities of Rp. 0.38, but in 2021 to 2023 there was an increase in the Current Ratio value so that financial performance was in good criteria and could guarantee the payment of current debts that were due, because inventory was much higher than trade receivables and also the excess current assets were optimal.

2. Solvency Ratio

Table 7. Solvency Ratio Using Debt to Equity Ratio PT. Adi Sarana Armada Tbk. On Indonesia Stock Exchange Year 2012 – 2023

No	Year	Total Debt	Equity	<i>Debt to Equity Ratio</i>	Criteria
1	2012	1.376.044.230.936	732.969.886.275	187,74%	Not Good
2	2013	837.365.890.677	825.009.436.511	163,30%	Not Good
3	2014	854.482.220.222	837.365.890.677	199,42%	Not Good
4	2015	903.515.803.391	854.482.220.222	238,56%	Very Not Good
5	2016	985.584.333.357	903.515.803.391	235,32%	Very Not Good
6	2017	2.321.587.255.114	985.584.333.357	235,55%	Very Not Good
7	2018	2.924.124.201.613	1.138.411.931.126	256,85%	Very Not Good
8	2019	3.511.071.376.393	1.338.152.253.649	262,38%	Very Not Good
9	2020	3.731.575.000.000	1.439.320.000.000	259,25%	Very Not Good
10	2021	4.266.439.000.000	1.765.508.000.000	241,65%	Very Not Good
11	2022	4.797.580.000.000	2.470.857.000.000	194,16%	Not Good
12	2023	4.733.321.000.000	2.602.476.000.000	181,87%	Not Good

Source: Author's Data Processing Results (2024)

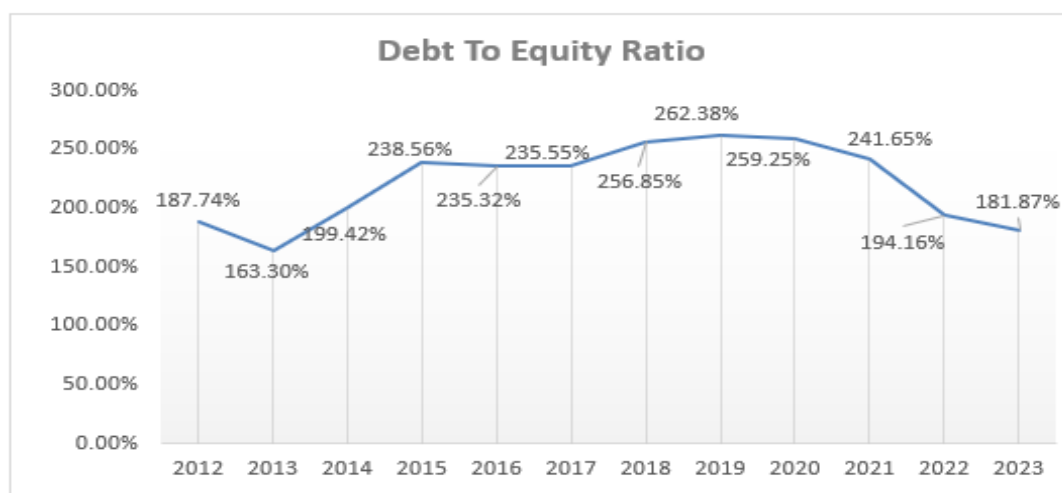


Figure 3. Debt to Equity Ratio

Source: Author's Data Processing Results (2024)

Solvency Ratio using Debt to Equity Ratio at PT. Adi Sarana Armada Tbk. that the debt to equity ratio fluctuates, there is an increase and decrease in the value of Debt to Equity Ratio in 2015, increasing by 238.56% and decreasing in 2022 by 194.16%. This increase occurred due to an increase in long-term bank loans that mature within 1 year, the level of debt usage to the total equity owned by the company or the ratio that shows the composition or capital structure of the total loan/debt to the total capital owned by the company with poor criteria. The decrease in the value of Debt to Equity Ratio for a low debt to equity ratio is still considered less good because it could indicate that the company is not utilizing the increase in its profit/profit to the maximum. A Debt to Equity Ratio value that is too high has a negative impact on financial performance, because the higher the debt level indicates that the company's interest expense will be greater and reduce profits. So that the greater the value of the Debt to Equity Ratio tends to lower the stock price.

3. Profitability Ratio

Table 8. Profitability Ratio Using Return On Asset PT. Adi Sarana Armada Tbk. On Indonesia Stock Exchange Year 2012 – 2023

No	Year	Net Profit	Total Assets	Return On Asset	Criteria
1	2012	29.453.261.026	2.108.998.307.963	1,40%	Not Good
2	2013	92.042.801.164	2.172.241.158.275	4,24%	Not Good
3	2014	42.947.775.554	2.507.311.194.506	1,71%	Not Good
4	2015	33.274.482.039	2.892.967.196.853	1,15%	Not Good
5	2016	62.674.110.544	3.029.807.463.353	2,07%	Not Good
6	2017	105.963.128.163	3.307.396.918.555	3,20%	Not Good
7	2018	142.242.000.000	4.062.536.132.739	3,50%	Not Good
8	2019	91.614.000.000	4.849.223.630.042	1,88%	Not Good
9	2020	63.896.000.000	5.170.895.000.000	1,23%	Not Good
10	2021	159.581.000.000	6.031.947.000.000	2,64%	Not Good
11	2022	3.704.000.000	7.268.437.000.000	0,50%	Not Good
12	2023	19.430.000.000	7.335.798.000.000	0,26%	Not Good

Source: Author's Data Processing Results (2024)

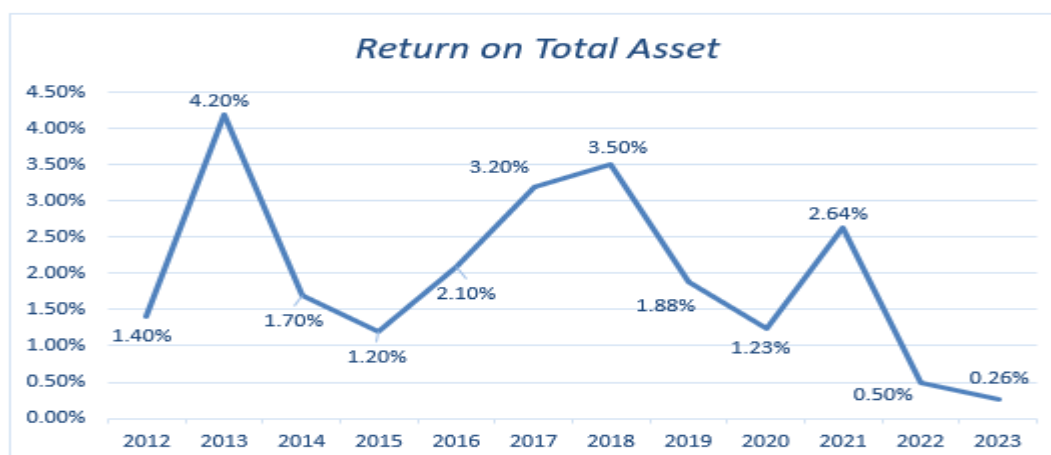


Figure 4. Return on Asset

Source: Author's Data Processing Results (2024)

Profitability Ratio using Return On Asset at PT. Adi Sarana Armada Tbk. from 2012 to 2023 there were fluctuations and financial performance was said to be less than good, due to a decrease or ineffective use of assets in generating profit. The Return On Asset value has a low value, this is not a good thing because it can be caused by the company's deliberate decision to use debt. The increase in the Return On Asset value was able to generate a net profit of 4.2% of the total assets used but still remained in the criteria for less than good financial performance. There are several possible causes of the company's ineffectiveness in managing assets such as high idle cash, low accounts receivable turnover and too many fixed assets not being used effectively.

4. Activity Ratio

Table 9. Activity Ratio Using Total Asset Turn Over PT. Adi Sarana Armada Tbk. On Indonesia Stock Exchange Year 2012 – 2023

No	Year	Income	Total Assets	Total Asset Turn Over	Criteria
1	2012	793.862.147.315	2.108.998.307.963	37,64%	Good
2	2013	1.018.883.265.475	2.172.241.158.275	46,90%	Very Good
3	2014	1.140.260.479.449	2.507.311.194.506	45,48%	Very Good
4	2015	1.392.596.846.234	2.892.967.196.853	48,14%	Very Good
5	2016	1.570.388.327.917	3.029.807.463.353	51,83%	Very Good
6	2017	1.689.846.194.031	3.307.396.918.555	51,09%	Very Good
7	2018	1.866.538.576.573	4.062.536.132.739	45,94%	Very Good
8	2019	2.334.222.192.085	4.849.223.630.042	48,13%	Very Good
9	2020	3.037.359.000.000	5.170.895.000.000	58,73%	Very Good
10	2021	5.088.094.000.000	6.031.947.000.000	84,35%	Very Good

11	2022	5.870.094.000.000	7.268.437.000.000	80,76%	Very Good
12	2023	4.438.522.000.000	7.335.798.000.000	60,50%	Very Good

Source: Author's Data Processing Results (2024)

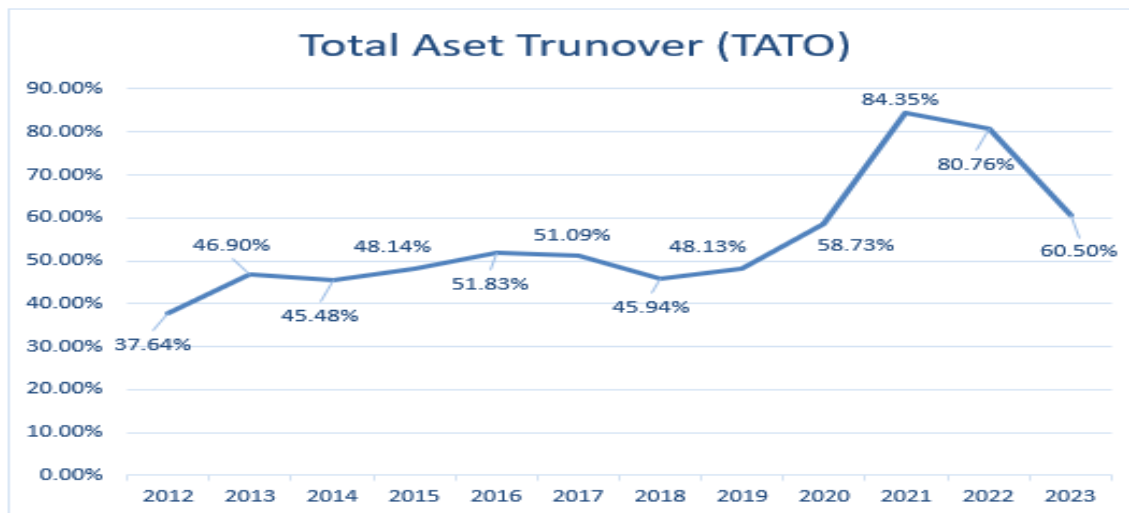


Figure 5. Total Asset Turn Over

Source: Author's Data Processing Results (2024)

Activity Ratio using Total Asset Turn Over at PT. Adi Sarana Armada Tbk. has increased from 2012 to 2023 with very good financial performance criteria with a Total Asset Turn Over value standard of > 40%. This shows that the company is able to generate income from its assets. The higher the Total Asset Turn Over means that the company is using all of the company's assets to generate net sales efficiently. The faster the turnover of a company's assets to support its net sales activities, the greater the income obtained so that the greater the profit obtained. The company has been able to generate high-value sales based on its assets.

DISCUSSION

1. Liquidity Has Partial Effect on Financial Performance at PT. Adi Sarana Armada, Tbk.

Based on the research results, it can be concluded that the Liquidity Ratio using the Current Ratio has a partial positive effect on financial performance with Good criteria. This shows that the company's ability to guarantee to pay short-term liabilities, because inventory is much higher than accounts receivable and also the existence of excess current assets optimally at PT. Adi Sarana Armada, Tbk. which is listed on the IDX in the period 2012-2023.

According to R. Wardhyana (2020), "The higher the level of liquidity, the greater the company's ability to meet its short-term financial obligations. This can increase the credibility of the company which will cause a positive reaction from investors and cause increased demand for shares".

The results of this study are not in line with previous research from Harianto Gultom (2020) which shows that the Liquidity Ratio has a negative effect on the disclosure of Financial Performance. In this study, there was a decrease in Liquidity using the Current Ratio which experienced a drastic decline in 2020 due to the pandemic that occurred in Indonesia for the next few years, making the company less than optimal in managing cash flow and costs.

2. Solvency Has Partial Influence on Financial Performance at PT. Adi Sarana Armada, Tbk.

Based on the research results, the author concludes that the Solvency Ratio using the Debt to Equity Ratio does not have a partial effect on Financial Performance with the criteria of Less Good. This shows that the increase in long-term debt to equity makes the company more dependent on external parties (creditors) so that the company's risk level is greater. This increase occurs because the company finances a large amount of potential growth through loans. The high value of the Debt to Equity Ratio indicates that the company is unable to manage future operations at PT. Adi Sarana Armada, Tbk. which is listed on the IDX in the period 2012-2023.

According to Kasmir (2018), "If the results of the company's calculations show that it has a high Solvency Ratio value, this will have an impact on the emergence of a greater risk of loss, but there is also an opportunity to get big profits. Tends to be able to meet short-term obligations so as to reduce the risk of loan default".

The results of this study are in line with previous research by Lysus Herwati Prasthiwi (2020) which shows that the Solvency Ratio has increased long-term debt loans, resulting in a very large risk of loss with high interest rates. One of the consequences of transacting is that creditors doubt the company and enter the company's name into the blacklist.

3. Profitability Has Partial Influence on Financial Performance at PT. Adi Sarana Armada, Tbk.

Based on the research results, the author concludes that the Profitability Ratio using Return On Asset does not have a partial effect on Financial Performance with the criteria of Less Good. This shows that the ineffectiveness of asset use in generating profit (profit), which is caused by receivables that are too low and too many assets that are not used effectively. Return On Asset has a low value because of the company's deliberate decision to use large amounts of debt. The cause of the company's ineffectiveness in managing assets such as high idle cash, low receivables turnover and too many fixed assets are not used effectively at PT. Adi Sarana Armada, Tbk. which is listed on the IDX in the 2012-2023 period.

According to A. Amirudin (2022), "High profitability reflects the company's ability to generate high profits for shareholders. With a high Profitability Ratio value owned by the company because every existing asset can generate profit, it will attract investors to invest their capital in the company".

The results of this study are in line with previous research from Meilinda Eka Rusti, Natalia Titik Wiyani (2017) which shows that if the Profitability Ratio decreases, the company has poor Financial Performance. The company's Return On Asset does not grow and has a chance of survival in a relatively short time.

4. Activities Partially Influence Financial Performance at PT. Adi Sarana Armada, Tbk.

Based on the results of the study, the author concludes that the Activity Ratio using Total Asset Turn Over has a partial effect on Financial Performance with Very Good criteria. This shows that the company's total asset turnover value tends to be high, because the company is able to utilize all assets to generate its income. The greater the Total Assets Turn Over, the better, because the more efficient all assets are used to support activities at PT. Adi Sarana Armada, Tbk. which is listed on the IDX in the period 2012-2023.

According to Kasmir (2018), "The higher the level of activity ratio indicates that the company is better at managing its assets, the more the profits generated will increase".

This shows the level of efficiency of the company in utilizing its assets to generate high income values.

The results of this study are not in line with previous research by Grace Diana Pricilia Ramang (2019) which shows that the Activity Ratio using a low Total Asset Turn Over value indicates that the company places too much of its funds in the form of basic assets, so that the company's ability to generate profits also decreases. This means that the company's financial performance has also declined and has an impact on the company lacking capital to pay its debts.

CONCLUSION

- a. Liquidity Ratio using Current Ratio has a partial positive effect on Financial Performance with Good criteria, this shows that there is a company's ability to pay short-term obligations at PT. Adi Sarana Armada, Tbk. which is listed on the Indonesia Stock Exchange in 2012-2023.
- b. Solvency Ratio using Debt To Equity Ratio does not have a partial effect on Financial Performance with Poor criteria, this shows that there is no company's ability to meet long-term obligations because risk assessment is ineffective so that there is a greater risk of loss at PT. Adi Sarana Armada, Tbk. which is listed on the Indonesia Stock Exchange in 2012-2023.
- c. Profitability Ratio using Return On Asset does not have a partial effect on Financial Performance with Poor criteria, this shows that there is no efficiency in using company assets to generate profits and ineffectiveness in accounts receivable turnover so that the small capital invested in PT. Adi Sarana Armada, Tbk. which is listed on the Indonesia Stock Exchange in 2012-2023.
- d. Activity Ratio using Total Asset Turn Over has a partial positive effect on Financial Performance with Very Good criteria, this shows that the company has the ability to utilize its assets to generate income at PT. Adi Sarana Armada, Tbk. which is listed on the Indonesia Stock Exchange in 2012-2023.

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