

THE EFFECT OF FINANCIAL PERFORMANCE ON COMPANIES HEALTH OF OIL AND GAS COMPANIES IN SOUTHEAST ASIA BEFORE AND DURING THE COVID-19 PANDEMIC

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ABSTRACT

Southeast Asia is a region that stores a lot of energy sources such as oil and gas. Many companies are created by state and private to be able to take advantage of energy sources in the form of oil and gas. Since the Covid-19 pandemic began to emerge in Southeast Asia, oil and gas companies in Southeast Asia began to experience a decline in sales and performance. Several companies experienced losses at the end of 2020 due to the Covid-19 pandemic. Evaluating these companies can be analyzed from financial statements. The company's financial ratio analysis (FRA) will use liquidity, solvency, activity and profitability ratios based on the Decree of the Minister of BUMN No: KEP-100/MBU/2002. The Wilcoxon test is used as a tool to find financial ratios that have significant differences between before and during the Covid-19 pandemic. The oil and gas companies in Southeast Asia analyzed are PT Pertamina, Medco Energi International, Petron Corporation, Petronas, Petrovietnam, Philippine National Oil Company (PNOC), PTT, and Thai Oil. The result is oil and gas companies in Southeast Asia experienced a very significant decline in profits during the Covid-19 pandemic. Several companies experienced losses at the end of 2020. Companies are trying to make their assets easier to liquidate in anticipation of bad things caused by the Covid-19 pandemic. Oil and gas companies in Southeast Asia find it harder to sell their products during the Covid-19 pandemic than in previous years. Each company tries to maintain their total equity compared to the number of assets and liabilities they have. Oil and gas companies in Southeast Asia have experienced a decline in health quality based on regulations KEP-100/MBU/2002 of the Ministry of State-Owned Enterprise owned by Indonesia. Many companies have experienced a decline in their predicate from "Healthy" to "Unhealthy to Near Healthy".

Keywords: Oil and Gas Industry, Southeast Asia, Financial Ratio Analysis, Covid-19 Pandemic

INTRODUCTION

Since first quarter 2020, The World Health Organization (WHO) has declared that Covid-19 is a global pandemic. In 2021, Southeast Asia (SEA) is battling the world's highest COVID-19 death toll driven by the Delta variant and unequal global distribution of vaccines. Hospitals remain overwhelmed by record surges across Southeast Asia, from Vietnam to Malaysia and Myanmar as fears mount of greater suffering and loss of life with Covid-19 spreading from cities to rural and regional areas. According to John Hopkins University Covid-19 data dashboard. This region has recorded more than 38,000 deaths from Covid-19.(IFRC, 2021)

The incidence of the Covid-19 pandemic affects various activities in life, such as traveling to school or office, teaching and learning activities, buying and selling activities, work activities, and gathering activities with friends and family. Some of the things affected by Covid-19 include layoffs of employees, decreased sales, differences in work systems, decreased imports of raw materials to lower share prices in companies, disrupted learning activities, etc. (Darmawan, 2019). Several industries affected by the Covid-19 pandemic include the food and beverage industry (Djalante et al., 2020), the pharmaceutical industry (Dwi suci, et al, 2020), education industry (Eri, kurniawansyah, Amrullah M), the economic industry (Kartikaningsih, 2020), the health industry (Nasution et al., 2020) and the mining industry (Zuniawan et al., 2020).

This study focuses on oil and gas companies in Southeast Asia. The oil and gas industry has been badly affected by the COVID-19 pandemic. As a result of this pandemic, oil and gas prices have dropped drastically, reducing the value of company assets. The purpose of this study was to determine the condition of oil and gas companies in Southeast Asia during this pandemic.

According to West Texas Intermediate (WTI), oil prices in 2020 fell to \$48.52/Barrel from \$61.14/Barrel in 2019. World crude oil prices have risen again as the vaccination process to deal with Covid-19 is underway. In December 2021, crude oil prices recovered to \$70.78/Barrel, an increase of 45.87% from the previous year. Natural gas prices in 2020 are \$2.36/1000ft³ from \$2.09/1000ft³ at the end of 2019. World natural gas prices have risen again as the vaccination process to deal with Covid-19 is underway. In December 2021, natural gas prices recovered to \$3.71/Barrel, an increase of 57.20% from the previous year. These prices affect the company's assets and revenues.(Macrotrends, 2021)

LITERATUR REVIEW

Oil and Gas Industry in Southeast Asia

ASEAN as a group has a fast-growing economy. The Economic performance of individual member countries has been impressive during the two and a half decades. The region, whose economy is closely related with the energy sector, comprises both energy importers and exporters. Three major producers of oil and gas (Indonesia, Malaysia, and Brunei) depend heavily on oil and gas exports for foreign exchange earnings and government revenues. Singapore, the largest oil-refining and trading centre in the region, is a major exporter of petroleum products. The Philliphines and Thailand depend overwhelmingly on imported oil. The high degree

of dependence on energy has made the economy of these countries vulnerable to energy prices. Despite the impressive economic growth, the region was greatly affected by oil crises. (Sharma and Fesharaki, 1991)

The energy demand rose for number of reasons. The industrial sector growing rapidly while the agricultural sector became more commercial. It also increased with higher population growth and rapid urbanization. Generally, the change in the industrial sector's share in energy use in ASEAN countries as due to either structural change in industry or increase in efficiency. Any improvement in industrial efficiency caused by factors other than structural change in industry might be due to energy conservation. Energy conservation might have resulted from the price increases, improvement in the new industrial facilities, including plants, and equipment, and the type of energy used.

Oil and Gas Companies in Southeast Asia

The Southeast Asian region has the potential to become the center of the world's oil and gas industry in the future. With this fact, many oil and gas companies have been built by the state and private parties. In this study, 8 oil and gas companies that were very influential in their respective countries were selected. These companies are selected based on companies that have been registered in the SOE of the country and the majority of ownership is not owned by parties outside the country where the company is established. Table 1 showed the following companies were selected:

Table 1: List of Southeast Asia Oil and Gas Companies

Name of Company	State
PT Pertamina	Indonesia
PT Medco Energi International Tbk.	Indonesia
Petron Corporation	Philippine
Philippine National Oil Company (PNOC)	Philippine
Petronas	Malaysia
Petrovietnam	Vietnam
PTT	Thailand
Thai Oil	Thailand

(Author, 2021)

Ministry of State-Owned Enterprises (SOE) Regulation and Assessment

Each company under the auspices of the Ministry of BUMN, has the responsibility to provide good performance in their respective business fields. The Ministry of BUMN has its own assessment process to analyze the health level of each company. This assessment is compiled in the KEP-100/MBU/2002 regulation. This regulation contains Financial Ratio Analysis (FRA) which is used to analyze the health level of companies (KEPMENBUMN Biro Hukum, 2002). The FRA is divided into 4 groups: Profitability, Liquidity, Activity, and Solvency. Companies will be assessed based on predetermined ratios and have their respective standards. Table 2 shows the maximum weight that can be obtained by the company according to the ratio used. Next, the sum of these ratios will be divided by the standard value in percentage terms. Finally, the value will be grouped into the level of company health that has been made by the Ministry of SOE according to the KEP100/MBU/2002 regulation in Table 3.

Table 2: Standard value of every financial ratio based on KEP100/MBU/2002

Financial Ratio	Maximum Weight Score
Return on Equity (ROE)	20
Return on Investment (ROI)	15
Cash Ratio	5
Current Ratio	5
Inventory Turnover	5
Collection Period	5
Total Asset Turnover	5
Total Equity to Total Asset	10
Total Weight Score	70

(Source: KEP-100/MBU/2002)

Table 3: Healthy company categories based on KEP100/MBU/2002

Healthy	AAA	More than 95%
	AA	80% < x <= 95%
	A	65% < x <= 80%
Unhealthy to Near Healthy	BBB	50% < x <= 65%
	BB	40% < x <= 50%
	B	30% < x <= 40%
Unhealthy	CCC	20% < x <= 30%
	CC	10% < x <= 20%
	C	Less than 10%

(Source: KEP-100/MBU/2002)

Financial Ratio Analysis Variable

Profitability

“Profitability is showing the company’s ability to generate profit during a certain period” (Erhanda & Istiono, 2019) but profitability ratio is the ratio that tries measure the company’s ability to generate profits, either by using all existing assets or by using its own capital (Octaviani & Komalasari, 2017). Profitability ratio is used to explain the relationship between the profit earned by the company with sales and investment in the company. The greater the profitability value, the better the company will get a high profit predicate so that investors will be proud for the company (Bodie, 2014).

- Return on Equity (ROE)

Return on Equity (ROE) is a ratio that shows the extent to which the company can manage its own capital effectively. If the Return on Equity value is lower, then the company will experience a decrease in profit compared to the amount of capital owned (Sa’adah & Nur’ainui, 2020).

$$ROE = \frac{Net\ Income}{Shareholders\ Equity} \times 100\%$$

- Return on Investment (ROI)

Return on Investment is use to evaluate the financial benefits of an investment and measures a Company's income reactive to its equity, asset or total capital employed by the company. The higher the return of an investment shows the more profitable the investment (Arif, 2019).

$$ROI = \frac{EBIT + Depreciation}{Capital\ Employed} \times 100\%$$

Liquidity

Liquidity ratio is a measure of the ability to meet short-term financial obligations on time (Erhanda & Istiono, 2019). The definition of liquidity ratio is a ratio used to describe a company’s ability to settle its short-term obligations (Octaviani & Komalasari, 2017).

- Cash Ratio

The cash ratio is a more conservative measure to create evidence that a company is able to pay off its liabilities in a very short term. The cash ratio only considers cash and short term marketable securities. The higher value of cash ratio is the better is the short-term ability of a company to pay off the liability (Schindeldecker, 2017).

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

- Current Ratio

Current ratio is used measure to determine the company ability to meet short-term obligations. This ratio represent relation current asset with current liabilities. A company with very low value of current ratio is considered to indicate a problem with liquidity (Subramanyam, 2015).

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

Activity

Ratio analysis is an activity required by a goods or service company to assess the efficiency of a company in utilizing its assets. For the formula it can be used as

- Inventory Turnover

Inventory turnover ratio is how many days to return the annual inventory amount with the revenue earned during the current year. This ratio computed by dividing inventories multiply amount of day in a year by revenue. (Henry et al., 2011).

$$\text{Inventory Turnover} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

- **Total Asset Turnover**
Total asset turnover ratio compares revenue with total asset. Total asset turnover gauges not just efficiency in the use of fixed assets, but efficiency in the use of all assets. If you can reduce inventory, total asset turnover rises. If you can cut average receivables, total asset turnover rises (Berman et al, 2013).

$$\text{Total Asset Turnover} = \frac{\text{Revenue}}{\text{Capital Employed}} \times 100\%$$

- **Collection Period**
Collection period ratio measures how many days, on average, the company's credit customers take to pay their accounts. Company use this ratio to decide to whom the firm should extend credit. Slow payers are not welcome customers. To calculate the average collection period, divide accounts receivable by the company average credit sales per day (Gallagher & Andrew, 2007).

$$\text{Collection Period} = \frac{\text{Average Account Receivable}}{\text{Revenue}} \times 365$$

Solvency

The definition of solvency is the solvency or leverage ratio is the ratio used to measure the extent to which the company's activities are financed with debt (Erhandia & Istiono, 2019). The formula for solvency is

- **Total Equity to Total Asset**
Total equity to total asset ratio represents a company's total equity relative to total asset. Higher value of this ratio, the less leverage the company has, it means the larger portion of its assets are owned by the company and their investors (Motley, 2016)

$$\text{Total Equity to Total Asset} = \frac{\text{Total Equity}}{\text{Total Asset}} \times 100\%$$

METHODOLOGY

This type of research is descriptive using a quantitative approach. Through the official website of all listed Southeast Asia oil and gas companies to view the financial reports Financial Ratio Analysis (FRA) is the core of this research. FRA with its eight ratios based on the KEP-100/MBU/2002 regulation. The data to be taken comes from the 2016 to 2019 financial reports for the FRA before the Covid-19 pandemic and the 2020 financial reports for the FRA when the Covid-19 pandemic occurs. The FRA is divided into 4 groups: Profitability, Liquidity, Activity, and Solvency. Companies will be assessed based on predetermined ratios and have their respective standards. Next, The Validation Testing, when the sum of these ratios score will be divided by the standard value in percentage terms. Finally, the value will be grouped into the level of company health.

RESULT AND DISCUSSION

Financial Performance

Profitability Analysis

Figure 1 shows the analysis of the return on equity ratio, it can be concluded that oil and gas companies in Southeast Asia experienced a significant decline in profitability during the Covid-19 pandemic. This statement is evidenced by the significant decline in the company's ROE value from 2019 to 2020. During the Covid-19 pandemic in 2020, Pertamina and Medco had ROE of 2.63% and -14.06%, a significant decrease compared to the previous year. Petron and PNOC had ROE of -13.24% and 1.62%. Petron experienced a significant decline, while PNOC only fell less than 1%. PETRONAS and Petrovietnam had ROE of -5.52% and -1.57%. The decrease was very significant compared to the previous year. PTT and Thai Oil had ROE of 3.11% and -2.4%. The decrease was very significant compared to the previous year.

Figure 2 shows the analysis of the return-on-investment ratio, it can be concluded that oil and gas companies in Southeast Asia experienced an insignificant decrease in profitability during the Covid-19 pandemic. This statement is evidenced by the company's ROE value which did not decrease by more than 10% from 2019 to 2020. During the Covid-19 pandemic in 2020, Pertamina and Medco had an ROI of 9.24% and 3.91%. This decrease was not significant compared to the previous year. Petron and PNOC had ROI of -1.92% and 2.0%. PETRONAS and Petrovietnam had ROI of 4.13% and 1.21%. PETRONAS experienced a significant decline compared to the previous year, with Petrovietnam only down less than 2%. PTT and Thai Oil had an ROI of 8.06% and 1.41%. PTT and Thai Oil did not experience a significant decline.

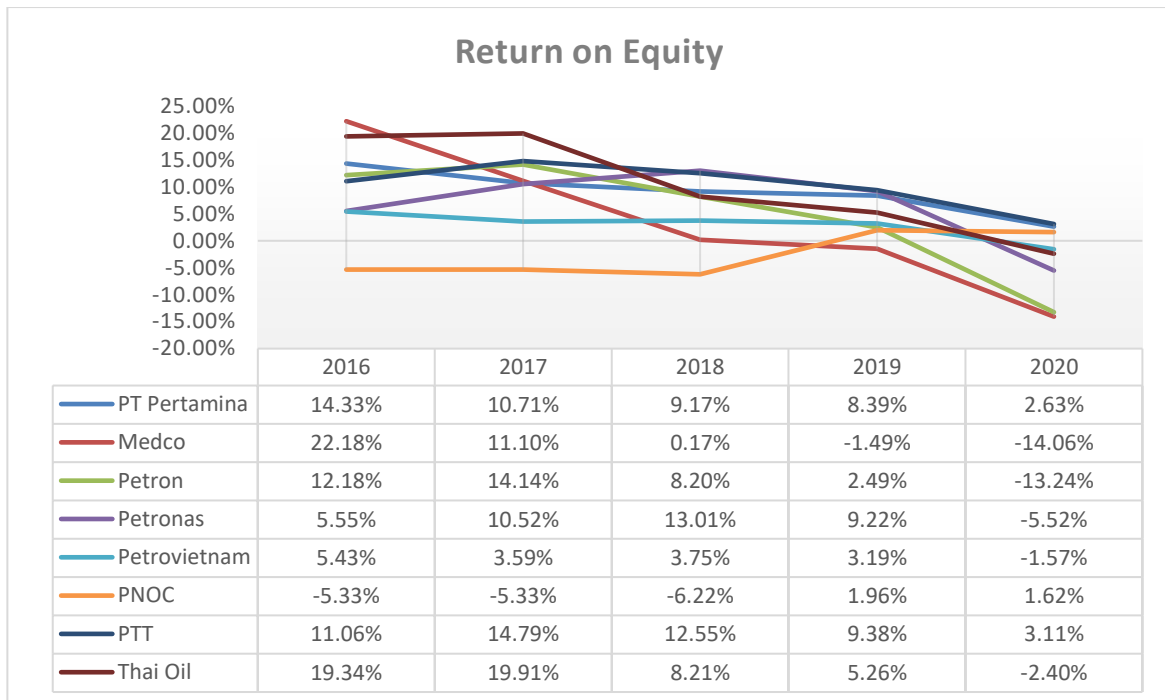


Figure 1: Return on Equity Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

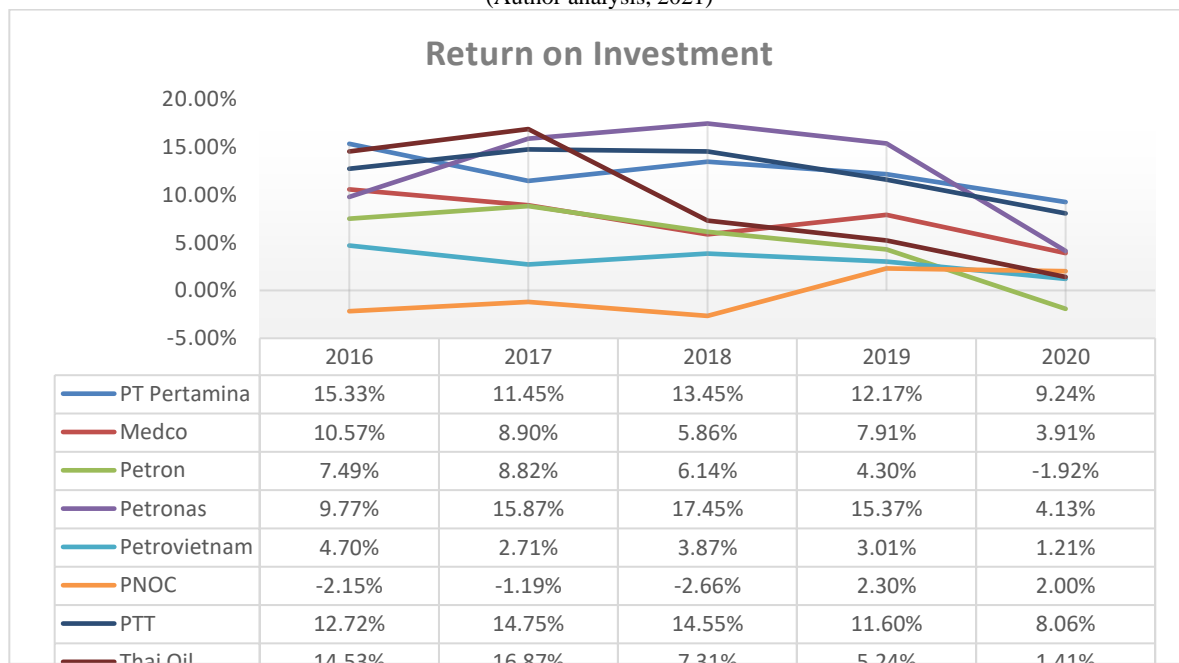


Figure 2: Return on Investment Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

Liquidity Analysis

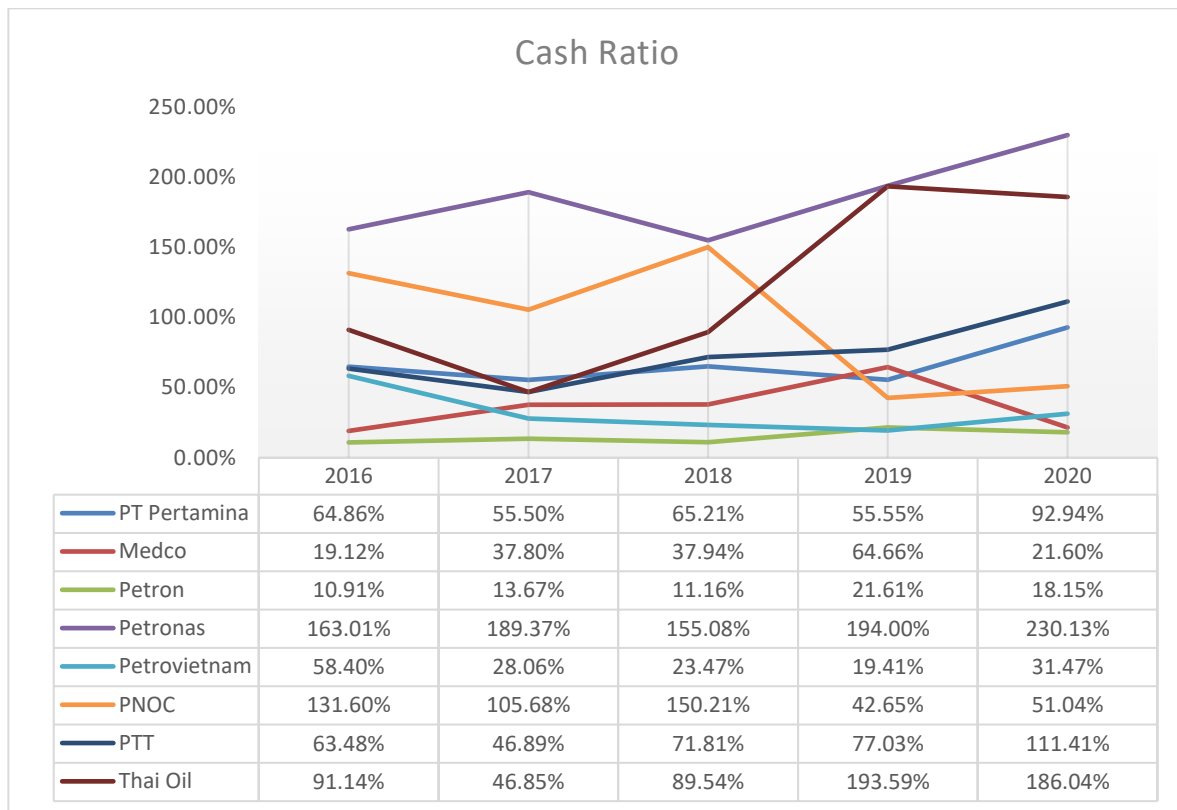


Figure 3: Cash Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

Figure 3 shows the cash ratio analysis, it can be concluded that oil and gas companies in Southeast Asia experienced a significant increase in liquidity during the Covid-19 pandemic. This statement is evidenced by many companies increasing their cash value as a strategy to deal with the Covid-19 pandemic. During the Covid-19 pandemic in 2020, Pertamina and Medco had cash ratios of 92.94% and 21.6%, respectively. Pertamina increased their cash as a strategy to survive the Covid-19 pandemic, while Medco experienced a very significant decline. Petron and PNOG had cash ratios of 18.15% and 51.04%. The decline in Petron's cash ratio was not significant compared to the previous year, while PNOG increased by almost 10% as a strategy to deal with the covid-19 pandemic. PETRONAS and Petrovietnam had cash ratios of 230.13% and 31.47%. PETRONAS and Petrovietnam experienced a significant increase in their cash ratio as a strategy to deal with the Covid-19 pandemic. PTT and Thai Oil had cash ratios of 111.41% and 186.04%. PTT increased the amount of cash as a strategy to deal with the Covid-19 pandemic.

Figure 4 shows the current ratio analysis, it can be concluded that oil and gas companies in Southeast Asia experienced a significant increase in liquidity during the Covid-19 pandemic. This statement is evidenced by many companies that increase the value of their short-term assets as a strategy to deal with the Covid-19 pandemic. During the Covid-19 pandemic in 2020, Pertamina and Medco had current ratios of 215.84% and 147.28%. Pertamina increased the number of their short-term assets as a strategy to survive the Covid-19 pandemic, while Medco experienced a very significant decline. Petron and PNOG had current ratios of 88.75% and 287.39%. Petron and PNOG experienced significant changes in the current ratio compared to the previous year. PETRONAS and Petrovietnam had current ratios of 340.97% and 145.57%. PETRONAS and Petrovietnam experienced a significant increase in their current ratio as a strategy to deal with the Covid-19 pandemic. PTT and Thai Oil had cash ratios of 241.9% and 399.12%. PTT and Thai oil increased the number of short-term assets as a strategy to deal with the Covid-19 pandemic.

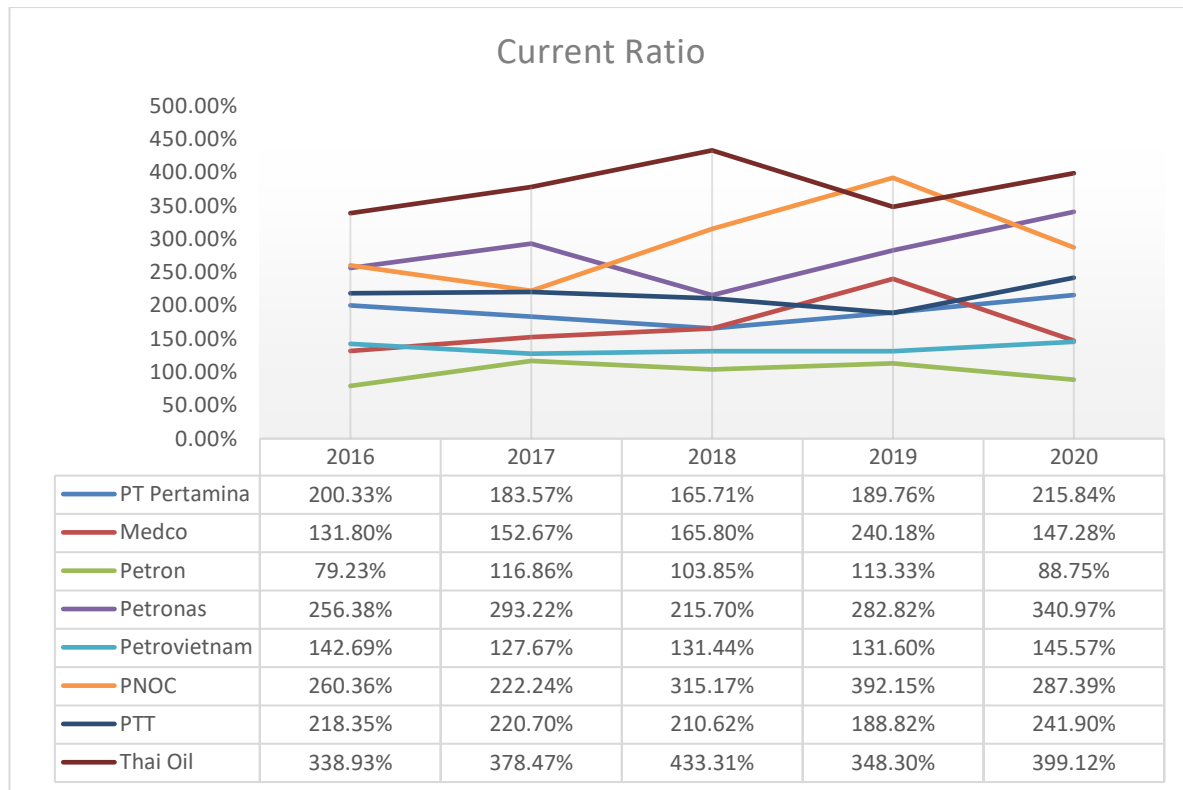


Figure 4: Current Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

Activity Analysis

Figure 5 shows the inventory turnover ratio analysis, it can be concluded that oil and gas companies in Southeast Asia need slightly more days to sell their inventory during the Covid-19 pandemic. This statement was proven by many companies that had more inventory turnover during the Covid-19 pandemic than the previous year. Pertamina and Medco had an inventory turnover of 43.06 days and 32.92 days. Pertamina and Medco need more time to sell their inventory during the Covid-19 pandemic. Petron and PNOG had an inventory ratio of 57.32 days and 97.72 days. Petron took more days to sell their inventory than the previous year. Although reduced, PNOG still requires more days than other oil and gas companies. PETRONAS and Petrovietnam had inventory turnovers of 25.51 days and 13.3 days. PETRONAS and Petrovietnam took slightly more days to sell their inventory than the previous year. PTT and Thai Oil had an inventory turnover of 21.13 days and 33.76 days. PTT and Thai oil slightly more to sell their inventory than the previous year.

Figure 6 shows the analysis of the collection period ratio, it can be concluded that several oil and gas companies in Southeast Asia need more days to get their rights from customers during the Covid-19 pandemic. This statement was proven by several companies that had more collection periods during the Covid-19 pandemic than the previous year. During the Covid-19 pandemic in 2020, Pertamina and Medco had their respective collection periods. 52.98 days and 191.72 days. Pertamina did not experience additional days to get their rights from customers, while medco needed 59 days more than the previous year. Petron and PNOG had an inventory ratio of 34.7 days and 180.09 days. Petron and PNOG took more days to get their rights from customers than the previous year. PETRONAS and Petrovietnam had turnover inventories of 82.87 days and 35.79 days. PETRONAS needs more days to get their rights from customers, while Petrovietnam is not affected by the Covid-19 pandemic. PTT and Thai Oil had an inventory turnover of 36.65 days and 20.72 days. PTT and Thai oil are not affected by the Covid-19 pandemic in getting their rights from customers.



Figure 5: Inventory Turnover Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

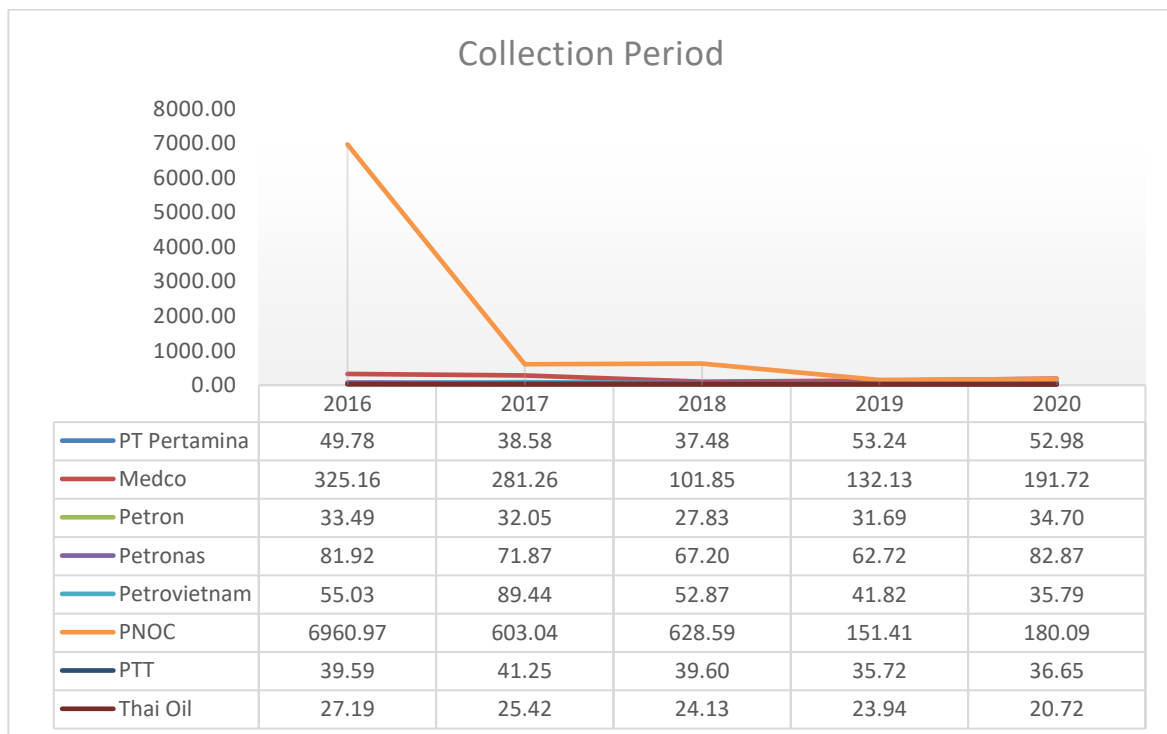


Figure 6: Collection Period Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

Figure 7 shows the analysis of the total asset turnover ratio, it can be concluded that oil and gas companies in Southeast Asia experienced a decline in revenue during the Covid-19 pandemic. This statement is evidenced by the decrease in the total asset turnover of all companies during the Covid-19 pandemic. During the Covid-19 pandemic in 2020, Pertamina and Medco had a total asset turnover of 59.98% and 18.53%. Pertamina and Medco experienced a decline in revenue during the Covid-19 pandemic. Petron and PNOC had a total asset turnover of 81.79% and 3.26%. Petron experienced a drastic decrease in revenue, while PNOC's revenue was not affected by the Covid-19 pandemic. PETRONAS and Petrovietnam had current ratios of 31.14% and 226.25%. PETRONAS and Petrovietnam experienced a decline in revenue during the Covid-19 pandemic. PTT and Thai Oil had a total asset turnover of 63.5% and 79.31%. PTT and Thai oil experienced a significant decrease in revenue during the Covid-19 pandemic.

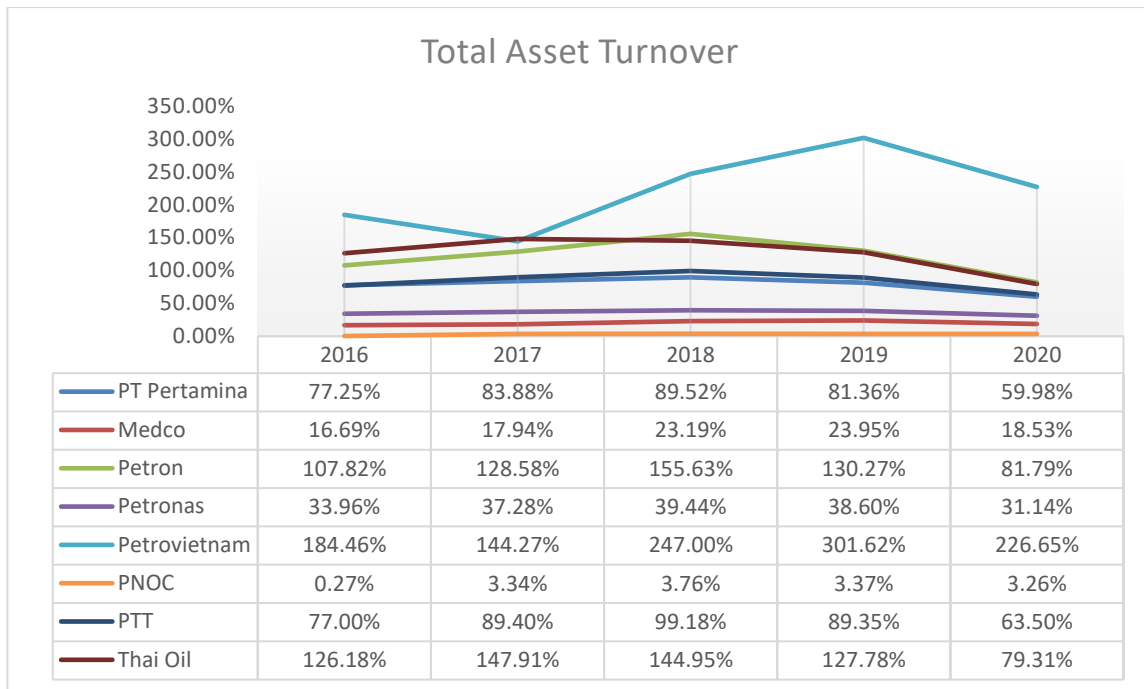


Figure 7: Total Asset Turnover Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

Solvency Analysis

Figure 8 shows the analysis of total equity to total assets, it can be concluded that oil and gas companies in Southeast Asia have not changed their strategy to maintain the ratio between equity and assets owned during the Covid-19 pandemic. This statement is evidenced by no significant change in total equity to total assets during the Covid-19 pandemic. PNOC had the highest ratio value of around 90% during 2016 to 2020. Pertamina, PTT, and Thai Oil were still quite good even though the ratio value was slightly below than 50%. Medco and Petron can be said to be poor in this ratio because the ratio value is below 30% throughout 2016 to 2020.

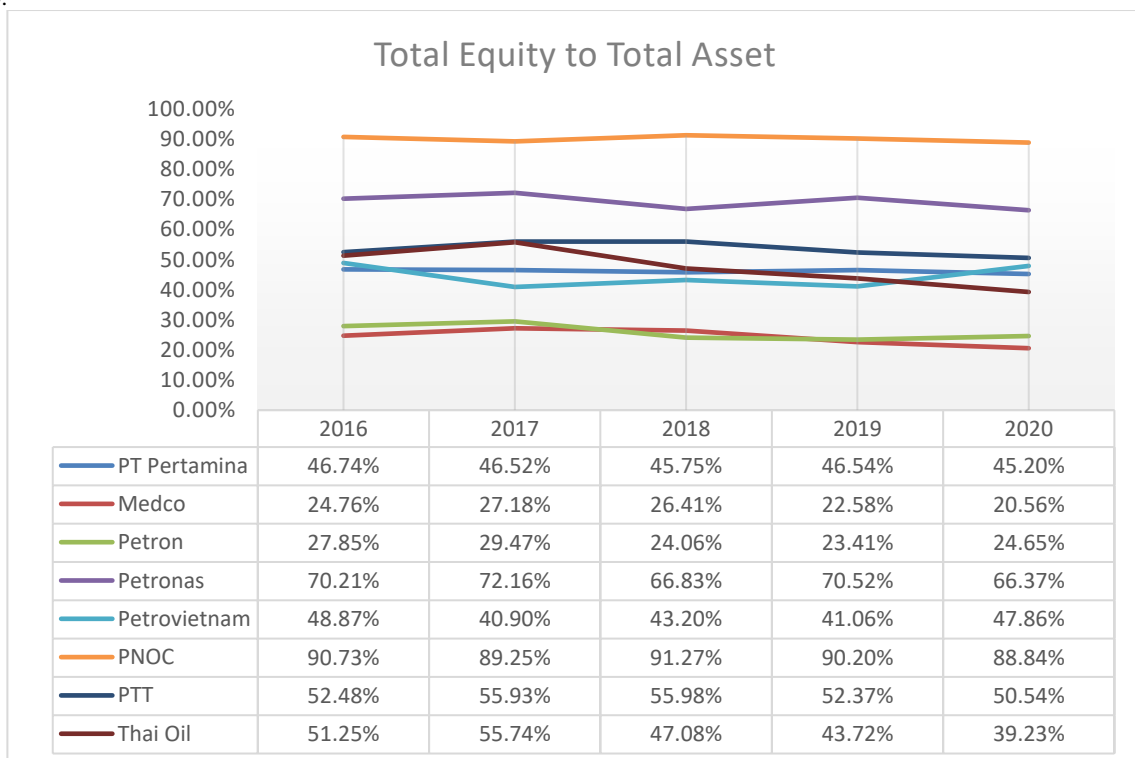


Figure 8: Total Equity to Total Asset Ratio Diagram of Oil and Gas Southeast Asia Companies
(Author analysis, 2021)

Validation Testing

The company's health assessment is carried out using the regulation KEP-100/MBU/2002 of the Ministry of State-Owned Enterprise (BUMN) owned by Indonesia. Each ratio has a range score and each score obtained by the company will be added up. The total score of each company will be converted into a percentage and can be used as the company's health level.

Before the Covid-19 pandemic, Pertamina received the title "Healthy". The predicate was still maintained from 2016 to 2019 even though the weight value was reduced. During Covid-19 occurred in 2020, Pertamina experienced a significant weight reduction to get the BBB level with the title "Unhealthy to Near Healthy". Before the Covid-19 pandemic, Medco received the title of "Healthy" in 2016 and 2017. This predicate dropped to "Unhealthy to Near Healthy" in 2018 and 2019 with a reduced weight value. During the Covid-19 outbreak in 2020, Medco experienced a weight loss to reach the BB level with the title "Unhealthy to Near Healthy". Before the Covid-19 pandemic, Petron received the "Healthy" predicate with an increased weight in 2016 and 2017. The predicate dropped to "Unhealthy to Near Healthy" in 2018 and 2019 with a reduced weight value. During Covid-19 occurred in 2020, Petron experienced a significant weight loss to get B level with the title "Unhealthy to Near Healthy". Before the Covid-19 pandemic, PETRONAS received the title of "Unhealthy to Near Healthy" in 2016. The predicate rose to "Healthy" from 2017 to 2019 with an increased weight value. During Covid-19 in 2020, PETRONAS experienced a significant weight loss to get B level with the title "Unhealthy to Near Healthy".

Before the Covid-19 pandemic, Petrovietnam received the title of "Healthy" in 2016. The predicate rose to "Unhealthy to Near Healthy" from 2017 to 2019 with a constant weight value of close to 60%. During Covid-19 in 2020, Petrovietnam experienced a weight loss by getting B level and the title "Unhealthy to Near Healthy". Before the Covid-19 pandemic, PNOC received the title "Unhealthy" with a weight value below 30% in 2016 to 2018. The predicate rose to "Unhealthy to Near Healthy" in 2019. During Covid-19 pandemic occurred in 2020, PNOC still received the BB level and predicate "Unhealthy to Near Healthy".

Before the Covid-19 pandemic, PTT received the "Healthy" predicate with a weight value above 75% in 2016 to 2018. In 2019, there was a decrease in weight to A level but still received the "Healthy" predicate. During Covid-19 occurred in 2020, PTT received the BBB level and the title "Unhealthy to Near Healthy". Before the Covid-19 pandemic, Thai Oil received the "Healthy" predicate with a weight value above 90% in 2016 and 2017. There was a decrease in weight to A level in 2018 and 2019 but still received the "Healthy" predicate. During Covid-19 in 2020, Thai Oil got the BBB level and the title "Unhealthy to Near Healthy".

Table 4: Oil and Gas Southeast Asia Companies Health Assessment Level

Company Name	BUMN (SOE) Category	2016	2017	2018	2019	2020
PT Pertamina	Validation Score	91.43%	79.29%	83.57%	78.57%	63.57%
	Health Level	AA	A	AA	A	BBB
Medco Energi	Validation Score	72.50%	66.21%	50.36%	48.21%	41.64%
	Health Level	A	A	BBB	BB	BB
Petron Corporation	Validation Score	65.36%	74.64%	63.21%	53.21%	33.93%
	Health Level	A	A	BBB	BBB	B
Petronas	Validation Score	64.29%	82.14%	88.57%	82.14%	47.86%
	Health Level	BBB	AA	AA	AA	BB
Petrovietnam	Validation Score	66.43%	58.57%	59.29%	59.29%	51.43%
	Health Level	A	BBB	BBB	BBB	BBB
PNOC	Validation Score	25.71%	26.43%	25.71%	45.71%	46.43%
	Health Level	CCC	CCC	CCC	BB	BB
PTT	Validation Score	83.57%	88.57%	86.43%	78.57%	63.57%
	Health Level	AA	AA	AA	A	BBB
Thai Oil	Validation Score	95.71%	95.71%	71.43%	65.71%	52.14%
	Health Level	AAA	AAA	A	A	BBB

(Author analysis, 2021)

Table 4 shows the results of health validation, it can be concluded that oil and gas companies in Southeast Asia experienced a decline in health according to financial reports based on KEP-100/MBU/2002 belonging to the Indonesian Ministry of SOEs during the Covid-19 pandemic. This statement is evidenced by the reduced weight obtained from financial performance analysis during Covid-19 compared to before the Covid-19 pandemic.

Conclusion

Before the Covid-19 pandemic, the profitability of the majority of oil and gas companies in Southeast Asia decreased every year, due to declining EBITDA and net profit. Liquidity of the majority of oil and gas companies in Southeast Asia did not experience a significant change, they maintain a comparison between their current assets and current liabilities. The activities of the majority of oil and gas companies in Southeast Asia experienced performance in selling their inventory and getting their rights from customers faster than the previous year. Solvency of oil and gas companies in Southeast Asia is quite good because they can maintain the ratio between their total equity and total assets. Despite being able to maintain, some companies still have ratios below 30% which indicates a worrying state when it comes to paying their debts. During the Covid-19 pandemic, the profitability of the majority of oil and gas companies in Southeast Asia experienced a very drastic decline, due to EBITDA and net profit which fell very far. Liquidity of the majority of oil and gas companies in Southeast Asia experienced a significant increase, they have a strategy by increasing the value of their assets to deal with the Covid-19 pandemic. The activities of the majority of oil and gas companies in Southeast Asia are experiencing slower performance in selling their inventory and getting their rights from customers than before the Covid-19 pandemic. Solvency of oil and gas companies in Southeast Asia is still able to maintain the ratio between their total equity and total assets. Before the Covid-19 pandemic, the majority of oil and gas companies in Southeast Asia had experienced a decline in the quality of their health based on the financial reports they published. The decline is not too significant from year to year. During the Covid-19 pandemic, the majority of oil and gas companies in Southeast Asia have experienced a very drastic decline in the quality of their health compared to before the Covid-19 pandemic occurred. All companies received the title "Unhealthy to Near Healthy" during the Covid-19 pandemic.

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