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Analysis of the Financial Performance of Processors and Glass Applications "Yoonly Glass"

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Abstract: At a time when the condition of community activities is limited, thus increasing the activities carried out from home, thus increasing the need for occupancy that impacts the increase of construction materials and buildings, one of which is sheet glass both locally and from imports. This increase becomes a promising business opportunity forYonly Glass. The company needs to create and plan a financial strategy to remain competitive, especially in its financial performance strategy.To implement its financial performance, the company makes data on economic performance projections forfive5 years. PT Yonly Glass, as a company engaged in Glass Processors and Applications, needs to have an excellent financial performance strategy to compete with competitors. In order and survive, a concentration on financial-economic once is required, which includes profitability, solvency, and liquidity. This research method uses qualitative methods with the measurement of profitability, solvency, and liquidity ratios. The results of this study showed that the profitability of Yonly Glass showed positive and good results for five years, in addition to the liquidity ratio also revealed the company in a liquid position.Whilethe solvencyratioalsoshowsgoodmarksso thatYonlyGlass can remaincompetitiveinthis business.

Keywords: Analysis of Financial Performance, Solvency, Profitability, Liquidity.

I. INTRODUCTION

In conditions of increased housing needs and growingphenomenon and changes in lifestyle that increase and all-round instant make apartment development in Indonesia continues to grow (Utami et al., 2020). The increase in residential and residential construction causes the need for construction raw materials also to increase high. Based on BCI ASIA (2015), the value of building construction in 2016 was 153.08 trillion, decreased in 2017, which was 150.36 trillion, decreased again in 2018, which was 140.51 trillion. After experiencing a decrease for three consecutive years from 2016-2018, the value of building construction increased by 4.9%, 147.77 trillion, and in 2020, again experienced an increase of 2.1%, which is 150.7 trillion. Then the projection in 2021 can increase by 6.7%, which is 160.8 trillion.

The projections above show that the prospect of construction raw material needs is very high. It opens opportunities for entrepreneurs to penetrate this business so that domestic companies can later supply the basic material needs. In the covid pandemic that has been long enough, almost all sectors become large markets that immediately enter the market. Other assumptions that make 2021 more optimistic are Indonesia's economic growth of around +5%, the COVID-19 vaccine program that has begun in mid-2021, and theimplementation of the omnibus law. This is a key driver that can strengthen purchasing power, increase market confidence and *confidence*,public security, and encourage better investment opportunities in the property sector. This applies to all property sectors, whether residential, office, shopping center, industry, etc. The combined capacity of sheet glass production from each manufacturer found an increasing trend from year to year (2016-2020). This is due to the growing need for sheet glass from both local and export requirements.

PT. Yonly Glass is a company engaged in the glass industry with activities to process sheet glass according to the design *of the main contractor*and the installation (applicator) of Glass in its building projects. Our company is present to provide convenience in serving the needs of Glass in the massive demand for high-rise*building* construction, in this case, the structure of Apartments, Housing, Hospitals, and office buildings throughout Indonesia. Our company also has professional experts in glass processors and glass installation on buildings. To assess the health and financial performance of Yonly Glass, the author tried to provide an overview of the company's financial performance through profitability, solvency, and liquidity ratios calculated using measuring instruments used by Yonly Glass. In calculating the percentage is based on Yonly Glass's financial statements year 1 to year 5. With this performance analysis, researchers tried to create a study entitled "**Analysis of the Financial PerformanceofProcessors and Glass Applications Yonly Glass."** This research aims to provide an overview of the financial performance analysis conducted by Yonly Glass with the above parameters. In addition, the purpose of this research is also to increase innovations related to products, processes, organizations, and business models so that companies are always ready for future market changes (Prasetyo et al., 2019)

II. LIBRARY REVIEW

Financial Statements

Based on PSAK No. 1 Revision (2019) explained that financial statements are a form of structured presentation of an entity's financial position and financial performance, where this report displays the history of the entity quantified in monetary. Meanwhile, Kieso et al. (2020) explained that financial statements are the primary means used by companies to communicate their financial information to outside parties. The statement provides a history of the company measured in the form of money. So from the description of the above understanding, financial statements result from an accounting process that can be used to communicate financial data or company activities to interested parties, both internal and external parties, in the framework of making a decision based on data and economic activities. Interested parties can make measurements and analyses of the success or not of the company.

In practice, companies need toanalyzefinancial statements, which according to Kasmir (2016), Financial statement analysis is a process of analysis of financial statements to know the company's current financial position. And the results of the financial statement analysis will also provide information about the weaknesses and strengths that the company has. By knowing these weaknesses, management will be able to fix or cover those weaknesses, and the stability that the company has must be maintained or even improved." Analysis of financial statements is required as a method or technique used to understand the data in financial statements using financial ratios. This financial ratio compares the numbers in financial statements by dividing one number with another number, and a comparison is made between one component with a component in one financial information or between components between financial statements(Cashmere, 2016). Furthermore, the numbers compared can be numbers in one period or different periods. The financial ratios analysis begins with the preliminary report,i.e., balance sheet, comprehensive income statement.

Profitability

One of the critical goals for profit-oriented organizations will be to make a profit. Therefore, the amount of profit generated can be used as one of the measuring instruments, effectiveness, because profit itself is the difference between income and expenditure. Profit is a profit received by the company because the company has made sacrifices to benefit others. According to Munawir (2010), the profit ratio or profitability ratio is a ratio that shows a company's ability to make profits. Forinvestors, this ratio shows their income level in investing. While according to Van Horne and Wachowicz (2021),the profitability ratio is the ratio that connects profit from sales and investment. From this ratio can be known the level of company profits. Meanwhile, according to Brigham and Houston (2020),profitability is a group of ratios that show the combined influence of liquidity grouping assets and debt management on operating results.

The measurement method used in this study, according to cashmere (2016), is to use Net profit margins, which is the ratio used to measure profit margin on sales, where this ratio will describe the company's net income based on total sales. Next is the Operating profit margin, where this ratio measures the percentage of operating profit on net sales. In contrast,the gross profit margin is the ratio of gross profit to company sales. To measure the proportion of such ratios, use formulas as in the following table.

Ratio	Measurement	Remark
Gross Profit Margin	Total Sales: Gross Profit	GPM
Operational Profit Margin	Net sales: Operational profit	OPM
Net Profit Margin	Total Sales: Net Income	NPM

Solvability

Solvency ratio or leverage is the activity of using assets or funds that are used by closing or paying a fixed expense, which indicates the proportion of the use of debt to finance investments. According to Irham Fahmi (2014), the solvency ratio is a ratio that shows how the company can manage its debt to get profits and can also be used to pay off its debts again. In principle, this ratio provides an overview of the adequacy of the company's debt, meaning how large the portion of the company's debt is when compared to existing capital or assets. If the company does not have leverage (Solvency) means using its own capital 100% (Agus sartono, 2010). While according to cashmere (2016), leverage ratio is used to measure the extent to which a company's assets are financed with debt. In the broad sense explained that solvency ratio is used to measure a company's capabilities.

In the measurement of solvency ratio using the method of measuring debt to asset ratio, debt to equity ratio, long term debt to equity ratio, times interest earned, and fixed charge coverage (cashmere 2016). In this study, the authors used only two ratios, namely the first debt to equity ratio, which is a ratio that can show the relationship between the number of long-term loans provided by creditors and the amount of their capital provided by the owner of the company. Both debts to asset ratios indicate how many total assets a company has that are funded from debt. The higher the debt ratio will show, the riskier the company is due to the amount of debt used for asset purchases. The formula used in determining the Debt to Equity and debt to asset ratios is as follows.

Ratio	Measurement	Remark
Debt to Equity Ratio	Total Debt: Total Equity	DER
Debt to Asset Ratio	Total Debt: Total Assets	DAR

Liquidity

Liquidity is always related to the company's problems to meet financial obligations that must be met immediately, where liquidity indicates the ability to pay short-term financial obligations promptly. Liquidity is indicated by the small number of current assets that are easy to convert into cash, including cash, securities, and inventory. Liquidity ratio is the inability of the company to pay obligations, especially short-term or cashmere maturities (2013). In addition, the working capital ratio is used to measure how liquid the company is by comparing the components on the balance sheet, namely total current assets with total passive current (short-term debt) (cashmere, 2013). According to Brigham and Houston (2010), liquidity is a ratio that indicates the relationship between cash and current assets of the company with its current liabilities, whereliquidity is very important for a company because it is related to converting assets into cash. From the above understanding, liquidity is the small number of current assets that can easily convert into cash, securities, receivables, and inventories. A high level of liquidity indicates that the company can meet its short-term obligations. In contrast, a low level of liquidity indicates that the company cannot meet its short-term obligations.

The measurement method used to measure liquidity using the first is the current ratio, which is calculated by dividing current assets by current liabilities. If current liabilities are high compared to current assets, then the current ratio will fall,which is a sign of a problem. In practice, the current ratio to the standard of 200% (2:1) is sometimes considered a good enough or satisfactory measure for the company (Cashmere, 2016). The second is the Quick Ratio, where the rapid test ratio shows the company's ability to pay short-term liabilities with its current assets without considering inventory value. The third is the cash ratio, a tool used to measure how much cash is available to pay the debt. The availability of cash can be indicated from the existence of cash funds or equivalents to cash such as current accounts, savings in the bank. In this study, the authors used current ratio, quick ratio, and cash ratio (cashmere, 2016),where the measurement method uses the following formulas:

Ratio	Measurement	Remark
Current Ratio	Current assets divided into current debt	CR
Quick Ratio	Current Assets – Current debt inventory	QR
Cash ratio	Cash Equivalent Current Liabilities	CR

III. METHOD

This study uses qualitative research methods where the data obtained by the author through observation, analysis of documents, and records or analysis of reports are used as a basis in the calculation of his analysis(Susanti et al., 2020). Furthermore, the author analyzed the financial performance of PT Yonly Glass business using several calculations of financial performance that will be applied to its investors so that several ratios and measurements are needed using profitability, solvency, and liquidity ratios. The financial ratiois used to determine how feasible the effort made by the company is seen through the value of the financial performance of the company concerned compared to that issued by the company's financial statements in 1-5 years. *The profitability ratio*in Yonly Glass uses Gross Profit margin, Operational profit margin, and net profit margin, while solvency uses debt to Equity and debt to asset ratio. As for liquidity ratios using current ratio, quick ratio, and cash ratio, all of which are in one to 5 years.

IV. RESULT AND DISCUSSION

FinancialPerformance Analysis

Financial performance analysis is made to measure the company's financial performance to see the company's condition and its success rate in carrying out its operational activities. Financialperformance analysis can be comprehended as an action taken to determine the performance of an investment project that underlies the good or not of the company's performance. Before making an investment decision, it is important to conduct a feasibility analysis to avoid investing in unprofitable projects or activities. Based on the measurements and calculations conducted by PT Yonly Glass, the following study findings were achieved.

Profitability Ratio

Here are the results of the profitability ratio analysis of PT Yonly Glass.

Table 6 Profitability Ratio of PT. Yonly Glass

Year	Gross Profit Margin	Remark
1	78%	
2	79%	
3	80%	
4	81%	
5	82%	

GPM indicates that every sale left after subtracting manufacturing expenses is likewise beneficial 78 percent year 1.79 percent year 2.80 percent year 3,81 percent year 4.82 percent year 5, this demonstrates the greater the value of GPM then the production expenses incurred the lesser which implies, the more efficient PT Yonly Glass in decreasing production costs.

Table 7 Liquidity Ratio of PT. Yonly Glass

Year	Operating Profit Margin	Remark
1	45%	
2	47%	
3	46%	
4	48%	
5	52%	

OPM shows information thatthisratioshows a percentage of45% year 1, 47% year 2, 46% year 3, 48% year 4, and 52% inyear 5, thusexplainingthat the higher the value of OPM, the more able the company in minimizing production costs and operating expenses.

Table 8 Liquidity Ratio of PT. Yonly Glass

Year	Net Profit Margin	Remark
1	43%	
2	37%	
3	37%	
4	38%	
5	41%	

From the data interpreted, NPM, namely the total revenue generated by PT Yonly Glass,achieved consecutive net income of 43% year1.37%year2.37% year3.38%year4.41%year 5.

Solvability Ratio

The solvency ratio serves to measure the extent of a company's assets financed by debt. This ratio also measures a company's ability to pay its obligations for the short or long term. Here are the results of calculating*the debt to asset ratio and debt to equity ratio of* PT Yonly Glass.

Table 9 Solvency Ratio of PT. Yonly Glass

Year	Debt to Asset Ratio	Remark
1	0,046	
2	0,018	
3	0,001	
4	-0,001	
5	-	

Table 10 Liquidity Ratio of PT. Yonly Glass

Year	Debt to Equity Ratio	Remark
1	0,049	
2	0,020	
3	0,001	
4	-0,001	
5	-	

The smaller the DAR value, the less debt the company uses to acquire assets. A healthy and good DAR ratio is generally smaller than one time or less than 100%. The higher the value of DER, the greater the company uses debt compared to capital owned. A healthy DER ratio of man funds should be smaller than one time or less than 100%. The smaller the DER, the better. The results of DAR and DER calculations of PT Yonly Glass show that the more years are decreasing, meaning that assets and Equity are safe.

Liquidity Ratio

Liquidity ratios give an idea of a company's ability to cover its short-term liabilities. Here are the results of the calculation of the liquidity ratio of PT Yonly Glass.

Table 11 Liquidity Ratio of PT. Yonly Glass

Year	Current Ratio	Remark
1	26,40	
2	9,44	
3	10,89	
4	11,89	
5	12,45	

Table 12 Liquidity Ratio of PT. Yonly Glass

Year	Quick Ratio	Remark
1	32,20	
2	0,66	
3	2,11	
4	4,72	
5	6,76	

Table 13 Liquidity Ratio of PT. Yonly Glass

Year	Cash Ratio	Remark
1	26,40	
2	9,44	
3	8,92	
4	9,98	
5	10,66	

From the results of calculations, it is known that the analysis *of Current*Ratio, Quick *Ratio,*and Cash *Ratio*indicates that PT yonlyGlass from year 1 to year 5 can pay off its short-term debt.
Based on the results of THE ROI calculation of PT Yonly Glass from year 1 to year 5 shows a positive number, so that this business can provide profits and can be continued and run.

V. CONCLUSION

The results of the discussion of ratio calculations that Yonly Glass has doneshow that the profitability ratio explained that for five years showed positive results so that Yonly Glass could provide good profits for 1-5 years. While the Solvency Ratio shows that Yonly Glass can show that the company can maintain its debt condition to Equity and assets so that the leverage performance is very positive and good. While the liquidity ratio measurement shows that it is in a positive position, thus explaining that YonlyGlass's liquidity for 1 to 5 years can settle short-term obligations. This explains that Yonly Glass can provide satisfactory company performance because many companies cannot take advantage of good investment opportunities in projects with positive results (Vieira et al., 2019).

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