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Analysis of Financial Performance in Pharmaceutical Industry Sub-Sector Companies in Indonesia for the 2020 – 2022 Period

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ABSTRACT

This research aims to determine the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period if viewed from financial reports using solvency ratios and to determine the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period if viewed from reports finance uses profitability ratios. The method used is descriptive and comparative methods. The population in this study were companies in the pharmaceutical industry sub-sector on the Indonesia Stock Exchange, while the samples were taken 3 from the existing pollution using a purposive sampling method and obtained by PT. Kalbe Farma Tbk (KLBF), PT. Indofarma Tbk (INAF) and PT. Tempo Scan Pasifik Tbk (TSPC). The results of this research are the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period. If viewed from the financial reports using the solvency ratio, the Debt to Asset Ratio of PT. Kalbe Farma Tbk (KLBF) is in good condition. PT. Indofarma Tbk (INAF) is in bad condition and PT. Tempo Scan Pasifik Tbk (TSPC) is in good condition. Debt to Equity Ratio PT. Kalbe Farma Tbk (KLBF) is in good condition., PT. Indofarma Tbk (INAF) is in bad condition and PT. Tempo Scan Pasifik Tbk (TSPC) is in good condition. Meanwhile, the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period, if viewed from the financial reports using profitability ratios, means that the Net Profit Margin of PT. Kalbe Farma Tbk (KLBF) is in poor condition. PT. Indofarma Tbk (INAF) is in very bad condition and PT. Tempo Scan Pasifik Tbk (TSPC) is in poor condition. Return On Assets PT. Kalbe Farma Tbk (KLBF) is in poor condition. PT. Indofarma Tbk (INAF) is in very bad condition and PT. Tempo Scan Pasifik Tbk (TSPC) is in poor condition. Return On Equity PT. Kalbe Farma Tbk (KLBF) is in poor condition. PT. Indofarma Tbk (INAF) is in very bad condition and PT. Tempo Scan Pasifik Tbk (TSPC) is in poor condition.

Keywords: Debt to Asset Ratio, Debt to Equity Ratio, Net Profit Margin, Return On Assets, Return On Equity

INTRODUCTION

Financial issues are one that is very vital for companies in business development in all companies. One of the main objectives of establishing a company is to obtain maximum profits. However, whether a company is successful in making a profit and maintaining its company depends on financial management. Companies must have healthy and efficient financial performance to gain profits.

In general, the financial performance of a company is the achievements that a company has achieved in managing the company's finances in one period. According to Rudianto (2013:189) "Financial performance is the result or achievement that has been achieved by company management in carrying out its function of managing company assets effectively during a certain period." One of the ways financial performance comes from increasing production and sales, the company's efforts to increase its production can be through internal and external funding sources. One source of external funds is the sale of shares. Financial performance is one of the factors that influences company value. Company value is a condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activities for several years, namely since the company was founded until now. Based on this understanding, the importance of company value is to increase investor interest in investing their capital in the company.

Company value is very important because high company value will be followed by high shareholder prosperity. The higher the share price, the higher the company value. A high company value is the desire of company owners, because a high value shows that shareholder prosperity is also high. The wealth of shareholders and companies is represented by the market price of shares which is a reflection of investment decisions, financing and asset management.

According to Hery (2017:17)"Factors that influence company value include profitability and solvency." Based on the factors above, they have a relationship in measuring the financial performance of a company. To find out the company's performance, it can be seen through financial reports where the financial reports contain information regarding financial position. One indicator for assessing a company's financial performance is the profitability ratio.

The profitability ratio is the ability of a company to generate profits during a certain period. According to Kasmir (2019:114) "the profitability ratio is a ratio to assess a company's ability to seek profit or gain in a certain period". The profitability of a company is said to be good if it is able to meet the profit targets that have been set using the assets or capital it owns. Profitability ratios include the Net Profit Margin (NPM), Return On Assets (ROA), and Return On Equity (ROE) ratios.

The solvency ratio is a ratio used to determine the sources of use of assets, the extent to which these assets are financed by debt and the extent to which the company's debts can be covered by assets. The Solvency Ratio of a company shows the company's ability to fulfill all its financial obligations if the company is liquidated. According to Kasmir (2013: 151) "the solvency ratio or leverage ratio is: "a ratio used to measure the extent to which a company's assets are funded by debt". To measure the solvency ratio, use the Debt to assets ratio (DAR) and Debt to Equity Ratio (DER).

The development of companies in the pharmaceutical industry subsector in Indonesia is one of the areas most highlighted by investors in their financial report performance because it is one of the favorites for investors to invest. Companies that have financial reports with good financial performance will definitely become a target for investors to invest so that companies flock to improve their financial performance so that investors are interested in investing in their company. And from year to year the development of pharmaceutical companies in Indonesia changes rapidly due to the era of globalization. One of them is PT. Kalbe Farma Tbk, which was founded in 1966. Starting from a simple garage to become a leading pharmaceutical company in Indonesia. Kalbe Farma has built strong research and development activities in generic drug formulations and sustainable development for consumers. The following are several pharmaceutical industry companies in Indonesia that will be a comparison to PT Kalbe Farma Tbk, namely PT Indofarma Tbk, and PT Tempo Scan Pacific Tbk. And the following is data information from PT Kalbe Farma Tbk.

Table 1
Data on the results of the Solvency Ratio and Profitability Ratio of PT Kalbe Farma Tbk

Solvency Ratio			**Profitability Ratio**		
YEAR	**DAR**	**DER**	**NPM**	**ROA**	**ROE**
2020	19.00%	23.46%	12.11%	12.41%	12.41%
2021	19.00%	20.69%	12.30%	12.59%	15.20%
2022	18.88%	23.27%	11.92%	12.66%	15.61%

Judging from the results of the Solvency ratio analysis in 2020 - 2022 PT Kalbe Farma Tbk indicates that the company is in good condition and the company is able to reduce the debt ratio figure below the industry standard ratio. For the Debt to Asset Ratio, the highest value is in 2020 - 2021, namely with an industry ratio value of 19.00% and the lowest value is 18.88% in 2022, while for the Debt to Equity Ratio value the highest value is in 2020 with a ratio value 23.46%. The results of the profitability ratio analysis in 2020 - 2022 can be concluded that all average profitability ratios are below the industry financial standard ratios. This is caused by a decrease in company profits. For Net Profit Margin results, the highest

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value is in 2021, namely 12.30% and the lowest value is in 2022 with a value of 12.41%, for the Return On Asset ratio value, the highest value is in 2022 with a value of 12.66% and the lowest value in 2020 with a value of 12.41%, while the Return On Equity ratio value was highest in 2022, namely 15.61% and the lowest value was in 2020, namely 12.41%. Based on the description above, the author is interested in conducting research with the title "Financial Performance Analysis of Pharmaceutical Industry Sub-sector Companies in Indonesia for the period 2020 - 2022".

Based on the description of the background of the problem described above, the author formulates the problem as follows:

1. What is the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020–2022 period when viewed from financial reports using the solvency ratio?
2. What is the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020–2022 period when viewed from financial reports using profitability ratios?

The objectives of this research are as follows:

1. To determine the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period when viewed from financial reports using the solvency ratio.
2. To determine the financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period when viewed from financial reports using profitability ratios.

1. *Debt to Assets Ratio*(DAR)

Debt to Assets Ratio(DAR) is a debt ratio used to measure the comparison between total debt and total assets. This means that how much of the company's assets are financed by debt or how much of the company's debt has an effect on asset management. The formula for finding the debt to assets ratio according to Kasmir (2016: 151) is as follows:

$$DAR = \frac{Total\ Debt}{Total\ Assets}\ x\ 100\%$$

2. *Debt to Equity Ratio*(DER)

Debt to Equity Ratio(DER) is a ratio used to assess debt versus equity. This ratio is found by comparing all current debt with all equity. The formula for finding the debt to equity ratio according to Kasmir, (2016: 151) is as follows:

$$DER = \frac{Total\ Debt}{Total\ Equity}\ x\ 100\%$$

3. *Net Profit Margin*(NPM)

Profit margin on sales(Net Profit Margin) is one of the ratios used to measure the profit margin on sales. The way to measure this ratio is by comparing net profit after tax with net sales. Formula to searchnet profit margin according to Kasmir (2016:196) is as follows:

$$NPM = \frac{Profit\ after\ interest\ and\ taxes}{Net\ Sales}\ x\ 100\%$$

4. *Return On Assets*(ROA)

Return On Assets(ROA) is a ratio to measure a company's ability to generate profits with all the assets owned by the company. The formula for finding return on assets (ROA) according to Kasmir (2016:196) is as follows:

$$ROA = \frac{Profit\ after\ interest\ and\ taxes}{Total\ Assets}\ x\ 100\%$$

5. *Return On Equity* (ROE)

Return On Equity(ROE) is a ratio to measure net profit after tax with own capital. The formula for finding return on equity (ROE) according to Kasmir (2016:196) is as follows:

$$ROE = \frac{Profit\ after\ interest\ and\ taxes}{Total\ Equity}\ x\ 100\%$$

METHODS

The type of data used in this research is quantitative data. According to Duli (2019:4) "Quantitative data is data in the form of numbers". According to its form, quantitative data can be processed or analyzed using statistical calculation techniques. Besides that, the type of research used is a descriptive and comparative approach. According to Sugiyono (2018:86) "descriptive research method is research carried out to find out the value of independent variables, either one or more (independent) without making comparisons or connecting them with other variables. This means that this research only wants to know what the condition of the variable itself is without there is an influence or relationship on other variables such as experimental or correlation research". Meanwhile, comparative research according to Sugiyono (2014: 54) is research that compares the situation of one or more variables in two or more different samples, or at two different times.

The population in this study were companies in the pharmaceutical industry sub-sector on the Indonesia Stock Exchange, while the samples were taken from 3 of the existing pollution using a purposive sampling method and obtained by PT Kalbe Farma Tbk (KLBF), PT Indofarma Tbk (INAF) and PT Tempo Scan Pasifik Tbk (TSPC).

The data analysis technique used in this research is descriptive statistical analysis where descriptive statistical analysis provides an overview or description of data seen from the highest value (maximum), low value (minimum), average value (mean) and standard deviation (standard deviation). Ghozali (2016:19). Apart from descriptive statistical tests, the data analysis used is comparative, namely comparing the results of financial ratio calculations between companies in the pharmaceutical industry sub-sector and seeing which companies are said to be healthy based on industry standards that have been determined by experts. The industry standards used in this research are as follows:

Table 2 Industry Standard Solvency Ratios

No	Ratio Type	Industry Standards	Information
1	Debt to ratio equity (Debt to Equity Ratio)	90%	Good if below standard ratio
2	Debt to Asset Ratio (Debt to Assets Ratio)	35%	Good if below standard ratio

Source: Kasmir, 2016

Table 3 Industry Standard Profitability Ratios

No	Ratio Type	Industry Standards	Information

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1	Net Profit Margin (Net Profit Margin)	20%	Good if above standard ratio
2	Return on Assets (Return on Assets)	30%	Good if above standard ratio
3	Return on Equity (Return on Equity)	40%	Good if above standard ratio

Source: Cashmere 2016.

RESULT

A. Solvency Ratio Results

The solvency ratios calculated in the research are the Debt to Assets Ratio and the Debt to Equity Ratio, following are the results of the calculation and analysis of these two ratios:

1. *Debt to Assets Ratio*

Debt to Assets Ratio(DAR) is a debt ratio used to measure the comparison between total debt and total assets. This means that how much of the company's assets are financed by debt or how much of the company's debt has an effect on asset management. The DAR results in this research are as follows:

Table 4 Results of calculating the Debt to Assets Ratio of PT Kalbe Farma Tbk

Year	Total Debt	Total assets	DAR
2020	4,288,218,173,294	22,564,300,317,374	19%
2021	4,400,757,363,148	25.666.635.156.271	17%
2022	5,143,984,823,285	27,241,313,025,674	19%
Average	4,610,986,786,576	25,157,416,166,440	18%

Source: processed data (2024)

Based on table 4, it can be seen that the Debt to Assets Ratio of PT Kalbe Farma Tbk fluctuates every year. The Debt to Assets Ratio in 2020 was 19%, then in 2021 it decreased by 17% and in 2022 it again increased by 19%. So the average obtained from the results of calculating the Debt to Assets Ratio of PT Kalbe Farma Tbk for 2020 - 2022 is 18%.

Table 5 Results of calculating the Debt to Assets Ratio of PT Indofarma Tbk

Year	Total Debt	Total assets	DAR
2020	1,283,008,182,330	1,713,334,658,849	75%
2021	1,503,569,486,636	2,011,879,396,142	75%
2022	1,447,651,934,795	1,534,000,446,508	94%
Average	1,411,409,867,920	1,753,071,500,500	81%

Source: processed data (2024)

Based on table 5, it can be seen that the Debt to Assets Ratio of PT Indofarma Tbk is fluctuating. The Debt to Assets Ratio in 2020 was 75%, then in 2021 it remained at 75% and in 2022 it increased by 94%. So the average obtained from the results of calculating the Debt to Assets Ratio of PT Indofarma Tbk for 2020 - 2022 is 81%.

Table 6 Results of calculating the Debt to Assets Ratio of PT Tempo Scan Pacific Tbk

Year	Total Debt	Total assets	DAR
2020	2,727,421,825,611	9,104,657,533,366	30%
2021	2,769,022,665,619	9,644,326,662,784	29%
2022	3,778,216,973,720	11,328,947,079,150	33%
Average	3,091,553,821,650	10,025,977,091,767	31%

Source: processed data (2024)

Based on table 6, it can be seen that the Debt to Assets Ratio of PT Tempo Scan Pasifik Tbk fluctuates every year. The Debt to Assets Ratio in 2020 was 30%, then in 2021 it decreased to 29% and in 2022 it increased by 33%. So the average obtained from the results of calculating the Debt to Assets Ratio of PT Tempo Sacn Pasifik Tbk for 2020 - 2022 is 31%.

Table 7 Overall results - Average Debt to Assets Ratio

No.	Stock code	2020	Year 2021	Year 2022	Average	Industry Standards
1	KLBF	19%	17%	19%	18%	35%
2	INAF	75%	75%	94%	81%	
3	TSPC	30%	29%	33%	31%	

Source: processed data (2024)

According to Kasmir (2018), the higher the Debt to Asset Ratio value obtained by a company, the worse the debt management of its assets is, conversely, if the Debt to Asset Ratio is smaller, the better a company is at managing debt to its assets, meaning the smaller the company. financed from debt.

Based on the average company value, the debt to asset ratio for the period 2020 - 2022 for the company PT Kalbe Farma Tbk is 18%, PT Indofarma Tbk is 81%, and PT Tempo Scan Pacific Tbk is 31%. If we compare it with the industry standard for a debt to assets ratio of 35%, the company will experience good conditions if it is below the standard ratio.

a. PT. Kalbe Farma Tbk (KLBF) average DAR value for the 2020 - 2022 period is 18%, this proves that 18% < 35%, which means debt management of the company's total assets is in good condition.
b. PT. Indofarma Tbk (INAF) average DAR value for the 2020 - 2022 period is 81%, this proves that 81% > 35%, which means that debt management of the company's total assets is not in good condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average DAR value for the 2020 - 2022 period is 31%, this proves that 31% < 35%, which means that the management of debt to total assets of this company is in good condition even though it is almost close to the standard ratio.

2. *Debt to Equity Ratio*

Debt to Equity Ratio(DER) is a ratio used to assess debt versus equity. The DER results in the research are as follows:

Table 8 Results of calculating the Debt to Equity Ratio of PT Kalbe Farma Tbk

Year	Total Debt	Equity	DER
2020	4,288,218,173,294	18,276,082,144,080	23%
2021	4,400,757,363,148	21.265.877.793.123	21%
2022	5,143,984,823,285	22,097,328,202,389	23%
Average	4,610,986,786,576	20,546,429,379,864	22%

Source: processed data (2024)

Based on table 8, it can be seen that the Debt to Equity Ratio of PT Kalbe Farma Tbk fluctuates every year. The Debt to Equity Ratio in 2020 was 23%, then in 2021 it decreased by 21% and in 2022 it again increased by 23%. So the average obtained from the results of calculating the Debt to Equity Ratio of PT Kalbe Farma Tbk for 2020 - 2022 is 22%.

Table 9 Results of calculating the Debt to Equity Ratio of PT Indofarma Tbk

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Year	Total Debt	Equity	DER
2020	1,283,008,182,330	430,326,476,519	298%
2021	1,503,569,486,636	508,309,909,506	296%
2022	1,447,651,934,795	86.348.511.713	1677%
Average	1,411,409,867,920	341,661,632,579	757%

Source: processed data (2024)

Based on table 9, it can be seen that PT Indofarma Tbk's Debt to Equity Ratio fluctuates every year. The Debt to Equity Ratio in 2020 was 298%, then in 2021 it decreased by 296% and in 2022 it again increased by 1677%. So the average obtained from the results of calculating the Debt to Equity Ratio of PT Indofarma Tbk for 2020 - 2022 is 757%.

Table 10 Results of calculating the Debt to Equity Ratio of PT Tempo Scan Pacific Tbk

Year	Total Debt	Equity	DER
2020	2,727,421,825,611	6,377,235,707,755	43%
2021	2,769,022,665,619	6,875,303,997,164	40%
2022	3,778,216,973,720	7,550,757,105,430	50%
Average	3,091,553,821,650	6,934,432,270,116	44%

Source: processed data (2024)

Based on table 10, it can be seen that the Debt to Equity Ratio of PT Tempo Scan Pasifik Tbk fluctuates every year. The Debt to Equity Ratio in 2020 was 43%, then in 2021 it decreased by 40% and in 2022 it increased by 50%. So the average obtained from the results of calculating the Debt to Equity Ratio of PT Tempo Scan Pasifik Tbk for 2020 - 2022 is 44%.

Table 11 Overall results - Average Debt to Equity Ratio

No.	Stock code	2020	Year 2021	Year 2022	Average	Industry Standards
1	KLBF	23%	21%	23%	22%	90%
2	INAF	298%	296%	1677%	757%	
3	TSPC	43%	40%	50%	44%	

Source: processed data (2024)

According to Kasmir (2018), the higher the Debt to Equity Ratio value obtained, the worse the company will be and the more debt funding it will have, and conversely, the smaller the debt to asset ratio, the better the company will be and the smaller the company will be funded by debt.

Based on the company average, the debt to equity ratio for the period 2020 - 2022 for the company PT Kalbe Farma Tbk is 22%, PT Indofarma Tbk is 757%, and PT Tempo Scan Pacific Tbk is 44%. If we compare it with the industry standard for a debt to equity ratio of 90%, the company will experience good conditions if it is below the industry standard.

a. PT. Kalbe Farma Tbk (KLBF) average DER value for the 2020 - 2022 period is 22%, this proves that 22% < 90%, which means that debt management of the company's total equity is in good condition.
b. PT. Indofarma Tbk (INAF) average DER value for the 2020 - 2022 period is 757%, this proves that 757% > 90%, which means that debt management of the total equity of this company is not in good condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average DER value for the 2020 - 2022 period is 31%, this proves that 44% < 90%, which means that debt management of the total

equity of this company is in good condition.

B. Profitability Ratio Results

The profitability ratios taken into account in the research are *Net Profit Margin, Return On Assets and Return On Equity*, here are the results of the calculation and analysis of the three ratios:

1. *Net Profit Margin*

Net Profit Margin(NPM) is one of the ratios used to measure the profit margin on sales. The way to measure this ratio is by comparing net profit after tax with net sales.

Table 12 Net Profit Margin Calculation Results for PT Kalbe Farma Tbk

Year	Net profit	Berih Sales	NPM
2020	2,799,622,515,814	23,112,654,991,224	12%
2021	3,232,007,683,281	26,261,194,512,313	12%
2022	3,450,083,412,291	28,933,502,646,719	12%
Average	3,160,571,203,795	26,102,450,716,752	12%

Source: processed data (2024)

Based on table 12, it can be seen that the Net Profit Margin of PT Kalbe Farma Tbk tends to be stable every year. Net Profit Margin in 2020 was 12%, in 2021 it remained the same, namely 12% and likewise in 2022 it was 12%. So the average obtained from the results of calculating the Net Profit Margin of PT Kalbe Farma Tbk for 2020 - 2022 is 12%.

Table 13 Net Profit Margin Calculation Results for PT Indofarma Tbk

Year	Net profit	Berih Sales	NPM
2020	30,020,709	1,715,587,654,399	0%
2021	- 37,571,241,226	2,901,986,532,879	-1%
2022	- 428,487,671,595	1,144,108,230,742	-37%
Average	- 155,342,964,037	1,920,560,806,007	-13%

Source: processed data (2024)

Based on table 13, it can be seen that the Net Profit Margin of PT Indofarma Tbk fluctuates every year. Net Profit Margin in 2020 was 0%, in 2021 it decreased by -1% and in 2022 it experienced a drastic decrease of -37%. So the average obtained from the calculation results of PT Indofarma Tbk's Net Profit Margin for 2020 - 2022 is -13%.

Table 14 Net Profit Margin Calculation Results for PT Tempo Scan Pasifik Tbk

Year	Net profit	Berih Sales	NPM
2020	834.369.751.682	10,968,402,090,246	8%
2021	877.817.637.643	11,234,443,003,639	8%
2022	1,037,527,882,044	12.254.369.318.120	8%
Average	916.571.757.123	11.485.738.137.335	8%

Source: processed data (2024)

Based on table 14, it can be seen that the Net Profit Margin of PT Tempo Scan Pasifik Tbk tends to be stable every year. Net Profit Margin in 2020 was 8%, in 2021 it remained the same at 8% and in 2022 it also remained the same as the previous two years, namely 8%. So the average obtained from the results of calculating the Net Profit Margin of PT Tempo Scan Pasifik Tbk for 2020 - 2022 is 8%.

Table 15 Overall results - Average Net Profit Margin

No.	Stock code	2020	Year 2021	Year 2022	Average	Industry Standards
1	KLBF	12%	12%	12%	12%	20%
2	INAF	0.001%	-1%	-37%	-13%	

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3	TSPC	8%	8%	8%	8%	

Source: processed data (2024)

According to Kasmir (2018), the greater the value of the Net Profit Margin ratio, the greater the funds that can be returned from the company's net sales into profits. The greater the net profit a company obtains, the better the company's performance.

Based on the company average, the Net Profit Margin for the period 2020 - 2022 for the company PT Kalbe Farma Tbk is 12%, PT Indofarma Tbk is -13%, and PT Tempo Scan Pacific Tbk is 8%. If we compare it with the industry standard for Net Profit Margin of 20%, the company will experience good conditions if it is above the standard ratio.

a. PT. Kalbe Farma Tbk (KLBF) average NPM value for the 2020 - 2022 period is 12%, this proves that 12% < 20%, which means the net profit income obtained from the total income of this company is in poor condition.
b. PT. Indofarma Tbk (INAF) average NPM value for the 2020 - 2022 period is -13%, this proves that -13% < 20%, which means that the net profit income obtained from the total income of this company is in very bad condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average NPM value for the 2020 - 2022 period is 8%, this proves that 8% < 20%, which means the net profit income obtained from the total income of this company is in poor condition.

2. *Return On Assets*

Return On Assets(ROA) is a ratio to measure a company's ability to generate profits with all the assets owned by the company.

Table 16 Return on Asset Calculation Results for PT Kalbe Farma Tbk

Year	Net profit	Total assets	ROA
2020	2,799,622,515,814	22,564,300,317,374	12%
2021	3,232,007,683,281	25.666.635.156.271	13%
2022	3,450,083,412,291	27,241,313,025,674	13%
Average	3,160,571,203,795	25,157,416,166,440	13%

Source: processed data (2024)

Based on table 16, it can be seen that PT Kalbe Farma Tbk's Return On Assets tends to be the same every year. Return on Assets in 2020 was 12%, in 2021 there was a slight increase, namely 13% and in 2022 it will still be the same as the previous year at 13%. So the average obtained from the calculation results of PT Kalbe Farma Tbk's Return On Assets for 2020 - 2022 is 13%.

Table 17 Return on Asset Calculation Results for PT Indofarma Tbk

Year	Net profit	Total assets	ROA
2020	30,020,709	1,713,334,658,849	0%
2021	- 37,571,241,226	2,011,879,396,142	-2%
2022	- 428,487,671,595	1,534,000,446,508	-28%
Average	- 155,342,964,037	1,753,071,500,500	-10%

Source: processed data (2024)

Based on table 17, it can be seen that PT Indofarma Tbk's Return On Assets fluctuates every year. Return on Assets in 2020 was 0%, in 2021 there was a decrease of -2% and in 2022 there was a drastic decrease of -28%. So the average obtained from the calculation results of PT Indofarma Tbk's Return On Assets for 2020 - 2022 is -10%.

Table 18 Return on Asset Calculation Results for PT Tempo Scan Pacific Tbk

Year	Net profit	Total assets	ROA
2020	834.369.751.682	9,104,657,533,366	9%
2021	877.817.637.643	9,644,326,662,784	9%
2022	1,037,527,882,044	11,328,947,079,150	9%
Average	916.571.757.123	10,025,977,091,767	9%

Source: processed data (2024)

Based on table 18, it can be seen that the Return On Assets of PT Tempo Scan Pasifik Tbk is stable every year. Return on Assets in 2020 was 9%, in 2021 it was still the same as the previous year at 9% and in 2022 it was still the same, namely 9%. So the average obtained from the calculation results of PT Tempo Scan Pasifik Tbk's Return On Assets for 2020 - 2022 is 9%.

Table 19 Overall results - Average Return on Assets

No.	Stock code	2020	Year 2021	Year 2022	Average	Industry Standards
1	KLBF	12%	13%	13%	13%	30%
2	INAF	0.001%	-2%	-28%	-10%	
3	TSPC	9%	9%	9%	9%	

Source: processed data (2024)

According to Kasmir (2018), the greater the value of the return on assets ratio, the greater the funds that can be returned from the company's total assets into profits. The greater the net profit a company obtains, the better the company's performance.

Based on the average value for Return On Assets for the period 2020 - 2022 for the company PT Kalbe Farma Tbk it is 13%, PT Indofarma Tbk is -10%, and PT Tempo Scan Pacific Tbk is 9%. If we compare it with the industry standard for Return On Assets of 30%, the company will experience good conditions if it is above the standard ratio.

a. PT. Kalbe Farma Tbk (KLBF) average ROA value for the 2020 - 2022 period is 13%, this proves that 13% < 30%, which means the company's ability to generate profits using existing total assets is in poor condition.
b. PT. Indofarma Tbk (INAF) average ROA value for the 2020 - 2022 period is -10%, this proves that -10% < 30%, which means the company's ability to generate profits using existing total assets is in very poor condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average ROA value for the 2020 - 2022 period is 9%, this proves that 9% < 30%, which means the company's ability to generate profits using existing total assets is in poor condition.

3. *Return On Equity*

Return On Equity(ROE) is a ratio to measure net profit after tax with own capital.

Table 20 Return on Equity Calculation Results for PT Kalbe Farma Tbk

Year	Net profit	Total Equity	ROE
2020	2,799,622,515,814	18,276,082,144,080	15%
2021	3,232,007,683,281	21.265.877.793.123	15%
2022	3,450,083,412,291	22,097,328,202,389	16%
Average	3,160,571,203,795	20,546,429,379,864	15%

Source: processed data (2024)

Based on table 20 it can be seen thatReturn On EquityPT Kalbe Farma Tbk tends to be the same every year. Return on Equity in 2020 was 15%, in 2021 it remained the same as the previous year, namely 15%, while in 2022 there was a slight increase, namely 16%. So the average obtained from the calculation results of PT Kalbe Farma Tbk's Return On Equity for 2020 - 2022 is 15%.

Table 21 Return on Equity Calculation Results for PT Indofarma Tbk

Year	Net profit	Total Equity	ROE
2020	3,629,965,496	430,326,476,519	0.8%
2021	-37,571,241,226	508,309,909,506	-7%
2022	-428,487,671,595	86.348.511.713	-496%
Average	-63,667,673,668	341,660,632,579	-167%

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Source: processed data (2024)

Based on table 21, it can be seen that PT Indofarma Tbk's Return On Equity fluctuates every year. Return on Equity in 2020 was 0.8%, in 2021 it decreased by -7%, while in 2022 it again experienced a quite drastic decrease of -496%. So the average obtained from the calculation results of PT Indofarma Tbk's Return On Equity for 2020 - 2022 is -167%.

Table 22 Return on equity calculation results for PT Tempo Scan Pacific Tbk

Year	Net profit	Total Equity	ROE
2020	834.369.751.682	6,377,235,707,755	13%
2021	877.817.637.643	6,875,303,997,164	13%
2022	1,037,527,882,044	7,550,757,105,430	14%
Average	916.571.757.123	6,934,432,270,116	13%

Source: processed data (2024)

Based on table 22, it can be seen that PT Tempo Scan Pasifik Tbk's Return On Equity tends to be stable every year. Return on Equity in 2020 was 13%, in 2021 it was still the same as the previous year at 13%, while in 2022 there was an increase of 14%. So the average obtained from the calculation results of PT Tempo Scan Pasifik Tbk's Return On Equity for 2020 - 2022 is 13%.

Table 23 Calculation Results of Standard Average Return on Equity

NO	Stock code	2020	Year 2021	Year 2022	Industry Average	Industry Standards
1	KLBF	15%	15%	16%	15%	40%
2	INAF	0.8%	-7%	-496%	-167%	
3	TSPC	13%	13%	14%	13%	

Source: processed data (2024)

According to Kasmir (2018), the greater the value of the return on equity ratio, the greater the funds that can be returned from the company's total equity into profits. The greater the net profit a company obtains, the better the company's performance.

Based on the average value for Return On Equity for the 2020 - 2022 period for the company PT Kalbe Farma Tbk, it is 15%, PT Indofarma Tbk is -167%, and PT Tempo Scan Pacific Tbk is 13%. If we compare it with the industry standard for Return On Equity of 40%, the company will experience good conditions if it is above the standard ratio.

a. PT. Kalbe Farma Tbk (KLBF) average ROE value for the 2020 - 2022 period is 15%, this proves that 15% < 40%, which means the company's ability to generate profits using the total equity in the company is in poor condition.
b. PT. Indofarma Tbk (INAF) average ROE value for the 2020 - 2022 period is -167%, this proves that -167% < 40%, which means that the company's ability to generate profits using the total equity in the company is in very poor condition.

a. PT. Tempo Scan Pasifik Tbk (TSPC) average ROE value for the 2020 - 2022 period is 13%, this proves that 13% < 40% which means the company's ability to generate profits using total equity in the company is in poor condition.

CONCLUSION

Based on the results of research and discussion regarding financial performance analysis of pharmaceutical industry sub-sector companies in Indonesia for the 2020 - 2022 period, several conclusions can be drawn as follows:

1. The financial performance of pharmaceutical industry sub-sector companies in Indonesia for the 2020-2022 period, if viewed from the financial statements using the solvency ratio, is:

Debt to Asset Ratio

a. PT. Kalbe Farma Tbk (KLBF) average DAR value for the 2020 - 2022 period is 18%, this company is in good condition.
b. PT. Indofarma Tbk (INAF) average DAR value for the 2020 - 2022 period is 81%, this company is not in good condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average DAR value for the 2020 - 2022 period is 31%, this company is in good condition.

Debt to Equity Ratio

a. PT. Kalbe Farma Tbk (KLBF) average DER value for the 2020 - 2022 period is 22%, this company is in good condition.
b. PT. Indofarma Tbk (INAF) average DAR value for the 2020 - 2022 period is 757%, this company is not in good condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average DAR value for the 2020 - 2022 period is 44%, this company is in good condition.

2. The financial performance of pharmaceutical industry sub-sector companies in Indonesia for the period 2020 – 2022, if viewed from the financial reports using profitability ratios, is:

Net Profit Margin

a. PT. Kalbe Farma Tbk (KLBF) average NPM value for the 2020 - 2022 period is 12%, this company is in poor condition.
b. PT. Indofarma Tbk (INAF) average NPM value for the 2020 - 2022 period is -13%, this company is in very bad condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) has an average NPM value for the 2020 - 2022 period, which is 8%, this company is in poor condition.

Return On Assets

a. PT. Kalbe Farma Tbk (KLBF) average ROA value for the 2020 - 2022 period is 13%, in poor condition.
b. PT. Indofarma Tbk (INAF) average ROA value for the 2020 - 2022 period is -10%, in very bad condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average ROA value for the 2020 - 2022 period is 9%, in poor condition.

Return On Equity

a. PT. Kalbe Farma Tbk (KLBF) average ROE value for the 2020 - 2022 period is 15%, the company is in poor condition.
b. PT. Indofarma Tbk (INAF) average ROE value for the 2020 - 2022 period is -167%, the company is in very bad condition.
c. PT. Tempo Scan Pasifik Tbk (TSPC) average ROE value for the 2020 - 2022 period is 13%, this company is in poor condition.

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