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COMPARATIVE ANALYSIS OF FINANCIAL PERFORMANCE IN TELECOMMUNICATION SECTOR COMPANIES

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Abstract

This study aims to analyze the financial performance of telecommunication companies listed on the Indonesian stock exchange in 2020-2022, by looking at financial reports using analysis, namely Liquidity Ratios, Solvency Ratios, Activity Ratios, Profitability Ratios. This method uses descriptive and quantitative analysis methods, with a focus on the company's financial performance. The type and source of data used are secondary data in the form of balance reports, income statements and data needed from 2020-2022, the data is taken from reports of telecommunications financial companies published on the Indonesia Stock Exchange. Based on research that can be done is PT .Telkomsel and PT.XL Axiata have better performance. This is evidenced by the good liquidity ratios, solvability ratios, activity ratios, good company profitability ratios every year

Keywords: *Telecommunication company, Financial Performance, Financial Ratios*

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INTRODUCTION

As today's developments become increasingly advanced, people's need for telecommunications is increasingly needed so that devices are increasingly developing rapidly. Network technology in telecommunications devices is now increasingly making it easier for people to communicate or send short messages, and as a means to seek entertainment and find important information from all corners of the world via internet services. Currently, there are many networks for internet services that are entering and being enjoyed by the Indonesian people, such as the 4G LTE network which entered Indonesia several years ago, so that telecommunications companies are being asked to further improve their company's performance. Law no. 36/1999 concerning telecommunications from the 2020 government regulation which allows foreign cellular operators to enter the Indonesian market, since then the Indonesian telecommunications industry has been in a phase of telecommunications liberalism. The large number of industry players in the telecommunications sector has given rise to various competitions which require each company to always improve its strategy so that the company can develop further from year to year. Apart from that, it is hoped that these efforts can create an increase in financial performance so that the company's activities can continue to run smoothly (Halik et al., 2022).

The company's financial condition can be known from the company's financial reports which can be used as material and tools to determine and assess the company's financial performance which can be used as materials and tools to determine and assess the financial position of a company at a certain time (Irdawati, et.al 2021). To examine the company's financial condition and performance, financial analysis must be carried out to examine the company's financial health.

To see a comparison of the performance of PT.Telkomsel Tbk, PT.Xl Axiata Tbk, PT.Smartfren Tbk, PT.Indosat Tbk, it can be seen from the following table:

Table 1. TELECOMMUNICATIONS COMPANY ASSET POSITION, SALES, EBIT AND NET PROFIT FOR 2020-2022 (in millions of rupiah)

DESCRIPTION	TELKOMSEL	XL	SMARTFREN	INDOOSAT
2020				
Total assets	221.206.000	712.579.000	27.650.000	62.813.000
Sales	135.567.000	25.132.628	6.987.628	29.926.100
EBIT	42.394.000	1.144.117	2.339.217	1.940.428
NET PROFIT	27.592.000	62.725.000	2.187.772	1.301.900
2021				
Total assets	246.943.000	67.774.797	646.319.224	60.878.651
Sales	38.775.000	26.009.095	407.882.876	6.523.095
EBIT	43.332.000	3.084.734	748.675.260	1.434.897
NET PROFIT	26.979.000	3.296.890	3.285.837	2.641.130

2022				
Total assets	227.184.000	72.753.282	789.980.546	63.397.546
Sales	31.338.311	456.828.821	456.828.821	331.338.311
EBIT	44.225.000	3.563.661	247.188.617	3.954.803
NET PROFIT	3.885.000	2.281.826	319.095.317	2.583.000

Source: PT.Indonesia Stock Exchange (2023)

Based on the data or table for 2020, PT. XL Axiata is the telecommunications company with the highest revenue, because it is caused by the highest usage compared to the three companies. For 2021, PT. Telkomsel is the telecommunications company with the highest revenue among these three companies because in that year Telkomsel used the most. For 2022, PT. Smartfren is the company with the highest income compared to the three companies, this is due to the large number of Smartfren enthusiasts or users that year.

Based on the table above, the problem formulation in this study is "Is there a real difference from the comparison of the financial performance of the four telecommunications companies listed on the IDX during the 2020-2022 period". The purpose of this study is to determine the Comparison of the Company's Financial Performance PT. Telekomunikasi Indonesia Tbk (TLKM), PT. XL Axiata Tbk (EXCL), Smartfren Tbk (FREN) and PT Indosat Tbk (ISAT) over the last 3 years have been efficient and effective.

LITERATURE REVIEW

Financial management

According to Sartono (2011: 150), the term financial management can be interpreted as good management related to the effective allocation of funds in various forms of investment as well as efforts to collect funds to finance investment or learning efficiently. The implementer of financial management is the financial manager. Although the main function of a financial manager is to plan, find, and utilize in various ways to maximize the efficiency (effectiveness) of the company's operations.

According to Darsono (2011: 101), Financial Management is the activity of owners and borrowing companies to obtain capital resources as cheaply as possible and use them as effectively, efficiently and as economically as possible or generate profits.

Financial management is related to 3 activities, namely:

1. Fund use activities, namely activities to invest funds, both from internal funding sources and funding sources in various assets.
2. Fund acquisition activities, namely activities to obtain funding sources, both from internal funding sources and external funding sources.
3. Asset management activities, namely after funds have been obtained and allocated in the form of assets, the funds must be managed as efficiently as possible

Financial performance

The company's financial performance can be used as a measuring tool by using financial ratios and other analytical tools. We are expected to be able to understand the concepts of financial performance and measuring tools and be able to apply them to operational phenomena that exist in the real world. Financial performance is a description of the financial condition of a company in a certain period, both in terms of aspects of

fundraising and distribution of funds, which is usually measured using indicators in the form of capital, liquidity and profitability.

The definition of performance appraisal according to Robert L Mathias & Jhon H. Jackson (2006; 328) is the process of evaluating how well employees do their work when compared to a set of standards, and then communicating this information to employees. Based on the above understanding, we can get that performance is an action taken by certain parties to see and know the good reciprocal relationship with what has been determined by the company for its application in the daily activities of the company. Financial performance in a company must be shown because to find out the development of the company that has been achieved in each certain period. Used as a basis for planning for the company in the future and can be used to assess the contribution of a part in achieving overall company goals.

So, financial performance is the company's achievements in a certain period which reflects the company's health level. By knowing the company's financial condition, rational decisions can be made using certain analytical tools.

Financial statements

Financial statements are historical information but in order to complete the analysis for future projections of the company, qualitative information and clear information need to be embedded. Financial reports are basically the result of a process that can be used as a means of communication between financial data or activities in the company and parties with an interest in the company's data. From these financial statements, financial ratios are then calculated. (Kasmir, 2013)

As is known, the four types of reports used by companies are: (Kasmir, 2019)

1. Statement of financial position (Balance Sheet) which describes the financial position in the form of assets, debt, and equity (Capital) at a time
2. Profit and Loss Report which describes the listed performance of profits, namely the difference between income and costs
3. The Cash Flow Statement provides an overview of how a company obtains and uses cash from operating, investing and financing activities during a period
4. Equity changes report containing changes in equity originating from internal performance in the form of profits and dividend distributions as well as the influence and changes in the composition of capital contributions.

The financial statements themselves consist of a balance sheet and profit and loss calculations and a report on changes in capital where the balance shows the value of assets, accounts and capital of the company on a certain date, while the profit and loss calculation shows the results that have been achieved in the company and the costs incurred during certain period. (Mongan, C, J., et al , 2023)

Comparative Analysis

This analysis is part of the financial statement analysis which is carried out horizontally by comparing the financial statements for two or more periods by comparing the company's financial statements with those of other companies. The goal is to find out the changes that have occurred in the company and how good or bad a company is compared to other similar companies.

Financial Report Analysis

According to Kasmir (2019:3), Financial Report Analysis is a financial report that shows the company's current financial position and condition or in a certain period. Analysis of a company's financial statements is basically because it wants to know the level of profitability (profit) and the level of risk or the level of soundness of a company. Therefore, the analysis and interpretation of the analyzer must be studied or interviewed thoroughly and if deemed necessary, a rearrangement of the data is carried out in accordance with

applicable regulations. After studying or compiling these financial statements, then carrying out analytical calculations and interpretations using the methods and techniques of financial statement analysis consisting of relationships and trends to determine the results of operations and the development of the company concerned.

One of the important tasks after the end of the year is to analyze the company's financial statements. There are several functions that can be felt from financial report analysis, namely as follows:

- a. As a goal to find out the situation and condition of the company from the financial statements without going directly to the field.
- b. To see the possibility of problems occurring either in financial operational management or other problems within the company.
- c. To measure the success of company management.
- d. As a tool to assess management achievements in managing the company.
- e. Reduce uncertainty which is difficult to avoid and is often encountered in the decision making process.

Financial Ratio Analysis

According to Kasmir (2018), financial ratios are the activity of comparing the numbers in financial reports by dividing one number by another number. So financial ratios are an analytical tool used by companies to assess financial performance based on a comparison of each item contained in the financial statements such as balance sheets, loss/profit and cash flows in a certain period.

Types of Financial Ratios

- 1.) Liquidity is the ability of a company to meet its short-term needs at maturity. Another definition is the ability of a person or company to fulfill obligations or debts.
- 2.) Solvency is a financial ratio that measures a company's ability to fulfill all obligations, including short-term debt, pay off all existing debt using all the assets it owns.
- 3.) Profitability is a ratio that is often used to measure the ability of a company to generate profits within a certain period. The Profitability Ratio also has an important meaning in an effort to maintain the running of a company in the long term, because profitability shows whether the business entity will always try increasing profitability, because the higher the level of profitability of a business entity, the more secure the running of the business entity will be.

CONCEPTUAL FRAMEWORK AND HYPOTHESIS

Based on the description above and the formulation of the problem that the author has conveyed, the author simplifies it within the framework of the research concept as shown in the image below:

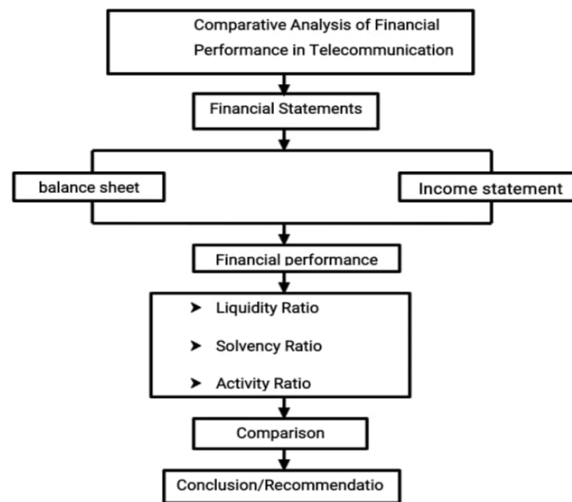


Figure 1: Research Conceptual Framework

The framework of this research explains that the comparisons carried out will start from financial reports consisting of a balance sheet and profit and loss report where the financial performance will be analyzed using Liquidity Ratios, Solvency Ratios, Activity Ratios and Profitability Ratios to obtain comparative results of the financial performance of these four companies.

Hypothesis

Based on the formulation of the problem above, the authors formulate a hypothesis from this study, namely "There is a real difference in the financial performance of TELKOMSEL, XL, SMARTFREN and INDOOSAT during 2020-2022.

METHODOLOGY

Research sites

To provide an explanation of the problems that will be studied in this paper, this research was conducted at telecommunications companies by taking data from the Indonesia Stock Exchange, which is located on Jalan A.P. Pettarani Makassar, South Sulawesi province.

Data Types and Sources

Data Type

- Qualitative data is data obtained in the form of information such as history and organizational structure
- Quantitative data, namely data obtained in the form of numbers such as data and financial reports originating from PT. Indonesia stock exchange.

Data source

In this study, the secondary data used is the financial statements of PT. Telekomsel Tbk, PT. XL Axiata Tbk, PT. SmartfrenTbk, and PT. Indosat Tbk for 2020-2022 which have been published by the four companies and sources from www.idx.co.id which is the official website of the Indonesian Stock Exchange.

Data analysis method

In discussing the problems previously stated, the writing uses the following analysis.

1.) Liquidity Ratio

This ratio describes the company's ability to fulfill its short-term obligations (short-term debt). This ratio consists of:

a. Current ratio

The Current Ratio is a ratio that reflects the ability of a company's current assets to cover current liabilities or short-term debt using the formula: (Kasmir, 2013)

$$\text{Current Ratio} = \frac{\text{Current asset}}{\text{Current liabilities}} \times 100\%$$

b. Cash Ratio

Cash Ratio is a ratio that reflects the company's cash and cash equivalents position to cover current liabilities or short-term debt using the formula: (Kasmir, 2013)

$$\text{Cash Ratio} = \frac{\text{Cash}}{\text{Current Liabilities}} \times 100\%$$

2.) Solvency Ratio

This ratio describes the company's ability to fulfill all debts owned by a company, both short term and long term (Kasmir, 2013). This ratio consists of:

Debt to Equity Ratio

Debt to Equity Ratio is a financial ratio that can compare the amount of a company's debt with its capital, using the formula:

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

3.) Activity Ratio

This ratio is used to measure the company's effectiveness in using its assets. This ratio uses the formula: (Kasmir, 2013)

a. Asset Turnover

Asset Turnover is a method used to measure success or success in an ongoing company or in other words to assess the efficiency of a company in carrying out its operations in a period, using the formula: (Kasmir, 2013)

$$\text{Asset Turnover} = \frac{\text{Sales}}{\text{Total Assets}} \times 100\%$$

b. Working Capital Turnover

Working Capital Turnover is a ratio to measure and assess the effectiveness of a company's working capital during a certain period, using the formula: (Kasmir, 2013)

$$\text{Working Capital Turnover} = \frac{\text{Sales}}{\text{Current asset}} \times 100\%$$

4.) Profitability Ratio

This ratio is the result of a comparison measuring the company's ability to gain profits from the income generated. Equity, assets and sales are based on measurement standards. This ratio uses the formula:

a. Gross Profit Margin

Gross Profit Margin, also known as gross margin, is a financial metric that shows how efficiently a business is managing its operations. (Kasmir, 2013)

$$\text{Gross Profit Margin} = \frac{\text{Gross profit}}{\text{Sales}} \times 100\%$$

b. Profit Margins

Profit Margin is an indicator for making profit comparisons by comparing profits after costs or taxes with sales results. Profits or profits are related to net profit and gross profit, using the formula: (Kasmir, 2013)

$$\text{Profit Margin} = \frac{\text{Operational Profit}}{\text{Sales}} \times 100\%$$

c. Net Profit Margins

Net Profit Margin is a net profit profitability ratio which states the profit from business operations as a percentage of revenue or sales, using the formula: (Kasmir, 2013)

$$\text{Net Profit Margin} = \frac{\text{Earning after Tax}}{\text{Sales}} \times 100\%$$

d. Return on Equity (ROE)

Return On Equity is the return printed by the company for shareholders. ROE is determined by the company's ability to generate profitability or profit margins, asset productivity to generate income, and optimal management of the use of debt by the company, using the formula: (Kasmir, 2013)

$$\text{Return on equity} = \frac{\text{Net Profit}}{\text{Equity}} \times 100\%$$

e. Return On Assets (ROA)

Return On Assets (ROA) is a measure of the ability of company assets to generate net profits, using the formula: (Kasmir, 2013)

$$\text{Return on asset} = \frac{\text{EBIT}}{\text{Total Assets}} \times 100\%$$

RESULTS AND DISCUSSION

Telecommunication Sector Company Financial Performance Report

1. Financial Performance of PT Telkom Indonesia Tbk

Table 2. PT TELKOMSEL BALANCE SHEET PER 31 DECEMBER 2020, 2021, 2022 (in millions of Rupiah)

Description	Cur	2020	2021	2022
Total Current Assets	Rp	41.722.000	46.503.000	61.277.000
Total non-current assets	Rp	179.486.000	200.400.000	215.907.000
Total Assets	Rp	221.206.000	246.943.000	277.184.000

Liability	Rp	103.958.000	126.054.000	131.785.000
Equity distributed to owners of the parent entity	Rp	99.561.000	102.527.000	121.646.000
Net working capital (current assets-current liabilities)	Rp	(16.647.000)	(22.530.000)	(7.904.000)
Investments in social entities	Rp	1.944.000	4.237.000	13.800.000

Source: PT Indonesian Stock Exchange (2023)

In 2020-2022 the number of PT.Telkomsel's current assets has increased, meaning that the company is able to provide supplies for a certain period of time and is intended for sale. In 2020-2022, the number of non-current assets of PT.Telkomsel has increased, meaning that inventory usually takes a long time to be traded. In 2020-2022, the number of assets in the Telkomsel company will increase, meaning the company is able to earn increasing income every year.

The liability of the Telkomsel company has increased, meaning that this company also has debts that must be paid for a certain period. Equity distributed to owners of the parent entity in 2020-2022 has increased, meaning that the amount of money that will be returned to shareholders in this company, if all company assets are liquidated and all company debts are paid. Net working capital (current assets-current liabilities) from 2020 to 2022 experienced a minus increase and in 2022 experienced a minus decrease, this was caused by the difference between the number of assets in the company and liabilities within a certain period.

2. Financial Performance of PT. XL Axiata Tbk

Table 3. BALANCE SHEET OF PT XL Axiata Tbk PER 31 DECEMBER 2020, 2021, 2022 (in millions of Rupiah)

Description	Cur	2020	2021	2022
Total Assets	Rp	62.725.242	67.744.797	72.753.282
Current Assets	Rp	7.145.648	7.571.123	7.733.191
Cash & Cash Equivalents	Rp	1.603.445	2.965.589	2.664.387
Receivables	Rp	904.928.000	663.694.000	720.320.000
Supplies	Rp	156.440.000	143.337.000	156.440.000
Total Non-Current Assets	Rp	55.579.594	60.173.674	65.020.091
Fixed assets	Rp	42.081.680	47.162.250	51.912.214
Goodwill	Rp	6.681.357	6.681.357	6.681.357

Intangible Assets Other Than Goodwill	Rp	5.734.186	5.716.426	5.712.558
Liabilities	Rp	43.603.376	48.607.431	52.664.537
Current Liabilities	Rp	21.292.648	18.857.026	20.953.921
Accounts payable	Rp	688.402.000	360.045.000	568.794.000
Short Term Debt	Rp	5.461.516	398.417.000	676.650.000
Noncurrent liabilities	Rp	22.30.592	29.750.405	31.710.616
Long-term debt	Rp	7.347.815	7.772.632	8.527.146
Total Equity	Rp	19.121.966	19.137.366	20.088.745

Source: PT Indonesian Stock Exchange (2023)

Total assets in 2020-2022 have increased, meaning that the total assets owned by this company are categorized as good because they are used to support the company's operations.

In 2020-2022, the number of current assets has increased, meaning that the company is able to provide inventory within a certain period of time and is intended for sale from year to year.

Receivables from this company have decreased from 2020-2021 and will increase in 2022, meaning that the amount of each sales transaction is the amount given to the party who owes it.

Inventory at this company from 2020-2021 has decreased and will increase again in 2022, meaning that this company is able to provide according to available assets.

In 2020-2022, the number of non-current assets of this company will increase, meaning that inventory usually takes a long time to be traded.

Fixed assets in this company will increase from 2020-2022, meaning that every year the amount that can be lent to other parties is higher in terms of reselling for more than one period.

3. Financial Performance of PT Smartfren Tbk

Table 4. BALANCE SHEET OF PT.SMARTFREN AS OF DECEMBER 31, 2020, 2021, 2022 (in millions of Rupiah)

Description	Rp	2020	2021	2022
Total Current Assets	Rp	1.774.579	2.646.319	2.322.497
Total assets	Rp	27.650.462	36.037.957	43.357.849
Total Current Liabilities	Rp	6.119.000	8.417.955	9.603.232
Total Liabilities	Rp	14.914.975	26.318.344	30.704.407

Total Equity	Rp	12.735.487	12.365.932	12.653.443
Total Liabilities and Equity	Rp	27.650.462	38.648.276	43.357.849

Source: PT Indonesian Stock Exchange (2023)

In 2020 to 2021 the number of current assets will increase and in 2022 will decrease, meaning that this company may only be able to provide supplies according to existing needs. Total assets in 2020 - 2022 have increased, meaning that this inventory can support the company to provide supplies from year to year

The number of current liabilities in 2020-2022 means that this company has debt that increases every year, and financial obligations that must be completed in less than one year or in the company's normal operating cycle. Total equity from 2020-2021 has decreased and in 2022 has increased, meaning that shareholders receive money in accordance with the total disbursement of all company assets minus the total company debt that must be paid. Total Liabilities and Equity from 2020-2022 have increased, meaning that the amount of corporate debt must be paid from year to year in approximately one year and the amount of money received by shareholders is in accordance with the total disbursement of all company assets.

4. Financial Performance of PT Indosat Tbk

Table 5. BALANCE SHEET OF PT.INDOSAT Tbk AS OF 31 DECEMBER 2020, 2021,2022 (in millions of rupiah)

Uraian	SAT	2020	2021	2022
Total assets	Rp	63.813.00	62.778.740	63.397.148
Fixed Assets-Net	Rp	42.753.300	46.522.054	45.515.184
Current assets	Rp	12.444.795	9.594.951	11.499.439
Total Liabilities	Rp	49.105.800	26.318.344	53.094.346
Amount of Equity Distributed to owners of the Parent Entity	Rp	13.997.000	12.365.885	9.180.445

Source: PT Indonesian Stock Exchange (2023)

The number of assets in 2020-2021 has decreased and in 2022 will experience an increase again, meaning that the inventory provided by this company may only be limited. The total liabilities of the Indosat company decreased in 2021, meaning that this company has debts with an amount that initially increased, then decreased and increased again in 2022, and financial obligations that must be completed in less than one year or within the company's normal operating cycle. The amount of Equity distributed to owners of the parent

entity in 2020-2021 has decreased, meaning that the amount of money that will be returned to shareholders has decreased due to liabilities.

Profit and Loss Report of Telecommunications Sector Companies

1. PT.TELKOMSEL INDONESIA Tbk (TLKM) Profit and Loss Report

Table 6. Profit and Loss Report of PT Telkomsel Indonesia Tbk PER 31 DECEMBER 2020, 2021, 2022 (in millions of Rupiah)

Description	Curr	2020	2021	2022
Income	Rp	135.567.000	136.447.000	143.210.00
Revenue Expenses	Rp	93.919.00	54.371.000	43.314.000
Gross profit	Rp	64.832.000	82.076.000	99.896.000
Operating Expenses	Rp	92.369.000	93.342.000	99.303.000
Administrative Expenses	Rp	23.432.000	7.702.000	24.173.000
Interest expense	Rp	5.452.000	4.602.000	4.394.000
Operating profit	Rp	92.326.000	93.342.000	99.303.000
EBIT	Rp	42.283.000	43.332.000	44.22.000
EBT	Rp	37.908.000	39.147.000	43.678.000
Net profit	Rp	18.663.000	21.052.000	24.760.000

Source: PT Indonesian Stock Exchange (2023)

2. Profit and Loss Report PT. XL AXIATA Tbk

Table 7. Profit and loss report of PT. XL AXIATA Tbk AS OF 31 DECEMBER 2020, 2021, 2022 (in millions of rupiah)

Description	Curr	2020	2021	2022
Income	Rp	25.132.628	27.925.661	31.388.311
Gross Profit	Rp	88.264.000	82.076.000	99.896.000

Operating Expenses	Rp	92.369.000	93.342.000	99.303.000
EBIT	Rp	1.144.117	3.084.734	3.563.661
Net Profit	Rp	18.663.000	21.052.000	24.760.000
Other Comprehensive Income	Rp	13.000	17.000	28.000
Comprehensive Income for the Current Period	Rp	403.000	-3.280.000	726.000

Source: PT Indonesian Stock Exchange (2023)

3. Profit and Loss Report PT. SMARTFREN Tbk

Table 8. Profit and loss report of PT. SmartFren Tbk PER 31 DECEMBER 2020, 2021, 2022 (in millions of rupiah)

Description	Curr	2020	2021	2022
Operating revenues	Rp	6.987.085	7.204.783	11.295.540
Operating expenses	Rp	9.290.000	14.327.760	(8.381.026)
Gross profit	Rp	(2.302.288)	9.407.882	10.045.828
EBIT	Rp	(2.339.217)	(784.675.268)	247.188.617
Net Profit (Loss).	Rp	(2.187.772)	(1.523.591)	(435.329.110)

Source: PT Indonesian Stock Exchange (2023)

Comprehensive Loss Distributed to:

Company owner	Rp	(3.024.781)	(3.532.516)	(2.197.422)
Non-controlling interests	Rp	(53.000)	(213.000)	(140.000)
Profit(Loss) Per Share (In Thousands of Rupiah)	Rp	(7,070)	(16.400)	(19.770)

4. PT INDOSAT Tbk Profit and Loss Report

Table 9. Profit and loss report of PT. Indosat Tbk PER 31 DECEMBER 2020, 2021, 2022 (in millions of rupiah)

DESCRIPTION	CUR	2020	2021	2022
Income	Rp	26.117.500	27.925.661	31.388.000
Expenses	Rp	(21,889.200)	(721.889.000)	693.532.000
Business Profit (Loss).	Rp	4.228.300	209.397.000	6.860.121
Net Other Expenses	Rp	(2.641.100)	209.397.000	24.760.000
Gross profit	Rp	1.587.191	(134.090.000)	99.896.000
EBIT	Rp	1.587.191	69.206.000	44.225.000
Benefits (net income tax expense)	Rp	43.200	578.500	(638.500)
Income for the year	Rp	1.301.900	(2.085.000)	1.630.400
Profit for the Year Attributable to Non-Controlling Interests	Rp	166.100	318.000	61.4000
Profit (Loss) For The Year Attributable To Owners Of The Parent Entity	Rp	1.135.800	(2.403.800)	1.569.000
Number of Outstanding Shares (in millions of rupiah)	Rp	5.433.900	5.433.900	5.433.900
Basic and Diluted Earnings (Loss) per Share attributable to the owner of the parent entity (in full amount rupiah)	Rp	209	(442.4)	288.7
EBITDA		12.762.700	6.500.100	9.856.1000

Source: PT Indonesian Stock Exchange (2023)

Financial Performance Analysis

Financial reports contain important information for interested parties in the company to measure the condition and efficiency of the company's operations, so that in measuring financial work by the company, a financial ratio approach can be used which is relative because it is based on knowledge and uses ratios, therefore in carrying out financial

performance analysis the authors have calculated and summarized the results in the following table:

Table 10. Combined Financial Performance Results of Telecommunications Companies (TELKOMSEL,XL, SMARTFREN,INDOSAT)

CURRENT RATIO				AVERAGE VALUE
DESCRIPTION	2020	2021	2022	
TELKOMSEL	4,71%	45,82%	69,93%	37,01%
XL	77,35%	81,11%	77,87%	78,77%
SMARTFREN	19,10%	18,46%	20,56%	19,37%
INDOOSAT	4-4,71%	45,82%	1,72%	-14,27%
CASH RATIO				
TELKOMSEL	23,78%	29,07%	2,89%	2,72%
XL	67,90%	72,60%	73,26%	71,25%
SMARTFREN	2,97%	45,10%	69,93%	39,33%
INDOOSAT	3,50%	2,12%	5,78%	2,72%
DEBT TO EQUITY RATIO				
TELKOMSEL	44,17%	1,22%	1,08%	15,49%
XL	36,67%	4,38%	62,42%	34,49%
SMARTFREN	1,17%	2,12%	2,42%	1,90%
INDOOSAT	3,50%	2,12%	5,78%	3,8%
ASSETS TURNOVER				
TELKOMSEL	61,28%	15,70%	11,30%	29,42%
XL	40,06%	38,37%	63,10%	47,17%
SMARTFREN	25,27%	63,10%	5,78%	22,03%
INDOOSAT	47,64 times	10,71 times	5,22 times	31,38 times
WORKING CAPITAL TURNOVER				
TELKOMSEL	3,24%	83,38%	51,14%	45,92 times
XL	3,51%	3,43%	59,07%	22,03 times
SMARTFREN	33,93%	154,13%	196,69%	128,25 times
INDOOSAT	2,40%	14,02%	7,27%	6,23 times
GROSS PROFIT MARGIN				
TELKOMSEL	47,82%	2,50%	3,17%	17,83%
XL	3,52%	3,16%	21,87%	9,51%
SMARTFREN	32,94%	2,30%	1,43%	9,73%
INDOOSAT	53,04%	-5,15%	30,14%	7,89%
PROFIT MARGIN				
TELKOMSEL	68,10%	2,97%	31,68%	34,25%

XL	3,67%	3,58%	3,81%	9,51%
SMARTFREN	1,32%	35,12%	14,12%	16,85%
INDOOSAT	14,12%	32,10%	20,70%	29,44%
NET PROFIT MARGIN				
TELKOMSEL	20,35%	69,55%	12,39%	34,09%
XL	28,35%	12,67%	49,94%	30,32%
SMARTFREN	31,30%	80,55%	14,12%	63,26%
INDOOSAT	43,50%	40,48%	77,95%	22,31%
RETURN ON EQUITY				
TELKOMSEL	18,74%	85,02%	20,35%	41,37%
XL	18,74%	1,10%	1,23%	7,02%
SMARTFREN	-17,17%	12,32%	-36,65%	10,06%
INDOOSAT	-18,86%	16,93%	26,97%	53,97%
RETURN ON ASSET				
TELKOMSEL	19,16%	17,54%	15,95%	17,55%
XL	18,24%	45,51%	49,98%	37,91%
SMARTFREN	84,60%	1,21%	3,12%	26,64%
INDOOSAT	30,89%	20,86%	65,38%	8,36%

Source : Data proessed (2023)

CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the analysis in the discussion chapter, conclusions can be drawn, namely:

1. According to the results of the analysis and discussion, the main finding of this research is that the liquidity ratio of PT. Telkomsel and PT. XL Axiata tends to increase. The company's performance is getting better with increasing liquidity ratios from year to year.
2. Solvency Ratio in the 2020-2022 period, the financial performance of PT. Telkomsel and PT. XL Axiata is better than PT. Smartfren and PT. Indoosat and the Profitability Ratio of PT. Telkomsel and PT. XL Axiata in the 2020-2022 period shows that This company's financial performance is still better compared to the other two companies.
3. The activity ratio of the companies PT. Telkomsel and PT. XL Axiata during the 2020-2022 period tends to increase. The company's performance is getting better and increasing as seen from the results of the activity ratio figures which continue to increase from year to year.

Suggestion

After conducting research on Telecommunications Sector companies on the Stock Exchange (Case Study; PT. Tekomsel Indonesia Tbk (TLKM), PT. can be provided to improve performance in the future as follows:

1. For the companies PT. Smartfren and PT. Indosat, you should pay attention to which aspects really influence the condition of the company when the performance of each company declines.
2. Companies PT.Smartfren and PT.Indosat should improve financial conditions when financial performance decreases. Such as increasing current assets of the total assets, Reducing the number of company loans both long term and short term, reducing company costs to increase net profit, and adding equity and total assets so that the stability of the company can be even better.
3. It is recommended for future researchers to use a longer data period and add several other financial ratios to obtain more accurate results.

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