IOSR Journal of Business and Management (IOSR-JBM)
e-ISSN: 2278-487X, p-ISSN: 2319-7668. Volume 24, Issue 10. Ser. IV (October. 2022), PP 13-17
www.iosrjournals.org

The Effect on Financial Performance of Pt. Xyz Bogor Laboratory Analysis Services Due To Covid – 19 Pandemic

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Abstract: *COVID-19 disease is caused by SARS-CoV-2, a coronavirus that first appeared in December 2019. COVID-19 is a dangerous virus that has killed millions of people around the world and left others with long-term health problems. The pandemic has caused chaos on people's lives in all nations and communities and will have a negative impact on global economic development in 2020 unlike anything seen in almost a century. The pandemic of COVID-19 has had a multi-sectoral impact. In terms of the economy, the pandemic has exacerbated the consequences of economic recession in Asian, American, African, European, and Australian/Oceanic countries. One of the business sectors, namely laboratories, some were affected, some laboratory sectors experienced a drastic increase, especially in the health sector. The motivation of this research is to gives an insight to the company this research during and before the Covid-19 pandemic happened to analyze the economic performance of the laboratory company as a supporting data in order to gives contribution to the company to pay attention to liquidity, profitability, company size and company growth.*

Keywords: liquidity, profitability, company size, company growth

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Date of Submission: 09-10-2022 Date of Acceptance: 22-10-2022

I. Introduction

The Covid-19 pandemic illness is brought on by SARS-CoV-2, a coronavirus that first emerged in December 2019[5]. Over 8.9 billion individuals in Asia, America, Europe, Australia, Africa, and Antarctica have been impacted by the pandemic.Some of them must practice social withdrawal for months [3]. The epidemic will affect people's daily life in every country and civilization more profoundly in 2020 than it has in almost a century.The economic situation was severely impacted and widespread in the financial sector as a result of COVID-19[6]. The virus is expected to reduce annualized global economic growth in 2020 to about -3.2% before rebounding to 5.9% in 2021. 2020 is expected to see a 5.3 percent fall in global commerce, but 2021 will see an increase of 8.0 percent.The fiscal and monetary measures implemented by governments in 2020 are expected to play a role in the economic slump in 2020 being less severe than initially estimated. The second quarter of 2020 saw a significant slowdown in economic growth for most nations, followed by a swift recovery in the third quarter and largely positive growth ever since.The overall effects on the world economy are expanding even while they are waning. In particular, the health issue has a chronic component that hurts the global economy in ways that go beyond conventional metrics and may have long-lasting and significant repercussions.The COVID-19 pandemic has affected a variety of industries. Economically speaking, the pandemic has made the effects of the global economic downturn worse in Asian, American, African, European, and Australian/Oceanic nations. The dynamics of the nation's economic growth can be explained by pandemic occurrences, exposure duration, population, regional variations, and differences in status in 63.73 percent of cases; the remaining 26.27 percent is influenced by unknown variables [3].According to Finance Minister Sri Mulyani Indrawati, the Corona Virus outbreak has impacted every industry. Only business activity that is transitioning to digital internet can now overcome the barriers. Since people were no longer physically connected, certain activities that had previously run smoothly ceased to exist, and informal economic activity suffered as a result. It will only be possible for activities that can be transformed to the internet to persist. While assessing the effects of COVID-19, we immediately noticed a drop in public consumption. As we all know, consumption has a 60% impact on the economy.Covid-19, according to Sri Mulyani, causes investment to decline and to stop when there is uncertainty. Third, Sri Mulyani said that there was a global economic downturn that had caused Indonesian shipments to a number of target countries to be halted. Among the goods whose prices decreased were oil, coal, and CPO. Third, the decline in the world economy hurt our exports.

Commodity prices plummeted, oil prices fell, coal prices fell, and CPO prices decreased, affecting Indonesia's export-oriented economic basis, she added (Mulyani, 2020). The Central Statistics Agency (BPS) found that 82.85% of enterprises had been impacted by the COVID-19 coronavirus outbreak. The recession had the greatest impact on the lodging and food/drink industries, which saw a decline of 92.47 percent. The second-largest source of revenue loss was other services, which had a decline of 90.90 percent. Construction comes in second place, followed by manufacturing, trading, transportation, and warehousing. For your information, from July 10 to July 26, 2020, BPS surveyed 34,559 business actors [1]. One of the business sectors, laboratories, was impacted to varying degrees. Some laboratory sectors saw a significant increase, particularly in the health industry.The purpose of this study is to investigate the effects of liquidity, profitability, company size, and growth on the financial performances of companies. As an illustration, consider the environment laboratory industry, which over the previous six years has experienced tremendous profit growth. The theory states that a company's liquidity is influenced by its current liabilities and current assets.Because a corporation's ability to generate profits grows in tandem with its ability to pay off short-term debt, liquidity has a significant impact on profitability and has a positive relationship with profitability[2]. The motivation for this research is to provide insight to the company by analyzing the economic performance of the laboratory company as supporting data during and before the Covid-19 pandemic occurred in order to contribute to the company's attention to liquidity, profitability, company size, and company growth. To address the gap, this study quantifies the effects of COVID-19 on company performances in terms of liquidity, profitability, company size and company growth as the variables before and during the pandemic happened.

II. Material And Methods

Both primary and secondary data were used in the data collection process. The employee of the laboratory company was interviewed, and the company's financial report was used as the primary source of data, however, the company name must be kept confidential. The basic data was backed up by secondary data to help support the theory and the findings of this study. The official statistics report, books, newspapers, and journals was used to gather secondary data. Due to the availability of data, the PT. XYZ company was used as a sample in this study. This analysis' cross-sectional temporal technique was in Bogor.Cross-sectional analysis refers to a study performed over a period of time as data is obtained at just one stage.

III. Result

The data for this study were gathered from the financial statements of one of the laboratory companies in Bogor, Indonesia. Data was collected over a six-year period, from 2016 to 2021, and included balance sheets, income statements, and cash flow statements. The data was then analyzed in order to compute financial ratios before and during the Covid-19 Pandemic. The specifics are provided below.Table number 1 and 2 shows the result of liquidity ratio before and during the covid-19 pandemic, while table number 3 and 4 shows the result of profitability ratio before and during the covid-19 pandemic and for the company size and growth will be shown in table 5 and 6. The result of paired t-test are shown in table number 7, while the ratio of paired t-test will be shown in figure 1 and figure 2.

Table 1. Liquidity Ratio Beforethe Covid-19 Pandemic

Year	Current Assets	Current Liabilities	Current Ratio	Inventory	Quick Ratio	Cash	Cash Equivalent	Cash Ratio
2016	12,813,137,889	1,498,254,000	8.55	265,501,102	8.37	1.490.984.341	1,000,000,000	1.00
2017	15,506,445,737	3,601,191,946	4.31	402,900,583	4.19	1.181.575.662	1,000,000,000	0.33
2018	16,830,913,062	4,220,599,999	3.99	581,380,439	3.85	4.083.709.782	11,000,000,000	0.97

Table 2. Liquidity Ratio During the Covid-19 Pandemic

Year	Current Assets	Current Liabilities	Current Ratio	Inventory	Quick Ratio	Cash	Cash Equivalent	Cash Ratio
2019	20,199,529,812	5,522,093,406	3,66	766,955,339	3.52	241,313,840	11,000,000,000	0.05
2020	34,743,410,421	15,876,696,503	2,19	966,014,465	2.13	8,296,534,261	11,050,000,000	0.52
2021	37,083,469,689	13,747,370,499	2,70	1,203,292,092	2.61	10,984,512,246	11,050,000,000	0.80

Table 3. Profitability Ratio Before the Covid-19 Pandemic

Y r	Net Income	Revenue	Total Asset	Shareholder's Equity	Net Profit After Tax	NPM	R A	R E	R I
2 6	786,118,383	10.973.648.626	12,813,13 7,889	11,314,883,889	682.301.297	0.07 2	0 61	0 69	0 53
2 7	831,653,539	12.800.102.452	15,506,44 5,737	11,905,253,791	590.369.902	0.06 5	0 54	0 70	0 38
2 8	1,075,015,414	16.113.349.563	16,830,91 3,062	12,610,313,063	803.058.817	0.06 7	0 64	0 85	0 48

Table 4. Profitability Ratio During the Covid-19 Pandemic

Year	Net Income	Revenue	Total Asset	Shareholder's Equity	Net Profit After Tax	NPM	ROA	ROE	ROI
2019	2,768,449,753	31,679,930,291	20,199,529,812	14,677,436,406	2,061,196,934	0.087	0.137	0.189	0.102
2020	5,428,885,046	56,097,640,245	34,743,410,421	18,866,713,918	4,132,196,686	0.097	0.156	0.288	0.119
2021	5,861,180,168	47,990,111,495	37,083,469,689	23,336,099,190	4,508,710,808	0.122	0.158	0.251	0.122

Table 5. Firm Size Before and During the Covid-19 Pandemic

Before Covid-19 Pandemic		
Year	Total Assets	Firm Size
2016	12,813,137,889	23.27
2017	15,506,445,737	23.46
2018	16,830,913,062	23.55
During Covid-19 Pandemic		
Year	Total Assets	Firm Size
2019	20,199,529,812	23.73
2020	34,743,410,421	24.27
2021	37,083,469,689	24.34

Table 6. Company Growth Before and During the Covid-19 Pandemic

Before Covid-19 Pandemic (2016-2018)		
Year	Net Income / Sales	Sales Growth
2016	10.973.648.626	-
2017	12.800.102.452	0,17
2018	16.113.349.563	0,26
During Covid-19 Pandemic (2019-2021		
Year	Net Income / Sales	Sales Growth
2019	31.679.930.291	0,97
2020	56.097.640.245	0,77
2021	47.990.111.495	0,14

Table 7. Paired Samples Statistics

		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Current Ratio Before	5.6167	3	2.54537	1.46957
	Current Ratio During	2.8500	3	0.74639	0.43093
Pair 2	Quick Ratio Before	5.4700	3	2.51772	1.45332
	Quick Ratio During	2.7533	3	0.70600	0.40761
Pair 3	Cash Ratio Before	0.7667	3	0.37846	0.21851
	Cash Ratio During	0.4567	3	0.37899	0.21881
Pair 4	ROA Before	0.5967	3	0.005132	0.002963
	ROA After	0.15033	3	0.011590	0006692
Pair 5	ROE Before	0.07467	3	0.008963	0.005175
	ROE After	0.24267	3	0.050023	0.028881
Pair 6	ROI Before	0.4633	3	0.007638	0.004410
	ROI After	0.11433	3	0.010786	0.006227

Figure 1. Liquidity Ratio on Paired T Test

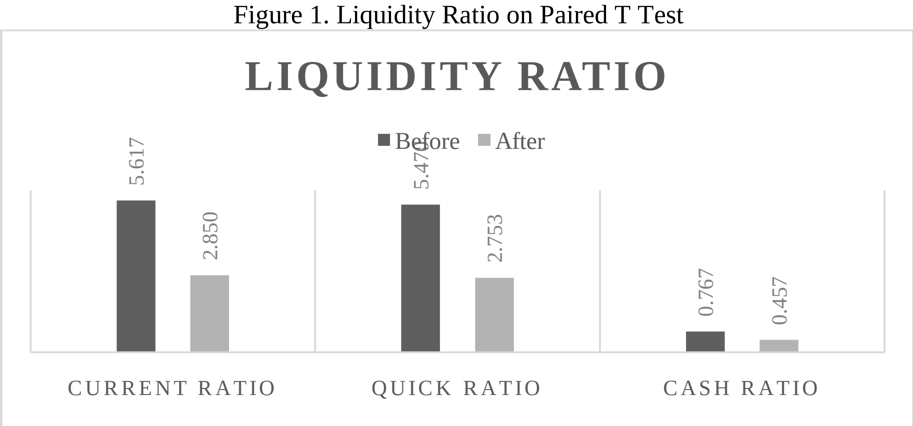
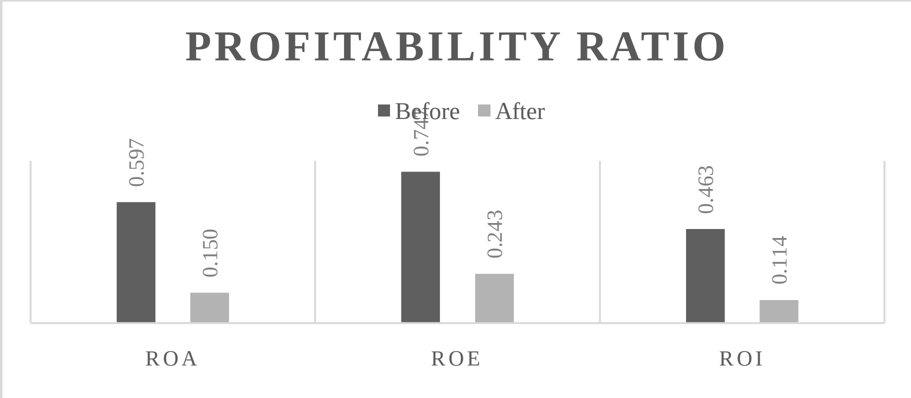


Figure 2. Profitability Ratio on Paired T Test



IV. Discussion

Liquidity in the company includes several indicators, such as quick ratio figures, current ratio figures, and cash ratio figures. In other words, the higher the liquidity level of a company, the better its financial performance is. Based on the results of the research in this case, the effect of liquidity before the pandemic and during the pandemic in the correlation research results using the *paired t test* method gives the mean results and *std. deviations* result that can be seen in ***figure 1.*** The results shows that there are differences in the results before and during the COVID-19 pandemic in the mean results, which can be interpreted descriptively as there are differences. Supported by the correlation in the significance value in the paired t test correlation test in ***table 7*** whose value is > 0.05. These results indicate a difference in liquidity before and during the COVID-19 pandemic. This shows that the presence and absence of the Covid-19 pandemic did not make the company's performance worse. Supported by the results of the actual liquidity ratio where the results of the liquidity ratio have good results. Because the results of the three ratios show indicators of the company's performance and financial situation. Firstly the current ratio, the current ratio keep reducing in accordance with the growth in the year generated by the increase in PT. XYZ's assets, allowing the business to pay off its short-term financial obligations. However, contrary to the quick ratio results obtained, keep decreasing can be caused by obstacles in fulfilling all its obligations so that it can cause losses for the company. The quick ratio results may decrease due to an increase in company liabilities such as there are payments to vendors that support PT. XYZ's activities that have not been paid at the end of the year. Lastly the cash ratio result also keep decreasing due to the increasing company liabilities and cash equivalent (stock), which makes the company have a constraints that affect the cash ratio. It can conclude that PT. XYZ can managed and maintain their financial performance during the pandemic wisely. Even with the increase in company liabilities and cash equivalents, PT. XYZ also had higher sales results and rising assets as well. Which is even though PT. XYZ has bonds to settle, the company has also succeeded in developing its assets.

Profitability in the company includes several indicators, such as Net Profit Margin, Return on Assets, Return on Equity and Return on Investment. Based on the results of the research in this case, the effect of liquidity before the pandemic and during the pandemic in the correlation research results using the *paired t test* method gives the mean results and *std. deviations* result that can be seen in ***figure 2.*** The results shows that there are differences in the results before and during the Covid-19 pandemic in the mean and std. deviations results, which can be interpreted descriptively as there are differences and has a good result because the result is > 0.05. Supported by the correlation in the significance value in the paired t test correlation test in ***table 7*** whose value is not quite good which results > 0.05. Some of the results show quite a difference. This difference shows that there are differences in companies before and during the COVID-19 pandemic. This shows that the presence and absence of the Covid-19 pandemic did not make the company's performance worse. Supported by the results of the actual profitability ratio where the results of the profitability ratio have good results. In addition, changes in the ratio at PT XYZ, one of which is caused by net income that continues to increase, in this study because PT XYZ is one of the analytical laboratory companies. PT XYZ analyzed various samples from clients, because of the Covid-19 pandemic, many clients came from the medical sector such as hospitals for example and there were also several clients who came from the environmental sector such as waste treatment companies. Therefore, with the Covid-19 pandemic, PT XYZ still gets good profitability. It can be seen that the profitability ratios do have difference, but the differences shows the effectiveness of management in using assets to earn income.

The size of the firm grows over time, per the research findings in this case. The company size of PT. XYZ is growing despite the Covid-19 epidemic. A firm's size can be used to demonstrate its financial characteristics. The size of the business is significantly influenced by its asset. Because PT XYZ is a laboratory analysis company during this pandemic and there are many samples from clients, PT XYZ adds to their assets, for example analytical tools in the laboratory, because PT XYZ has using modern instrument to support the company's performance effectively and efficiently. As a result, PT XYZ is expanding in this study.Additionally, PT XYZ must acquire its assets, such as vehicles, in order to support the business effectively and efficiently. This is required because some PT XYZ projects call for vehicles to be analyzed at the client's facility. It is evident from the increase in assets at the company PT XYZ that PT XYZ is growing along with its assets. The company's size can be utilized to demonstrate its financial capabilities. The larger the company, the easier it will be to raise capital on the capital market in compared to small businesses. Because of accessibility, large enterprises have more freedom.

Growth is the capacity of the company to expand. The expansion of the corporation is generally impacted by a variety of factors, including internal, external, and the impact of the regional industrial climate. Businesses that are experiencing rapid expansion should use stock as a source of finance because it does not require a middleman to act as a conduit between shareholders and management. Businesses with moderate growth rates should use debt as a source of capital because it requires consistent interest payments. Sales growth, however, sharply decreased in this case, indicating that the company's expansion had a negative and minimal effect on firm value.The study's conclusions indicate that a company's expansion has no bearing on its value. Even though sales growth slowed around that period due to the Covid-19 epidemic, net income has significantly increased since then. Higher sales, total assets, liquidity, and profitability are all clear indicators that PT. XZY expanded as a result of these factors.

V. Conclusion

The Covid-19 pandemic did not worsen the company's performance whether it existed or not. supported by the real liquidity ratio's results, where those data show favorable results. We can infer that PT. XYZ was able to prudently manage and sustain their financial performance throughout the pandemic. Even though the company's obligations and cash equivalents increased, PT. XYZ also saw a growth in sales and its assets. In spite of having bonds to pay off, PT. XYZ has been successful in growing its assets.Additionally reinforced by the actual profitability ratio findings, where the profitability ratio outcomes are positive. The profitability ratios certainly differ, as can be seen, but such disparities highlight how successfully management uses its resources to generate revenue.

The size of the firm grows over time, per the research findings in this case. The company size of PT. XYZ is growing despite the Covid-19 epidemic. The profitability and liquidity of a corporation are related. Additionally, PT. XYZ is expanding despite the COVID-19 epidemic. Many things have an impact on it. Net income has improved significantly when compared to before the Covid-19 epidemic, helped by the expansion in sales at that time. It is clear that PT. XZY grew as a result of higher sales, total assets, liquidity, and profitability, all of which supported business expansion.

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Fernanda Ayuyasmin Kathalia, et. al. "The Effect on Financial Performance of Pt. Xyz Bogor Laboratory Analysis Services Due To Covid – 19 Pandemic." *IOSR Journal of Business and Management (IOSR-JBM)*, 24(10), 2022, pp. 13-17.