Financial Performance Analysis at PT. Pegadaian (Persero) Period 2018-2022

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Article Info	ABSTRACT
	This study aims to determine the financial performance of PT. Pawnshop (Persero). This type of research is descriptive quantitative, namely explaining financial ratios consisting of Liquidity Ratios, Solvency Ratios, Activity Ratios, and Profitability Ratios. With observations over the last five years (2018-2022), through documentation in the form of financial reports obtained from PT. Pawnshop. The results showed that the financial performance at PT. Pegadaian (Persero) for the last five years has been in an unstable condition, experiencing increases and decreases. Measurement of financial performance using the liquidity ratio which consists of the current ratio, quick ratio and cash ratio. Subjected to different fluctuations. With the average obtained, the current ratio is 182%, the quick ratio is 180% and the cash ratio is 2%. Solvability ratios consisting of a debit to asset ratio and a debit to equity ratio show very good financial performance. With the average obtained, for a debit to asset ratio of 62% and a debit to equity ratio of 168%. Profitability ratios consisting of NPM (Net Profit Margin), return on assets and return on equity show that financial performance tends to experience instability, which means there are increases and decreases. With an average of each, a net profit margin of 75%, return on assets of 4% and return on equity of 58%. The activity ratio consists of total asset turnover with an average of 29 times indicating very good financial performance. While fixed asset turnover with an average of 1.85 times which indicates poor financial performance.

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1. INTRODUCTION

Developments in the increasingly advanced business world have led to rapid competition between companies, not to mention the uncertain economic conditions that have caused many companies to go bankrupt, so that companies can survive, grow and develop properly, companies must be able to observe the financial condition of their companies [1]. The significance of financial turnover has considerable importance for both privately-owned and non-private enterprises. Consequently,

financial assessment reports pertaining to organisations have the capacity to demonstrate the success attained throughout specific time intervals. Conducting a study of the interrelationships among different components inside a financial report is of utmost significance for a company, as it serves as the foundation for comprehending the firm's financial state.

The financial reports provided by the firm serve as a valuable source of information pertaining to the company's financial status, performance, and alterations in its financial situation. These reports play a crucial role in facilitating decision-making processes. To enhance the decision-making process, it is imperative to transform financial data into actionable information that can guide economic decisions. The process involves doing an examination of financial statements [2].

The accuracy of financial statement analysis may be enhanced by utilising financial numbers that adhere to specific criteria. The standards may manifest as internal benchmarks, historical analogies, or comparisons of financial metrics to prior periods. The financial reports issued on an annual basis serve as a reflection of the financial success of a firm, encompassing both the organisation and its activities. The primary purpose of financial statements is to fulfil the information requirements of various user groups, providing them with relevant data about a company's financial situation, financial performance, and changes in financial status. This information is intended to assist users in making informed economic decisions. Every individual that utilises financial statements possesses distinct motivations when engaging with financial reports [3].

A financial report will benefit a large number of users if the information it presents is understandable. However, the information in the financial statements is not clear and not everyone can understand it. Even though the user's interpretation of the financial statements will be taken into consideration in making decisions. For this reason, financial statement analysis is needed as a tool in

simplifying the data presented in financial reports so that it becomes easier to understand by those who read and need financial information [4].

PT. Pawnshop (Persero) is a credit institution and provides services in the form of depositing gold balances, which makes it easier for people to invest in gold. PT. Pawnshop (Persero)namely carrying out and supporting government programs in the field of economy and national development in general through channeling money loans on the basis of pawn law [5]. One of the products of PT. Pegadaian (Persero) is a pawnshop gold savings account, which is useful for customers to invest in gold easily, safely and reliably. Pegadaian is used to prevent moneylenders who tend to take advantage of urgent needs and other unreasonable loans that are detrimental to society. Due to this rationale, it is imperative for PT. Pawnshops, operating as a financial institution engaged in credit distribution, to effectively manage their money and uphold their financial well-being. The assessment of an organization's financial situation may be accomplished via the examination and analysis of its financial reports.

PT. Pegadaian (Persero) is not always good, sometimes the company's expected targets cannot be achieved. PT. Pegadaian (Persero) experienced a slowdown in the growth of Outstanding Loans (OSL) in 2017. Pegadaian is targeting loan disbursement of IDR 38.5 trillion. However, this company was only able to disburse Rp. 37 trillion. Not only in terms of loan disbursement, the Pegadaian's revenue target of Rp. 11 trillion was also not realized. Pegadaian throughout 2017 was only able to record revenue of IDR 10.5 trillion. Only from Pegadaian's net profit was it able to realize the target, which was IDR 2.5 trillion. There were several reasons why Pegadaian experienced a slowdown, such as weak micro-economy and increasingly tight competition, starting from banks with people's business credit (KUR) and the presence of fintech which has also hampered the distribution of Pegadaian loans. Increasingly crowded competition is an

important lesson that can be learned in 2017 for Pegadaian [6].

To ascertain the attainment of PT. Pegadaian (Persero)'s objectives and evaluate the efficacy of its operations in accomplishing said objectives, a comprehensive assessment of the company's performance is conducted. These measurements can be carried out in various ways, one of which is using financial ratio analysis of PT. Pawnshop (Persero). This ratio analysis will be very helpful in assessing management's achievements in the past and prospects for the future.

Then there were several previous studies which became the basis for the importance of this research, including the first based on research by [7] PT Pegadaian (Persero) Brebes Branch, showing that the company's liquidity performance had increased before the pandemic and during the Covid-19 pandemic experienced a decline. The results of the company's solvency performance fell before the Covid-19 pandemic and then during the pandemic increased by 0.15%. The results of the company's activity performance increased in 2017-2018 and decreased in 2019 and during the Covid-19 pandemic in 2020 also experienced a decline. The results of the company's activity performance lead to ups and downs, namely, where*return on assets*for 2017 it was 6.05%, for 2018 it was 6.86%, for 2019 it was 6.67% and for 2020 it was 6.78%. before the Covid-19 pandemic, and during the pandemic also experienced a decline, namely in 2019 it decreased by 0.9%, and in 2020 by 0.11%.

Meanwhile, research conducted by [8] at PT. Pegadaian (Persero) Talaspapang Branch in the city of Makassar, shows that the Liquidity Ratio, the company's financial performance based on financial reports when measured using the current ratio and quick ratio shows very good financial performance. The solvency performance results are measured using the Debt to Assets Ratio from 2014-2017 which can be said to be quite good because the company's ability to fulfill all debts with assets can be fulfilled. Results of Activity Performance through Total Assets Turover The company's financial

performance based on the financial statements in 2014-2017 showed that it was in good condition. Profitability Performance Results using the company's financial Return on Assets in 2014-2017 show that it is in good condition.

The difference between this study and previous research lies in the time of observation and research location, where [7] uses calculations from 2012-2016 PT. Pegadaian (Persero) Berbes and Layuk Branch (2022) uses calculations from 2017-2020 located in the Manado area. Then this research was conducted at PT. Pegadaian (Persero) uses calculations from 2019-2022. PT. Pegadaian (Persero) must recognize the company's performance which can be used as a benchmark for the company's weaknesses and strengths. For this reason, it is necessary to have an analysis of financial statements that have been processed into financial performance analysis to help deal with future threats and maintain existing strengths. As a result of the factors that influence PT. Pegadaian (Persero) then needs to test the truth whether the pawnshop's performance is still in good condition. Therefore, it is necessary to analyze the increase in financial performance by using the ratio of liquidity, profitability, solvency and activity. Based on this, the authors take research with the title "Financial Performance Analysis of PT. Pegadaian (Persero) Period 2018-2022".

2. LITERATURE REVIEW
2.1 Financial statements

Financial reports are comprehensive documents that provide an overview of a company's financial status during a certain period or at a given point in time [9]. Financial statements provide a comprehensive depiction of a company's financial position and performance during a certain point in time or over a designated period [10]. Financial reports are a sort of documentation that provides an account of a company's financial status. Over time, these reports evolve into a means of assessing and

evaluating a company's performance [11].

2.2 *Financial performance*

Financial performance analysis is a systematic evaluation conducted to assess the degree to which a firm has effectively and accurately adhered to the principles of financial implementation [11]. Financial performance refers to the systematic approach or mechanism employed to assess the financial state of a corporation through the application of logical decision-making processes utilising certain analytical methods [12]. Financial performance refers to the capacity of a corporation to effectively manage and exercise control over its resources [13]. Companies utilise performance measurement as a strategic tool to enhance their operational operations and get a competitive edge in the market. Financial performance analysis is an evaluative procedure that involves the thorough examination of data, the application of mathematical computations, the quantification of results, the interpretation of findings, and the formulation of remedies pertaining to a company's financial situation.

2.3 *Financial Statement Analysis*

The purpose of financial statement analysis is to dissect the components of financial statements into smaller units of information and examine the meaningful relationships between them. This analysis encompasses both quantitative and non-quantitative data, with the objective of gaining a comprehensive understanding of the financial state of an entity. This understanding is crucial in facilitating informed decision-making [10].

Financial statement analysis is a comprehensive examination conducted to assess the financial position of a company. This analysis encompasses an evaluation of the company's historical and current performance, as well as future projections. The findings derived from scrutinising these financial statements serve as a fundamental basis for decision-making by relevant stakeholders [14]. Financial statement analysis serves as a crucial instrument for acquiring pertinent information pertaining to the financial status and performance outcomes of the respective organisation. The significance of financial data to stakeholders may be enhanced by comparing the data across many time periods and conducting further analysis. This approach enables the acquisition of data that can effectively assist decision-making processes.

a. **Liquidity Ratio**

The Liquidity Ratio pertains to a firm's capacity to create immediate cash flow in order to meet its financial commitments. This ratio is contingent upon the company's cash flow, as well as the many elements comprising its current assets and liabilities [15]. Liquidation refers to the capacity of a company to satisfy its financial commitments that are required to be fulfilled, or the firm's capability to meet its financial obligations upon receipt of invoices [16].

b. **Solvency Ratio**

The solvency ratio provides insight into the company's ability to fulfil its financial obligations in the event of liquidation, encompassing both short-term and long-term liabilities [16]. The leverage ratio is a metric that quantifies the extent to which a company's capital structure is reliant on debt financing [11]. Excessive use of debt might have detrimental effects on the firm. The corporation's impending entry into the realm of extreme leverage, characterised by a

substantial accumulation of debt, signifies a challenging predicament wherein the company finds itself ensnared by a burdensome debt load that becomes arduous to alleviate. Consequently, the corporation is required to effectively manage several debts, carefully evaluating their viability and utilising acquired resources to settle these obligations.

c. **Profitability Ratio**

The profitability ratio refers to the capacity of a corporation to generate profits relative to its sales, total assets, and equity capital. Therefore, long-term investors will exhibit a significant level of interest in this study of profitability. The profitability ratio is a metric used to evaluate a company's capacity to generate profits. Additionally, this ratio serves as a metric for evaluating the efficiency of a company's managerial practises. This phenomenon is exemplified by the financial gain derived from both sales revenue and investment returns. The utilisation of this ratio serves to demonstrate the efficacy of the organisation [9].

d. **Activity Ratio**

The Activity Ratio, sometimes referred to as the efficiency ratio, is a financial metric employed to assess the efficacy with which a corporation oversees and employs its assets in order to create the intended revenue or outcomes. Activity ratios offer valuable insights into the operational efficiency and utilisation of a company's assets.

2.4 Purpose of Financial Statements

The objectives of financial reports according to financial accounting standards include [5]:

a) Furnish dependable data pertaining to the economic assets and liabilities of the organisation.
b) This study aims to offer accurate and dependable insights into the many sources of income derived from commercial endeavours that are primarily focused on generating profits from consumers.
c) The potential for profit generation of a corporation can be estimated.
d) Please include further pertinent details on alterations in assets and liabilities.
e) Provide any pertinent information that is necessary for the recipients of the report.

a. **Form of Financial Statements**

The Statement of Financial Accounting Standards (PSAK) Number 1 of 2015, which pertains to Financial Reports, outlines the five key components of financial statements.

b. **Profit and Loss Report (income statement)**

This report focuses on three things, namely revenue, costs, and profit and loss. As the name implies, this report helps you find out whether your company or business is making a profit or a loss. The income statement is often referred to as a company or business financial performance report. In this report, you will also get income, expense and tax expense information. This information can assist you in making policies or decisions regarding the next steps in your business or company.

c. **Balance Sheet Report (Balance Sheet)**

The balance sheet can also be referred to as the Statement of Financial Position. This type of financial report provides comprehensive and

detailed information about assets, liabilities and capital in a period. Simply put, a balance sheet serves as an indication of the condition and financial information of a company. Information on assets, liabilities and capital is an important element in the balance sheet. To find out, you can use accounting equation formula: Assets = Liabilities + Equity.

d. **Statement of changes in capital**

During the course of the company's operations, the starting capital may undergo modifications in response to the company's performance. A comprehensive analysis is conducted to ascertain the extent of capital fluctuations and identify the underlying factors contributing to these changes. The essential data required for generating a comprehensive report includes the original capital, withdrawals made over the specified period, and the overall net income accrued. However, it is important to note that a comprehensive analysis of changes in capital can only be conducted subsequent to the completion of an income statement.

e. **Statement of Cash Flow**

This report facilitates comprehension of the turnover of both incoming and outgoing cash flows inside the organisation. Furthermore, the cash flow statement also functions as a prognostic predictor of forthcoming cash flows. Cash inflows can be observed through the outcomes of operational operations as well as through cash funding or loans. In the meantime, the outflow of cash may be observed by the quantification of operating or investment expenditures incurred by the firm. Cash flow statements are categorised into three distinct groups, specifically operational operations, investment activities, and financing activities. Cash flow statements hold equal significance to income statements and balance sheets in the analysis of a company's cash flows. The absence of flow data poses a challenge in assessing the company's performance accurately.

f. **Notes to Financial Statements (CaLK)**

Notes to financial statements are prepared based on detailed explanations regarding the types of financial statements balance sheet, profit and loss, changes in capital and cash flows of the company. This is done so that the company has a good understanding of overall fund management. Notes to these financial statements are usually made by large-scale companies for adequate disclosure of financial reporting information.

3. METHODS

3.1 Types and sources of research

The research methodology employed in this study is descriptive quantitative. Quantitative research is a positivistic approach to research that involves the collection and analysis of concrete data in the form of numerical values. This method utilises statistical techniques to test calculations pertaining to the research problem, ultimately leading to a definitive conclusion. In the context of studying the financial performance of PT. Pegadaian, quantitative research provides a comprehensive and lucid understanding of the company's financial performance [17]. This study uses data collection methods through secondary data,

where data is collected from the company's website. The object of research is often referred to as the problem under study, namely financial reportsat PT. Pawnshop (Persero).

3.2 Data collection technique

The data gathering methodology employed in this study was the utilisation of secondary data obtained using library research techniques. The study utilises secondary data in the form of financial records obtained from the official website of PT. Pawnshop (Persero). The period of observation spans from 2018 to 2022.

3.3 Data analysis technique

The analytical method used in this research is descriptive quantitative which analyzes the calculations to determine the level of liquidity, solvency, profitability and activity at PT. Pegadaian (Persero). The method of data analysis is carried out using the interpretation formula as follows:

1. Liquidity Ratio

The liquidity ratio comprises a set of financial measurements employed to assess a company's capacity to fulfil immediate financial commitments by utilising its current assets. The liquidity ratio offers a comprehensive assessment of a company's liquidity position and the sufficiency of its current assets to fulfil its current commitments.

a. Current ratio

The current ratio, also known as the current ratio, is a financial metric utilised to assess a company's capacity to settle immediate liabilities or debts that are imminent upon being invoiced in their whole [9]. In other words, how much current assets are available to cover short-term obligations that are due soon. The formula for finding the current ratio that can be used is as follows:

$$\textit{Current ratio} = \frac{Aset\ Lancar}{utang\ lancar} \times 100\%$$

b. Quick Ratio

The quick ratio, also known as the very current ratio or acid test ratio, is a financial metric that assesses a company's capacity to meet its current debt commitments or pay off short-term debt using its current assets, excluding the value of inventories [9]. This entails disregarding the value of inventories by subtracting it from the aggregate amount of current assets. This practise is used due to the recognition that inventory typically necessitates a comparatively lengthier period to be converted into cash, particularly when a firm requires immediate money to fulfil its financial responsibilities in comparison to other current assets. The formula for finding the quick ratio that can be used is as follows:

$$\textit{Quic krato} = \frac{Aset\ Lancar - Persediaan}{Hutang\ Lancar} \times 100\%$$

c. Cash Ratio

Cash ratio or cash ratio is a tool used to measure how much cash is available to pay debts [9]. The presence of cash can be exemplified by the accessibility of cash or cash equivalents, such as a current account or savings

account held at a financial institution, which can be readily withdrawn as needed. The aforementioned ratio serves as an indicator of the company's actual capacity to meet its short-term financial obligations. The formula for finding the cash ratio or cash ratio is as follows:

$$Cash\ ratio = \frac{Kas\ dan\ Setara\ Kas}{Hutang\ Lancar} \times 100\%$$

2. Solvency Ratio

The solvency ratio, also known as the leverage ratio, is a metric utilised to assess the degree to which a company's assets are funded by debt. This refers to the extent of financial obligations assumed by the firm in relation to its total assets. In a general context, it is commonly said that the leverage ratio serves as a metric for evaluating a company's capacity to fulfil its financial commitments, encompassing both short-term and long-term liabilities, in the event of liquidation.

a. Debt to Asset ratio

The Debt Ratio is a financial metric employed to assess the proportion between the aggregate amount of debt and the overall value of assets. In essence, this pertains to the extent to which the company's assets are funded by debt, the extent to which the company's debt is financed through debt, and the impact of the company's debt on asset management [9]. The formula for finding the Debt to Assets Ratio can be used as follows:

Debt to asset ratio

$$Debt\ to\ asset\ ratio = \frac{Total\ Debt}{Total\ Asset} \times 100\%$$

b. Debt To Equity Ratio

Debt to Equity Ratio is the ratio used to assess debt to equity [9]. The ratio in question is determined by evaluating the total amount of debt, which encompasses both current debt and long-term debt, in relation to the total equity. This ratio serves as a valuable tool for determining the extent of cash contributed by creditors in relation to firm owners. Put simply, this ratio is utilised to determine the proportion of an individual's personal capital that is utilised as collateral for loan. The formula for finding the Debt-to-Equity Ratio can be used as follows:

$$Debt\ to\ equity\ ratio = \frac{Total\ Utang}{Ekuitas} \times 100\%$$

3. Profitability Ratio

The profitability ratio is a financial metric used to evaluate a company's capacity to generate profit. This ratio further provides an indication of the degree of managerial efficacy inside an organisation. This is evidenced by the financial gains derived from both sales revenue and investment returns. The utilisation of this ratio serves to demonstrate the efficacy of the organisation.

a. Net Profit Margin

The net profit margin, also known as the net profit margin ratio, is a metric utilised to assess the proportion of net profit in relation to net sales,

expressed as a percentage. [9]. This ratio is measured by dividing net income over net sales. Formula *Net Profit Margins* are as follows.

$$Net\ profit\ margin = x\frac{Laba\ Bersih}{Penjualan\ Bersihn}100\%$$

b. Development on Assets

The return on assets (ROA) is a financial statistic that quantifies the profitability of a firm by assessing the return generated from its total assets. Additionally, ROA serves as an indicator of management's proficiency in effectively managing its investments [9]. Formula *Return on Assets* are as follows:

$$Return\ on\ assets = x100\frac{laba\ Setelah\ Pajak}{Total\ Aset}$$

c. Return on Equity

The return on equity (ROE) is a financial metric used to assess the profitability of a company's own capital. It is calculated by dividing the net profit after tax by the amount of own capital [9]. A larger ratio signifies an improvement in the owner's position within the organisation, indicating increased strength. Conversely, the opposite is also true. The Return on Equity (ROE) metric is employed to assess the efficiency with which net profit is made in relation to the amount of capital invested in total equity. ROE is calculated by dividing net income to total equity. The

return on equity formula is as follows:

One-Equity Returns

$$=\frac{Laba\ Bersih}{Modal\ Sendiri}x100\%$$

4. Activity Ratio

The activity ratio is a metric employed to assess the efficiency of a corporation in utilising its assets. Alternatively, it may be posited that this ratio serves as a metric for assessing the degree of efficiency in the allocation of organisational assets.

a. Total Asset Turnover Ratio

The Total Assets Turnover ratio is utilised to assess the efficiency with which a company's assets are utilised and to quantify the sales generated per unit of asset value [9]. The formula for finding Total Assets Turnover that can be used is as follows:

Total assets turnover

$$=\frac{Penjualan}{Total\ Aset}$$

b. Fixed Asset Turnover

Fixed Assets Turnover is the ratio used to measure the number of times funds invested in fixed assets rotates in one period [9]. Or in other words, to measure whether the company has fully used its fixed asset capacity or not. To find this ratio, the method is to compare net sales with fixed assets in a period. The formula for finding Fixed Assets Turnover that can be used is as follows:

Fixed asset turnover

$$=\frac{Penjualan}{Total\ Aset\ Tetap}$$

Table 1. Industry Standard Ratio

No	Ratio Type	Measuring instrument	Industry Standard		
			Very good	Good	Not good
1	Liquidity	Current Ratio	>200%	200%	<200%
		Quick Ratio	>150%	150%	<150%
		Cash Ratio	>50%	50%	<50%
2	Solvability	Debt To Asset Ratio	>35%	35%	<35%
		Debt To Equity Ratio	>90%	90%	<90%
3	Prifitability	Net Profit Margins	>20%	20%	<20%
		Return On Assets	>30%	30%	<30%
		Return on Equity	>40%	40%	<40%
4	Activity	Total Asset Turnover	>2 Times	2 times	<2 Times
		Fixed Asset Turnover	>5 Times	5 times	< 5 Times

Source: Cashmere (2019)

4. RESULTS AND DISCUSSION
4.1 PT Profile Persero Pawnshops

PT. Pegadaian (Persero) is a state-owned enterprise that inaugurated its first establishment in Sukabumi on April 1, 1901, therefore establishing ownership of the Pegadaian trademark. As of August 2020, PT Pegadaian has a total of 4,100 outlets that were strategically dispersed over the Indonesian archipelago. The goods and services offered by Pegadaian may be conveniently accessible through a network of over 11,000 agents. Pegadaian has also implemented electronic services through the Pegadaian Digital application, which is available for download on the Playstore or App Store. The primary objective of Pegadaian is to establish itself as the preeminent financial institution in Indonesia, aiming to attain the highest value among its peers. Additionally, the company aspires to be the preferred financial inclusion agent for the community. To facilitate the achievement of the Company's vision and mission, a corporate culture has been implemented. This culture necessitates that all Pegadaian personnel acquire, comprehend, internalise, and practise the AKHLAK principles, which encompass trustworthiness,

competence, harmony, loyalty, adaptability, and collaboration. Pegadaian possesses many notable benefits in addition to its expansive service network. These include the provision of prompt service, as seen by the implementation of a maximum service time standard of 15 minutes. Furthermore, Pegadaian ensures optimal security via the utilisation of a robust physical security system and strategic business location known as Sispamfilu. In order to proactively mitigate potential risks, Pegadaian has established collaborative partnerships with many insurance firms.

Pegadaian products also vary, with the main business providing loans secured by movable goods. In managing the business, Pegadaian implements the principles of good corporate governance in upholding the values of transparency, accountability, responsibility, independence and fairness. Pegadaian also actively implements various partnership and environmental development programs. Pegadaian's Corporate Social Responsibility (CSR) program has the theme Pegadaian Clean Up which includes Clean Heart, Clean Environment, and Clean Administration programs. One popular program is the gold-saving waste sorting program entitled The

Gade Clean and Gold. With this program, people are invited to improve environmental cleanliness while saving gold. (www.pegadaian.co.id, 2023).

4.2 *Financial Ratio Analysis PT. Pawnshop (Persero)*

a. **Liquidity Ratio**
1. **Current ratio**

The following is the Current Rat0 of PT. Pegadaian in 2018 – 2022:

Table 2. The calculation results Current Ratio (In Thousands of Rupiah)

Year	Current assets	Current liabilities	CR (%)	Decision
2018	43,859,316	22,662,261	194%	Not good
2019	53,830,391	33,065,195	163%	Not good
2020	58,263,764	33,772,114	173%	Not good
2021	53,012,832	28,337,905	188%	Not good
2022	59,520,107	30,873,597	193%	Not good
Average	53,697,282	29,742,214	182%	Not good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2020

Based on the table above it can be seen that PT. Pegadaian (Persero) has a different level of fluctuation in the current ratio or current ratio during the 2018-2022 period. In 2018 *current ratio* PT. Pegadaian (Persero) is 194%. This means that the amount of current assets is 194% of current debt, or every 1 rupiah of current debt is guaranteed by 194% of current assets or 194:100% of current assets with current debt. In 2019 *current ratio* or the current ratio of PT. Pawn shops are 163%. This means that the amount of current assets is 163% of current debt. or every 1 rupiah of current debt guaranteed by163%current assets or163%: 100%, current assets with current debt. In 2020 *current ratio* PT. Pegadaian (Persero) is 173%. This means that the amount of current assets is 173% of current debt, or every 1 rupiah of current debt is guaranteed by 173% of current assets or173%: 100%, current assets with current debt. In 2021 *current ratio* or the current ratio of PT. Pegadaian (Persero) is 188%. This means that the amount of current assets is 188% of current debt. or every 1 rupiah of current debt guaranteed by188%current assets or188%: 100%, current assets with current debt. In 2022 *current ratio* or the current ratio of PT. Pegadaian (Persero) is 193%. This means that the amount of current assets is 193% of current debt. or every 1 rupiah of current debt guaranteed by193%current assets or193%: 100%, current assets with current debt. Then the average value of the current ratio in 2018-2022 is 182%if seen from the current industry standard ratio of 200%, it means that it is categorized as not good.

2. **Quick Ratio**

The following is the Quic Ratio of PT. Pawnshop 2018 – 2022:

Table 3. The calculation results Quick Ratio (In Thousands of Rupiah)

Year	Current assets	Supply	Current liabilities	QR (%)	Decision
2018	43,859,316	116061	22,662,261	193%	Very good
2019	53,830,391	246,304	33,065,195	162%	Very good
2020	58,263,764	357,048	33,772,114	171%	Very good
2021	53,012,832	393,059	28,337,905	186%	Very good
2022	59,520,107	466,876	30,873,597	191%	Very good
Average	53,697,282	315,870	29,742,214	180%	Very good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

Based on the table above it can be seen that PT. Pegadaian (Persero) has a different level of fluctuation at q*luck ratio*or current ratio during the period 2018-2022. Q*luck ratio*is a measure of a company's liquidity that shows its ability to pay off its short-term obligations. The Quick Ratio is calculated by dividing current assets after deducting inventories by current liabilities. Based on the table above, the quick ratio of PT. Pegadaian has different fluctuation rates from 2018 to 2022, in 2018 *qluck ratio* PT. Pegadaian (Persero) is193%, this shows that the company has the ability to pay off its short-term obligations. Then 2019*qluck ratio* PT. Pegadaian (Persero) decreased 162%, increasing again in 2020-2022. 2020 year *qluck ratio* PT. Pegadaian (Persero) is 171. In 2021 *qluck ratio* PT. Pegadaian (Persero) is 186%, Then in 2022 *qluck ratio* PT. Pegadaian (Persero) is 191%, This shows that the company has a strong ability to pay off its short-term obligations. Then average *qluck ratio* or The Fast Ratio for the period is 180%, which is also considered very good. Therefore, the company's liquidity is in a very good position.

3. **Cash Ratio**

The following is the Cash Ratio of PT. Pawnshop 2018 – 2022:

Table 4. The calculation results in *Cash Ratio (*In Thousands of Rupiah)

Year	Cash & Cash Equivalents	Current liabilities	CR	Decision
2018	384,828	22,662,261	2%	Not good
2019	625,092	33,065,195	2%	Not good
2020	472,838	33,772,114	1%	Not good
2021	438,573	28,337,905	2%	Not good
2022	378,750	30,873,597	1%	Not good
Average	460,016	29,742,214	2%	Not good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

Based on the table above it can be seen that *cash ratio*PT. Pegadaian (Persero), the cash ratio is calculated by dividing the amount of cash and cash equivalents by the amount of current debt, where the higher the cash ratio, the better the company's ability to pay off current liabilities. cash ratio PT. Pawnshops from 2018 to 2022 have varying values, starting from 2018 and 2019 the Cash Ratio value of PT. Pegadaian (Persero) only 2% are considered unfavorable. then in 2020 the value of the cash ratio decreased to 1%, which was considered not good. in 2021 the cash ratio will be 2%. In 2020 the cash ratio is considered not good because it is worth 1%. In 2021 cash ratio PT. Pawnshop 2% is considered not good. In 2022 the cash ratio of PT. Pawnshops decreased 1%. which is considered bad. Then the

average cash ratio during that period was 2%, which is considered not good.

b. **Solvency Ratio**

Table 5. The calculation results Debt To Asset Ratio (DAR) (In Thousands of Rupiah)

Year	Total Amoun of debt	Total Assets	DAR (%)	Decision
2018	32,674,699	52,791,188	62%	Very good
2019	42,263,867	65,324,177	65%	Very good
2020	46,865,344	71,468,960	66%	Very good
2021	39,516,937	65,775,938	60%	Very good
2022	44,911,304	73,329,790	61%	Very good
Average	41,246,430	65,690,010	62%	Very good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

Based on the data above it can be seen thatDAR (*debt to asset ratio*)at PT. Pawnshopyears 2018 – 2022.In 2018 the company's total debt is Rp32,674,699and total assets are Rp52,791,188. In this case, DAR (*debt to asset ratio)* is 62%. In 2019 the company's total debt increased to Rp42,263,867, while total assets also increased to Rp65,324,177. This year's DAR is 65%. In 2020, total debt continues to increase to46,865,344thousand Rupiah, while total assets increased to Rp71,468,960. This year's DAR is 66%. In 2021 the total debt has decreased to Rp39,516,937, while total assets also decreased to Rp65,775,938. The 2021 DAR is 60%. Despite the reduction in DAR, companies still have a significant dependence on debt as

1. **Debt To Asset Ratio (DAR)**

The following is the Debt To Asset Ratio of PT. Pawnshop 2018 – 2022:

a source of funding. In 2022 the total debt will again increase to Rp44,911,304, while total assets also increased to Rp73,329,790. This year's DAR is 61%. then the average value*debt to asset ratio*the 2018-2022 period is 62%. Even though there are variations from year to year, the company still has a significant level of dependence on debt in financing its assets if it follows the industry standard average of 35%, then the company is considered very good. Based on industry average standards*debt to asset ratio*namely 35%, then PT. Pegadaian2018 – 2022 is considered very good.

2. **Debt To Equity Ratio (DER)**

The following is the Debt To Equity Ratio of PT. Pawnshop 2018 – 2022.

Table 6. The calculation results Debt to Equity Ratio (DER) (In Thousands of Rupiah)

Year	Total Amoun of debt	Total Equity	DER (%)	Decision
2018	32,674,699	20,116,489	162%	Very good
2019	42,263,867	23,060,310	183%	Very good
2020	46,865,344	24,603,616	190%	Very good
2021	39,516,937	26,259,001	150%	Very good
2022	44,911,304	28,418,486	158%	Very good
Average	41,246,430	24,491,580	168%	Very good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

Based on the data above, it can be seen that the debt-to-equity ratio at PT. Pegadaianin 2018 – 2022. Qin 2018, the company's total debt is

Rp32,674,699and total capital is IDR 20,116,489. In this case, DER (*debt to equity ratio*) is162%. That is, the company has higher debt than equity. In 2019, the

company's total debt has increased to Rp42,263,867while the total capital also increased to IDR 23,060,310. DER this year is183%which shows that the company's debt is more than double the equity. In 2020, the total debt continues to increase to Rp46,865,344, and total capital has increased from 2019 to IDR 24,603,616 in 2020. This year's DER is190%. Despite the decrease in DER, companies still have a significant degree of dependence on debt as a source of funding. In 2021, the total debt has decreased to Rp39,516,937, and total capital also increased to IDR 26,259,001. DER this year is150%, shows that the company's debt is about 1.5 times the equity. Even though DER has decreased, companies still have a high dependence on debt. In 2022, the total debt will again increase to Rp44,911,304and debt capital again increased to IDR 28,418,486. DER this year is158%. From these data, it appears that the DER of PT. Pegadaian in the 2018-2022 period experienced fluctuations. Although there are variations from year to year, the company still has a significant degree of dependence on debt in financing its operations. Then the average value*debt to equity ratio*in 2018-2022, namely 168%. If viewed from*industry standard*debt to equity rationamely 90%, then PT. Pegadaian2018 – 2022 is considered very very good.

c. Profitability Ratio

1. Net Profit Margin (NPM)

The following is NPM PT. Pawnshop 2018 – 2022:

Table 7. The calculation results Net Profit Margin (NPM) (In Thousands of Rupiah)

Year	Net profit	Net sales	NPM (%)	Decision
2018	2,775,481	3,634,602	76%	Very good
2019	3,108,078	4,208,553	74%	Very good
2020	2,022,447	2.791259	72%	Very good
2021	2,420,775	3,220,189	75%	Very good
2022	3,217,072	4,205,375	76%	Very good
Average	2,708,770	2,770,921	75%	Very good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

From the NPM table PT. Pegadaian in 2018-2022 can be seen that in 2018 the NPM (net profit margin) value is76%. This means that the company managed to generate a net profit of76%of net income earned. Year 2019 be74%. Although net income has increased, the percentage of NPM has decreased, indicating that companies are generating less net profit as a percentage of net income. Then in 2020 the NPM value dropped to 72%, indicating that the company generates a smaller net profit as a percentage of the net income earned. In 2021-2022 the NPM value will increase. In 2021 the NPM value will increase by 75%. In 2022 the NPM value will increase by 76%. This means that the company succeeded in generating net profit from the net income derived from the data. Then the average NPM value for 2018-2022 is 75%. when viewed from the industry standard NPM PT. Pegadaian's company's condition is considered very good, because its value is above the industry average.

2. Return on Assets (ROA)

The following is the ROA of PT. Pawnshop 2018 – 2022:

Table 8. Return on Asset Calculation Results (ROA) (In Thousands of Rupiah)

Year	Net Profit After Tax	Total Assets	ROA (%)	Decision
2018	2,775,481	52,791,188	5%	Not good
2019	3,108,078	65,324,177	5%	Not good
2020	2,022,447	71,468,960	3%	Not good
2021	2,420,775	65,569,766	4%	Not good
2022	3,217,072	73,251,507	4%	Not good
Average	2,726,452	65,738,010	4%	Not good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

From the ROA (return on assets) data of PT. Pegadaian, it can be seen that in 2018 and 2019 the ROA value is 5%. This means that the company managed to generate a net profit of 5% of the total assets owned. High ROA shows that the company is effective in utilizing its assets to generate profits. In 2020, ROA has decreased by 3%, indicating that the company is not effective in utilizing its assets to generate profits. But in 2021-2022 ROA will again increase by 4%. An increase in ROA indicates that the company is more effective in utilizing its assets to generate profits. Then the average value of ROA for 2018-2022 is 4%. From these data, it can be seen that the ROA of PT. Pegadaian experienced fluctuations during the 2018-2022 period. If the industry average for return on assets is 30%.

3. Return on Equity (ROE)

Here is the ROEPT. Pawnshop 2018 – 2022.

Table 9. Return on Equity (ROE) Calculation Results (In Thousands of Rupiah)

Year	Net profit	Owner's equity	ROE	Decision
2018	2,775,481	20,116,489	14%	Not good
2019	3,108,078	23,060,310	13%	Not good
2020	2,022,447	24,603,616	8%	Not good
2021	2,420,775	26,253,776	9%	Not good
2022	3,217,072	28,331,711	11%	Not good
Average	2,726,452	24,491,580	11%	Not good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

From the table of ROE (return on equity) of PT. Pegadaian in 2018-2022, it can be explained that in 2018 the ROE value is 14%. This means that the company managed to generate a net profit of 14% of its own capital. High ROE shows that the company is effective in utilizing its own capital to generate profits. In 2019 ROE increased by 13%. Even though net profit and equity increased, ROE did not change. This shows that the company still maintains a level of efficiency in utilizing its own capital to generate profits. In 2020 it has decreased by 8%. A significant decrease in ROE indicates that the company is not effective in utilizing its own capital to generate profits.

In 2021 ROE rises to 9% which shows that companies are more effective in utilizing their own capital to generate profits. In 2022 the ROE rate will be 11%. There was an increase in ROE compared to the previous year, indicating that the company is becoming more effective in utilizing its own capital to generate profits. From these data, it can be seen that the ROE of PT. Pegadaian experienced fluctuations during the 2018-2022

period. Even though there were years where ROE increased, the average ROE during that period was relatively stable. If the industry average for return on equity is 11%, then the company's condition for 2018-2022 is said to be unfavorable because the ratio is above the industry average.

d. Activity Ratio

1. Total Turnover Assets

The following is the Total Turn Over Assets of PT. Pawnshop 2018 – 2022:

Table 10. The calculation results *Total Turnover Assets* In Thousands of Rupiah

Year	Sales	Total Assets	TATO	Decision
2018	12,748,054	52,791,188	24 times	Very good
2019	17,674,257	65,324,177	27 times	Very good
2020	21,964,403	71,468,960	31 times	Very good
2021	20,639,861	65,775,938	31 times	Very good
2022	22,876,587	73,329,790	31 times	Very good
Average	16,341,915	65,738,011	29 times	Very good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

Based on the table above it can be explained that the TATO value (t*total assets turn over*) PT. Pegadaian from 2018 to 2022 it can be seen that in 2018, the value of TATO (*total assets turn over)* PT. Pawn shops are 24time. This means that every IDR 1 of fixed assets can generate 24 times sales. In 2019, value TATO (*total assets turn over)*PT. Pawn shops are 27time. This means that every IDR 1 of fixed assets can generate 27 times sales. In 2020-2022, the value of TATO (t*total assets turn over)* PT. Pawn shops are 31time. This means that every Rp1 of fixed assets can generate 31 times sales. If the industry standard for return on equity is 2 times, then the company's condition for 2018-2022 is in very good condition because the ratio is above the industry average.

2. *Fixed Asset Turnover Ratio*

The following is PT. Pegadaian's Fixed Asset Turnover Ratio for 2018-2022

Table 11. The calculation results Fixed Asset Turnover Ratio
(In Thousands of Rupiah)

Year	Sale	Fixed assets	FATR	Decision
2018	12,748,054	8,519,803	1.50 times	Not good
2019	17,674,257	10,458,046	1.69 times	Not good
2020	21,964,403	10,252,580	2.14 times	Not good
2021	20,639,861	10,670,919	1.93 times	Not good
2022	22,876,587	11,576,765	1.98 times	Not good
Average	16,341,915	10,295,623	1.85 times	Not good

Source: Financial Report of PT. Pegadaian (Persero) 2018-2022

From table *fixed asset turnover ratio* PT. Pegadaian in 2018-2022 can be seen that in 2018, the FATR (fixed *turn over assets)* PT. Pawn shops are 1.50time. This means that every Rp1 of fixed assets can generate 1.50 times sales. In 2019, the FATR value (fixed *turn over assets)* PT. Pawnshop is 1.69time. This means that every Rp1 of fixed assets can generate 1.69 times sales. In 2020, the FATR (fixed *turn over assets)* PT. Pawnshop is 2.14time. This means that every Rp1 of fixed assets can generate 2.14 times sales. In 2021, the FATR (fixed *turn over assets)* PT. Pegadaian is 1.93time. This means that every Rp1 of fixed assets can generate 1.93 times sales. In 2022, the value of FATR

(fixed *turn over assets)* PT. Pawnshop is 1.98time. This means that every Rp1 of fixed assets can generate 1.98 times sales. Then the average value is fixed *turnover assets* from 2018-2022 is 1.85, If the industry average standard for fixed asset turnover is 5 times, then the company's condition for 2018-2022 is in a bad condition because the ratio is below the industry average.

5. CONCLUSIONS

5.1 Conclusion

Based on financial ratio analysis PT. Pegadaian during the 2018-2022 period, the following are the conclusions and suggestions that can be taken:

1. From the calculated average of the liquidity ratios, it can be concluded that the average current ratio of PT Pegadaian Persero during that period was 182% which indicates poor liquidity. Then the average quick ratio of PT Pegadaian Persero during that period was 180% which showed excellent efficiency and management in managing the company's current assets. The average cash ratio of PT. Pegadaian Persero during that period was 2% which showed poor liquidity.

2. The company's solvency ratio, with a DAR (debit to asset ratio) of 62%, is the result of a comparison between total debt and total assets. the ratio is above the industry standard and performs very well. Because the company's ability to fulfill all debts with assets can be fulfilled. Then the debit to equity ratio is 168%, the ratio is above the industry standard and performs very well, which means the company is able to guarantee its

debts with a certain amount of equity it owns.

3. Profitability ratio, with an NPM (net profit margin) of 75%, this shows that the company has succeeded in generating a net profit from the net income it has earned. ROA (return on assets) of 4% is considered to be in a bad condition, this shows that the company is not good at utilizing its assets to generate profits. and ROE (return on equity) of 11% indicates poor financial performance. The company has not been able to generate net profit from its own capital.

4. Activity Ratio Overall, the average TATO (total asset trun over) of 29 times is considered very good because the company's ability to generate income from all total assets exceeds industry standards and the average f*fixed asset turnover ratio*of 1.85 times indicates that the company is less efficient in using its assets to generate income. However, it should be noted that the interpretation of this ratio may vary depending on the industry and comparisons with industry standards or competitors. In addition, it is important to see performance trends over time and compare with similar companies for a more comprehensive evaluation.

5.2 Suggestion

a. **Suggestions for PT Pegadaian Persero:**

1. Optimizing the use of current assets. Even though it has good liquidity performance, the company can continue to optimize the use of its current assets by increasing operational efficiency, expanding the range of services, and managing credit risk.

2. Companies need to pay attention to the right balance between debt and equity, manage solvency risk, and ensure the company's ability to meet long-term financial obligations.

3. PT. Persero Pegadaian is expected to continue to increase the use of fixed assets. Efforts to improve inventory management, good maintenance, and the right investment in fixed assets that provide high returns can help improve company performance.

b. **Suggestions for Further Researchers:**

1. Make a comparative study with the industry or competitors to expand the analysis by comparing the performance of PT Pegadaian Persero with direct competitors or similar industries. To be able to understand the company's position in the industry and identify potential areas that can be improved.

2. Analyze Trends and Comparisons with Industry Standards from time to time and compare them with similar or related industry standards to obtain a more complete picture of the company's performance in the industry.

3. Future researchers can analyze more deeply about the factors that influence the performance of PT Pegadaian Persero. Factors such as regulatory changes, economic changes, and internal company factors can be analyzed to understand their impact on company performance.

4. Future researchers involve more analysis of other financial ratios to obtain a more complete understanding of the financial performance of PT Pegadaian Persero.

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