

FINANCIAL PERFORMANCE ANALYSIS OF FOOD AND BEVERAGE INDUSTRY: BEFORE AND AFTER THE EMERGENCE OF COVID-19 OUTBREAK IN INDONESIA

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ABSTRACT

One of the most promising industries is the food and beverage industry. It's because food is a basic human need, and nowadays, people prefer practical solutions. However, in early 2020, an outbreak of coronavirus disease 2019 (covid-19) hit Indonesia, affecting nearly all industrial sectors, including the food and beverage industry, especially restaurant business. The increasing spread of the covid-19 is posing a serious threat to our lives and economy, and this phenomenon has transformed human behavior. PT Map Boga Adi Perkasa Tbk (MAPB) and PT Sarimelati Kencana Tbk (PZZA) have the franchise license of multiple brands such as Starbucks and Pizza Hut in Indonesia. This research's purpose is to determine the financial performance of MAPB and PZZA from 2019 Q1 until 2020 Q4 and the difference before and after the emergence of the covid-19 outbreak in Indonesia. This research is only limited to restaurant basis companies. The data collected from the public financial report of MAPB and PZZA from 2019 Q1 until 2020 Q4. The research's period is 2019 Q1 until 2020 Q4 period which are before (2019 Q1 until 2019 Q4) and after (2020 Q1 until 2020 Q4) the emergence of the covid-19 outbreak. The tools that we used in this study is the Financial Ratio Analysis, Stock Price Analysis, and Paired T-test Analysis. This research shows that this pandemic has a significant impact on different levels of each company on financial performance, namely liquidity ratios, solvency ratios, profitability ratios, activity ratios, and stock prices. We hope that this research's result would help illustrate the covid-19 outbreak's impact on food and beverage industry especially MAPB and PZZA.

Keywords: Financial Performance, Financial Ratio Analysis, Covid-19, Food and Beverage Industry, Restaurant.

INTRODUCTION

In 2020 the world was hit by a disaster called the covid-19 pandemic that started in China at the end of 2019. The spread of covid-19 has reached all continents and it can be said that its spread is very fast and deadly. The COVID-19 pandemic has affected all countries in the world, including Indonesia. The COVID-19 pandemic entered Indonesia in March 2020. After the discovery of the first COVID-19 case, the government implemented regulations to limit large-scale community social activities and interactions, which not only had an impact on health factors but also economic factors

Almost all industries have been affected by the COVID-19 pandemic, especially the food and beverage industry. The object of this research is PT Map Boga Adiperkasa Tbk and PT Sarimelati Kencana Tbk. These three companies are listed on the Indonesia Stock Exchange and operate in the same industry, namely food and beverage, especially restaurants.

PT Map Boga Adi Perkasa (MAPB) is a major player in the café and restaurant sector in Indonesia. MAPB has more than 370 outlets spread across 30 cities in Indonesia. The MAPB portfolio consist of 7 leading brands, namely Starbucks, Pizza Express, Krispy Kreme, Cold Stone Creamery, Genki Sushi, Godiva, and Paul Bakery. MAPB sells coffee, pizza, donuts, ice cream, sushi, bread, and other items from a variety of brands.

PT Sarimelati Kencana Tbk (PZZA) is a company engaged in the food and beverage industry with the Pizza Hut brand. PZZA obtained a license to run the Pizza Hut brand in Indonesia in 1987. In its development in Indonesia, PZZA continues to explore pizza and pasta menus in order to adapt to local tastes. Until 2020, PZZA consists of Pizza Hut Restaurant (PHR), Pizza Hut Delivery (PHD), and Pizza Hut Express (PHE).

MAPB and PZZA have problems with a significant decline in sales and revenue in 2020 when compared to 2019. This significant decline was caused by the covid-19 pandemic which caused by economic crisis and government regulations, namely restrictions on people's activities outside the home. As a result of this regulation, the food and beverage industry, especially restaurants, experienced a drastic decline because operating hours were limited and people were prohibited from dine-in.

It can be seen in the Table 1, that MAPB has decreased by 24%, and PZZA has decreased by 13% from 2019 to 2020. As well as in Q2 which is the time period for COVID-19 entered Indonesia and government regulations for restrictions on community activities implemented MAPB decreased by about 62%, and PZZA decreased by about 17%. The companies have a problem, namely a drastic decline in sales due to this covid-19. The impact of covid-19 makes the company's financial condition unknown which needs to be analyzed.

Table 1: Sales and Revenue MAPB and PZZA 2019 Q1 – 2020 Q4

Desc	Period	Q1	Q2	Q3	Q4	TOTAL
MAPB	2019	699.164	735.380	789.717	870.619	3.094.880
	2020	677.839	281.958	497.555	586.954	2.044.306
PZZA	2019	902.285	1.033.389	1.003.813	1.047.213	3.986.701
	2020	955.640	862.714	847.327	792.724	3.458.406

*IDR in million

This research is only limited to companies in food and beverages industry, especially restaurant business not consumer goods business and already do initial public offering (IPO).

The purpose of this study is to analyze the financial performance of MAPB and PZZA with financial ratio analysis and stock price analysis in 2019 to 2020 and use paired t-test to see significant differences in financial performance before and after the emergence of the COVID-19 pandemic in Indonesia.

LITERATURE REVIEW

Financial Performance

The financial performance of a firm is a description of the company's financial status through time, both in terms of providing funds and in terms of distributing funds (Rhamadana, 2016). Financial ratio analysis (FRA) is a good way to evaluate a company's performance. (Megaladevi, 2015). The ratio is a measure of a company's operations on a relative basis. The purpose of financial ratios is to examine financial statements (Brigham et al., 2014). This strategy is commonly used by businesses to compare their performance to that of their competitors (Daryanto, 2019).

The Purpose of Financial Statement Analysis

Financial statements are designed to give information about a company's financial situation, performance (results of operations), and changes in its financial position that can be used to make economic decisions.

The objectives of financial reports are (1) Screening, without travelling directly to the field, the analysis is carried out to learn about the situation and condition of the damage from the financial accounts, (2) Understanding, understanding the business, its financial situation, and the outcomes of its operations, (3) Forecasting, the method of predicting a company's financial situation in the future, (4) Diagnosis, the goal of analysis is to identify if there are any difficulties in management, operations, finance, or other areas of the business, (5) Evaluation, the goal of the analysis is to evaluate management's accomplishments in running the organization (Harahap, 2013).

Financial Ratio Analysis

Basic financial statements, including as balance sheets, profit and loss estimates, and cash flow statements, are the first steps in the FRA process (Rhamadana, 2016). Financial ratios are different from a company's financial status in that they calculate financial performance over time (Lithfiah et al., 2019). "Figures produced from comparisons of one financial statement post with other posts that have a relevant and significant relationship," according to financial ratios. In a financial report, comparisons can be made between one component and another or between the financial statements.

PREVIOUS RESEARCH ON FINANCIAL PERFORMANCE

Previous Research on financial Performance has been widely discussed in various sectors, such as otomotive, hospitals, banks, and small businesses. Financial ratios have been applied to state-owned enterprises in Indonesia, which operates in coal mining industry and oil and gas industry, this study used descriptive financial ratio analysis to measure, describe and analyze the financial performance of Oil and Gas Company in Indonesia from 2011 to 2015 (Daryanto, W.M, D, 2018). Another research proves that Indosat Ooredoo is in excellent financial condition with good performance after the acquisition, and it was analyzed by financial ratio analysis (Daryanto et al., 2020). Ratio analysis is a tool developed to perform quantitative analysis of the numbers found in financial statements (Daryanto, 2018). Another study that used a descriptive financial ratio to measure Conventional Taxi's financial performance was in Indonesia 2015 (Daryanto et al. 2019). Another research also used a descriptive financial ratio to analyze the impact of covid-19 to the automotive industry in Indonesia (Aprilia, 2021).

METHODOLOGY

Data Analysis Method

The data used in this research is the public financial report of MAPB and PZZA from 2019 Q1 to 2020 Q4. The data analysis we did in this research is ratio analysis, descriptive analysis, and graphical analysis.

Financial Ratio Analysis Method

Liquidity Ratio

The liquidity ratio shows how a company's cash and other current assets are related to its current liabilities. The liquidity ratio is a metric that assesses a company's capacity to meet short-term financial obligations. The liquidity ratio that was employed in this investigation is as follows:

Current Ratio

The most generally used indicator of a company's capacity to fulfill short-term obligations is the current ratio (CR). A low current ratio is often interpreted as a sign of a liquidity crisis. On the other side, a corporation with an overly high current ratio is bad since it suggests a big amount of idle capital, which might impair profitability.

Quick Ratio

The quick ratio (QR) is a ratio that displays a company's ability to pay obligations or current debts with current assets without taking inventory into consideration, which is calculated by subtracting total current assets from inventories value. This is done because inventory takes a long time to sell, whereas the company requires immediate cash to meet short-term obligations.

Solvency Ratio

The ability of a corporation to meet long-term obligations is measured by this ratio. This ratio measures the company's long-term liquidity and focuses on the right side of the balance sheet. The solvency ratio that was employed in this study is as follows:

Debt to Equity Ratio

The debt-to-equity ratio (DER) measures how much debt a company has compared to its own capital. If the DER of a corporation is larger than one hundred percent, it signifies that the debt/liability exceeds the net capital. You should dig deeper into the reason for the high DER in the financial accounts.

Whether the debt/obligation is long-term or short-term, whether it was acquired through bank loans or trade payables to suppliers, or whether it was acquired as a result of advance income. The scenario is unhealthy if long-term debt exceeds short-term debt. A bank loan or a debt securities issue are common ways to receive long-term debt. The corporation will be responsible for paying the principle and interest on the loan until it is paid off. In the future, this circumstance will either lower the company's profit or disrupt liquidity.

The debt may be considered healthy if it is discovered to be only short-term debt, trade payables to suppliers, or debt arising from prepaid income. Due to the fact that the debt occurs throughout the manufacturing process, such as a debt owing to a raw material supplier or a debt owed as a result of advances received.

Debt to Asset Ratio

The debt-to-asset ratio (DAR) is a debt ratio that determines the percentage of total debt to total assets. To put it another way, how much debt is used to finance the company's assets, and how much debt affects management assets. If the ratio is high, the company is financed with more debt, making it more difficult for the company to obtain additional loans because it is expected that the company will be unable to cover its debts with its assets.

Likewise, the smaller the debt-to-equity ratio, the more debt-financed the business is. If DAR is less than 0,5, the assets of the company are largely financed by equity. When the ratio exceeds 0,5, it means that debt is being utilized to fund the majority of the company's assets. The normal value of the DAR is usually 0,6-0,7 times. Keep in mind, however, that each industry has its own assessment, which varies from one to the next.

Profitability Ratio

This metric measures management's overall effectiveness, concentrating on profit earned in relation to sales and investment. The profitability ratio indicates how profitable a company appears to be. The profitability ratio employed in this study was as follows:

Return on Equity

The return on equity (ROE) is a method of calculating a company's profit from its own capital. The return on equity (ROE) is a statistic that evaluates a company's capacity to generate profit for its owners. ROE represents the worth of the owner's wealth stock or firm. This ratio indicates the proportion that can be generated. Because a high ROE implies that an increase in shares will result in an increase in ROE, it is critical for shareholders and potential investors to understand.

Net Profit Margin

A formula for calculating profitability is the net profit margin (NPM). NPM calculates the profit generated by each dollar or penny of sales. The net profit margin (NPM) is determined by dividing operating profit by sales. The greater the value of this ratio, the more profitable the company is and the more investors are interested in investing.

The NPM ratio is used to measure a company's efficiency level, or how well it can cover its costs in a specific period. Profit through sales is pretty high due to the company's skills, and the company's capacity to minimize expenses is quite strong; the greater the ratio, the better.

When this ratio falls, the company's ability to profit from sales is deemed to be quite poor. Aside from that, investors are unwilling to invest in companies since their ability to control costs is perceived as insufficient. As a result, the company's stock price has dropped.

Activity Ratio

The activity ratio is a metric that evaluates a company's asset use efficiency. The activity ratio that was used in this investigation was as follows:

Inventory Turnover

This inventory turnover ratio (ITR) evaluates a company's ability to use merchandise inventory effectively, indicating if management's inventory capital control is good or bad. Inventory turnover indicates how quickly inventory changes hands in a normal production cycle. Because the seller's actions are perceived to be moving quickly, the sooner the turnaround, the better.

Total Assets Turnover

The Total Asset Turnover Ratio (TATR) is an activity ratio that compares net sales to average total assets to determine a company's capacity to produce sales from its total assets. Meanwhile, according to the Bank Indonesia Dictionary, Asset Turnover is a ratio that measures a company's ability to create revenue; the faster a company's assets rotate, the higher the company's income. To put it another way, this ratio demonstrates how well a corporation can use its assets to create revenue.

Stock Price Analysis

The current market price of a share of stock is referred to as stock price. A price is assigned to a publicly traded company's shares when they are issued — a value assignment that ideally reflects the company's value. The price of a stock can fluctuate due to a variety of circumstances, including changes in the broader economy, changes within industries, political events, war, and environmental issues. Comparing and analyze the trend of stock prices.

Paired t-test Analysis

The paired t-test is used to evaluate if the performance of two samples with a relationship differs significantly before and after a certain event. A paired samples t-test is a hypothesis test that examines if the population means of two dependent groups are the same.

The researcher begins by selecting a sample of paired observations from each of the two groups. As a result, each group's observation is matched with the observation of another group. The researcher then calculates the difference between each of these paired observations and applies the procedure to these diverse sources to perform a one-sample t-test.

The basis to take decision based on results of Paired t-test:

1. If signification value (2-tailed) < 0,05, it means there is significant difference between pre-test and post-test.
2. If signification value (2-tailed) > 0,05, it means there is no significant difference between pre-test and post-test.

Descriptive Analysis

This study uses descriptive analysis to provide a summary of the research findings. For each variable, this analysis describes the sample data that was collected. This descriptive analysis can be viewed as a picture of the company's success as seen through the financial ratios employed in the study's variables.

Graph Analysis

Graph analysis shows a summary description of the company's financial condition to make it easier to analyze and make decisions. Financial ratios in the form of numbers can be presented in tables and graphs.

The Variables Analyzed

The variables analyzed in this study are shown in Table 2.

Table 2: The Variables of Financial Ratio Analysis

Profitability Ratio	
Return on Equity	Return on Equity = (Net Income/Total Shareholder's Equity) x 100% <i>ROE measures the efficiency of capital or financial management</i>
Net Profit Margin	Net Profit Margin = (Net Income/Revenue) x 100% <i>Net Profit Margin illustrate how much of each dollar in revenue collected by a company translates into profit</i>
Liquidity Ratio	
Current Ratio	Current Ratio = (Current Asset/Current Liabilities) <i>Current ratio indicates a company's ability to pay its short-term obligations</i>
Quick Ratio	Quick Ratio = (Monetary Current Assets/Current Liabilities) <i>Quick ratio is an indicator of a company's short-term liquidity position and measures a company's ability to meet its short-term obligations with its liquid assets.</i>
Solvency Ratio	
Debt to Equity Ratio	Debt/Equity Ratio = (Total liabilities/Shareholder's Equity) <i>Debt/Equity Ratio measure of the degree to which a company in financing its operations through debt versus wholly-owned funds</i>
Debt to Assets Ratio	Total Debt to Total Assets = ((Short Term Debt + Long Term Debt) / Total Asset) <i>Total Debt to Total Assets shows the degree to which a company has used debt to finance its assets</i>
Activity Ratio	
Inventory Turnover	Inventory turnover = (Cash of Good Sold/Average Inventory) <i>Inventory turnover indicates the rate at which a company sells and replaces its stock of goods during a particular period</i>
Total Asset Turnover	Total Asset Turnover = (Revenue/Capital Employed) <i>Total asset turnover measures the value of a company's sales or revenue relative to the value of its assets</i>

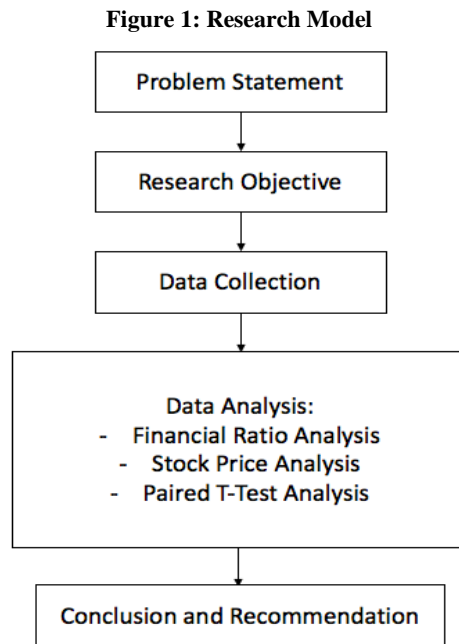
Research Methodologies and Data Collection Method

Some methodologies and data collection will be used in the conduct of this study:

1. The methodologies employ quantitative methods such as financial ratio analysis and stock price to assess MAPB and PZZA's financial performance, as well as statistical analysis using Paired T-test to determine whether there is a significant difference between before and after the emergence of covid-19 pandemic.
2. Secondary data collected from annual report, financial statement dan the official website of MAPB and PZZA.

Research Model

This research model represents the process of measuring financial performance from 2019 Q1 until 2020 Q4 and examines the differences in the performance of MAPB dan PZZA before and after the emergence of the Covid-19 outbreak.



RESULTS AND DISCUSSIONS

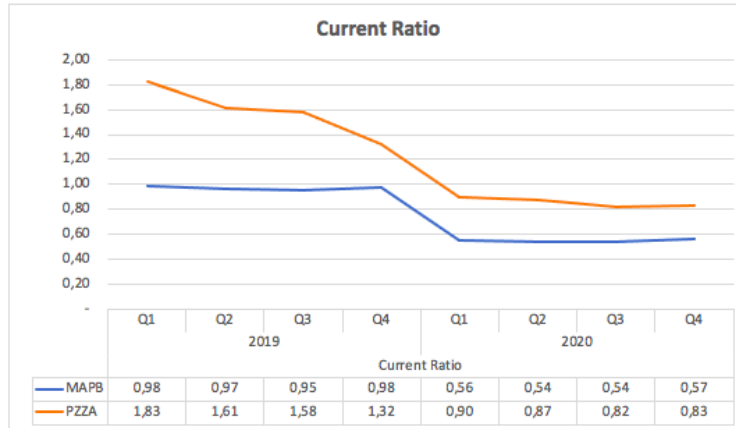
MAPB and PZZA has been listed on the Indonesia Stock Exchange (IDX). The financial performance analysis for MAPB and PZZA Tbk shown below:

Liquidity Ratio Analysis

Current Ratio Analysis

In Figure 2, before and after the COVID-19 MAPB's CR was <1 , which indicates MAPB has difficulty paying its short-term obligations. It can be said that MAPB is unable to pay its short-term obligations in this pandemic condition, although before this pandemic it was also not very good but still potentially safe. For PZZA, the CR Trend in 2019 Q1 to 2020 Q4 experienced a significant decrease where during 2019 the CR was never below 1 and in 2020 it was always below 1. It can be said that the impact of COVID-19 on CR of PZZA is very large. Previously the company was considered able to pay its short-term obligations but after the pandemic PZZA was unable to pay its short-term obligations.

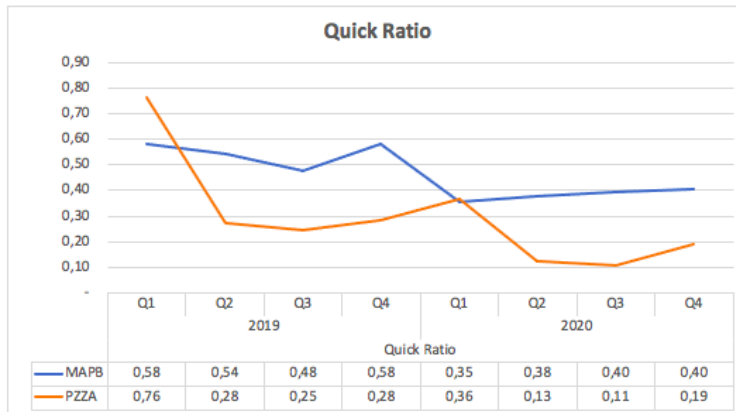
Figure 2: Current Ratio of MAPB and PZZA



Quick Ratio Analysis

In Figure 3, MAPB's QR trend in 2019 and 2020 also decreased. But MAPB's condition before and after the emergence of COVID-19 pandemic can already be said to be unhealthy because MAPB's QR <1 which means MAPB unable to pay its short-term obligations. For PZZA, the QR trend in 2019 and 2020 decreased. With that QR data, it can be said that PZZA is unable to fulfill its short-term obligations because QR <1.

Figure 3: Quick Ratio of MAPB and PZZA

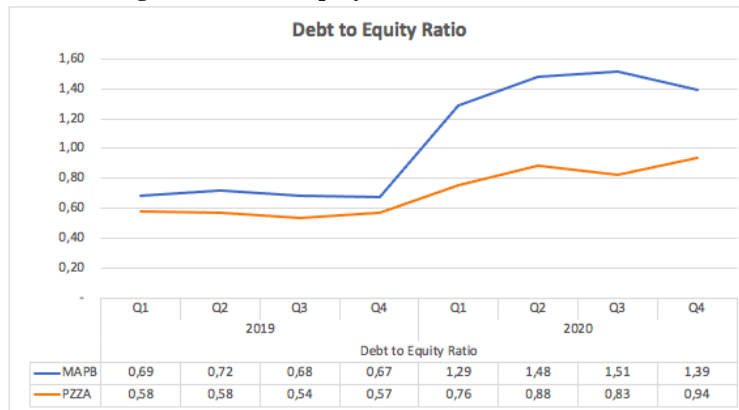


Solvency Ratio Analysis

Debt to Equity Ratio Analysis

In Figure 4, the MAPB's trend of DER shows an increase from 2019 Q1 to 2020 Q4. It can be said that in 2019 MAPB had a good DER because it was <1 but in 2020 the average DER was >1 which indicates that MAPB's total liabilities are greater than its total equity which is not good. From the data, it can be said that this COVID-19 pandemic has an impact on MAPB. For PZZA, the DER trend in 2019 Q1 to 2020 Q4 showed an increase. From the DER data, before and after the emergence of COVID-19 pandemic in Indonesia, the PZZA's DER remained <1, it can be said that the PZZA's condition with the DER indicator was good, although there was an increase due to the COVID-19 pandemic.

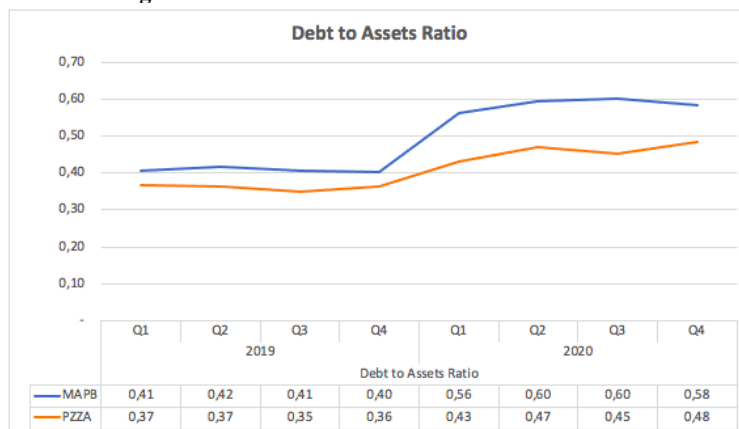
Figure 4: Debt to Equity Ratio of MAPB and PZZA



Debt to Assets Ratio Analysis

In Figure 5, MAPB’s DAR from 2019 Q1 to 2020 Q4 shows an increasing trend. During 2019 Q1 to 2019 Q4 tended to be stable with an average DAR of 0,41 and experienced a significant increase in 2019 Q4 to 2020 Q1 of 0,16. Then the DAR during 2020 Q1 to 2020 Q4 tends to stabilize again at 0,59 after the spike in 2019 Q4 to 2020 Q1, there is an increase in the average of DAR in 2019 and 2020 of 0,16. DAR of PZZA from the period 2019 Q1 to 2020 Q4 showed an increasing trend with an average of DAR from PZZA in 2019 of 0,41 and in 2020 of 0,59 there was an increase of 0,18. The increase was caused by the increase in PZZA’s total liabilities which reached 90% but was not linear with the increase in total assets which was only 32%.

Figure 5: Debt to Assets Ratio of MAPB and PZZA



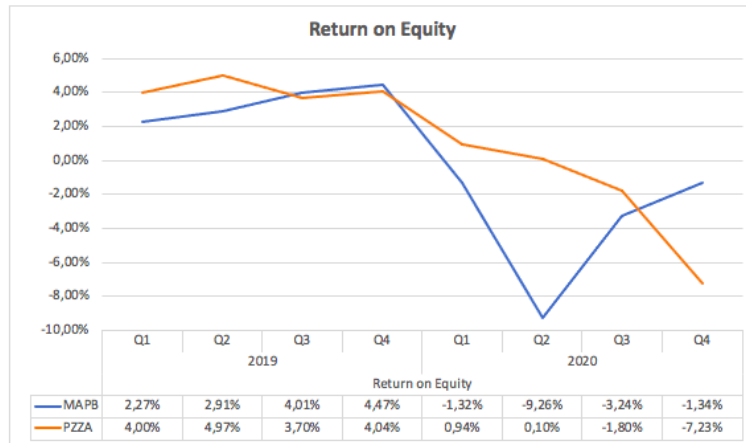
Profitability Ratio Analysis

Return on Equity Analysis

In Figure 6, The MAPB’s ROE trend during the 2019 Q1 to 2020 Q4 period decreased with an average of MAPB’s ROE in the 2019 period of 3,41% and in the 2020 period of -3,79% there was a decrease of 7,20%. In 2019 there was an increase in the 2019 Q1 to Q4 period due to an increase in total comprehensive income in that period with relatively the same total equity, the highest ROE value was in the 2019 Q4 period of 4,47%. In 2020 there was a very drastic decline in ROE caused by a decrease in the average total comprehensive income reaching 201% compared to the 2019 period which resulted in total comprehensive income in the 2020 period to minus with a decrease in total equity of around 7%.

For PZZA, the ROE trend during the 2019 Q1 to 2020 Q4 period decreased with an average of ROE of PZZA in 2019 of 4,18% and in 2019 of -2,00% there was a decrease of 6,17%. In 2019 the ROE was relatively stable but in 2020 the ROE experienced a considerable decline due to the total comprehensive income which fell by 143% and the decrease in total equity by 3% in 2020 compared to 2019. The highest ROE was in the 2019 Q2 period, which was 4,97% and the lowest in 2020 Q4 at -7,23%.

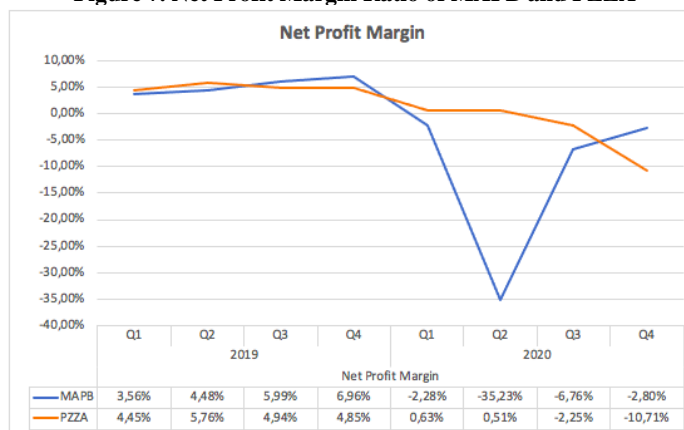
Figure 6: Return on Equity Ratio of MAPB and PZZA



Net Profit Margin Analysis

In Figure 7, the MAPB’s NPM trend in the 2019 Q1 to 2020 Q4 period can be said to fluctuate which in the 2019 Q1 to 2019 Q4 period the NPM trend tends to increase but in the 2020 Q1 to Q4 period it decreases drastically. This was caused by the rise and fall of net income and sales. For PZZA, the NPM trend during the 2019 Q1 to 2020 Q4 period decreased caused by the fall of net income and sales because of covid-19 pandemic.

Figure 7. Net Profit Margin Ratio of MAPB and PZZA



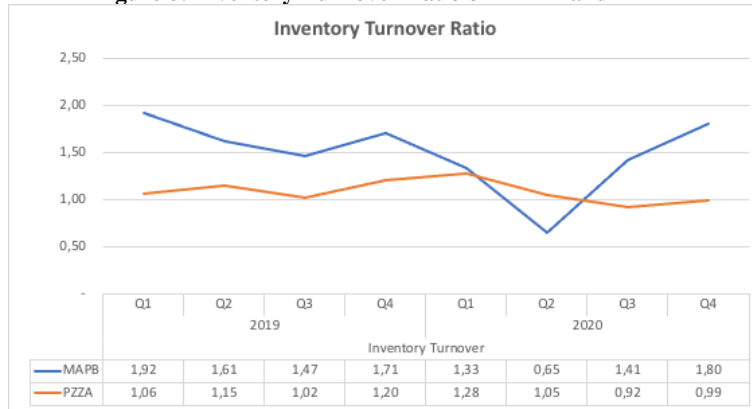
Activity Ratio Analysis

Inventory Turnover Ratio Analysis

In Figure 8, the Inventory Turnover Ratio trend of MAPB is relatively declining during the 2019 Q1 to 2020 Q4 period. In detail, during the period 2019 Q1 to Q4 the trend of the inventory turnover ratio was quite volatile due to the fluctuating amount of inventory with stable COGS, the highest inventory turnover ratio was in the 2019 Q1 period. For the period 2020 Q1 to Q4 the trend of inventory turnover ratio decreased, both inventory and COGS were relatively decreasing, for example COGS in 2020 Q2 was the lowest compared to all periods and rose again in the next period.

For PZZA, the trend of Inventory Turnover Ratio decreased slightly but was relatively stable during the 2019 Q1 and 2020 Q2 periods. This is due to a decrease in inventory and COGS which are in line with each other. For the Inventory Turnover Ratio, the highest was in the 2019 Q4 period and the lowest was in the 2020 Q3 period.

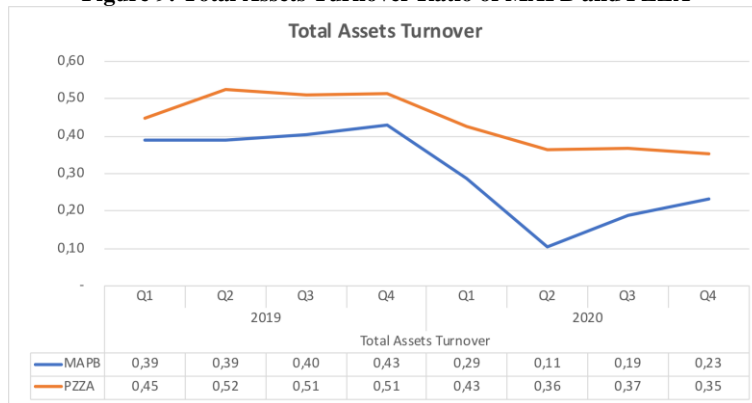
Figure 8: Inventory Turnover Ratio of MAPB and PZZA



Total Assets Turnover Ratio Analysis

In Figure 9, the MAPB's trend of the Total Assets Turnover Ratio during the 2019 Q1 to 2020 Q4 period decreased. Which was caused by a drastic decrease in sales and an increase in total assets as well. For PZZA, the trend of Total Assets Turnover Ratio is decreasing during the 2019 Q1 to 2020 Q4 period.

Figure 9: Total Assets Turnover Ratio of MAPB and PZZA

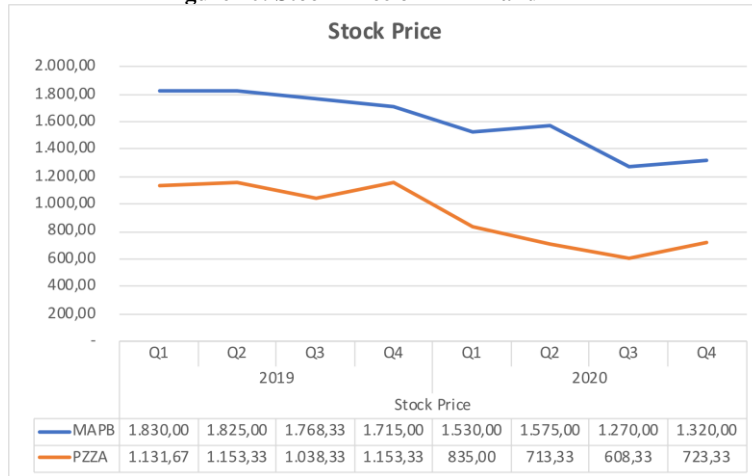


Stock Price Analysis

In Figure 10, The trend of MAPB's stock price decreased with an average in the 2019 period of 1.784,58 rupiah and the 2020 period of 1.423,75 rupiah there was a decrease of 360,83 rupiah or 20%. The highest stock price value is in the 2019 Q2 period and the lowest is in the 2020 Q3 period. The biggest decline was in the 2020 Q2 to Q3 period, which was 305 rupiah or 19%, it can also be said that before the COVID-19 pandemic the MAPB stock price always decreased every quarter in the 2019 period.

For PZZA, the stock price trend of PZZA is very low when compared to FAST and MAPB. The average stock price of PZZA in the 2019 period was 1.119,17 rupiah and in the 2020 period it was 720,00 rupiah where there was a large decrease of 399,17 rupiah or 36%. In the 2019 period the stock tends to be stable but during the 2019 Q4 to 2020 Q1 period there is a significant decline of 28% after that the PZZA stock price can be said to be volatile but still tends to decline.

Figure 10: Stock Price of MAPB and PZZA



Paired T-test Analysis

Paired T-test of MAPPB

From the Figure 11, the results of the Paired T-test from MAPPB. The data used in the pre-test is MAPPB's financial report 2019 from Q1-Q4, and the data used for the post-test is the financial report 2020 from Q1-Q4.

Current Ratio, Quick Ratio, Debt to Equity Ratio, Debt to Assets Ratio, Return on Equity, Total Assets Turnover Ratio and Stock Price show a significant difference before and after the emergence of covid-19 in Indonesia because p Value < Alpha and T-Calc > T-Table, therefore H1, H2, H3, H4, H5, H8, and H9 are accepted.

Net Profit Margin and Inventory Turnover Ratio show no significant difference before and after the emergence of covid-19 in Indonesia because the p Value > Alpha and T-Calc < T-Table, therefore H6 and H7 are rejected.

Figure 11: Paired T-test of MAPPB

Description	Status	p Value	Alpha	T-Calc	T-Table	Summary	Decision
Current Ratio	Pre & Post	0,00001	0,050	70,79	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H1
Quick Ratio	Pre & Post	0,0121	0,050	5,45	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H2
DER	Pre & Post	0,0006	0,050	15,43	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H3
DAR	Pre & Post	0,0002	0,050	21,69	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H4
ROE	Pre & Post	0,0287	0,050	3,96	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H5
NPM	Pre & Post	0,1140	0,050	2,21	3,18	p Value > Alpha dan T-Calc < T-Table	Reject H6
ITR	Pre & Post	0,2208	0,050	1,54	3,18	p Value > Alpha dan T-Calc < T-Table	Reject H7
TATR	Pre & Post	0,0122	0,050	5,43	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H8
Stock Price	Pre & Post	0,0071	0,050	6,58	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H9

Paired T-test of PZZA

From the Figure 12, the results of the Paired T-test from PZZA. The data used in the pre-test is PZZA's financial report 2019 from Q1-Q4, and the data used for the post-test is the financial report 2020 from Q1-Q4.

Current Ratio, Debt to Equity Ratio, Debt to Assets Ratio, Return on Equity, Total Assets Turnover Ratio and Stock Price show a significant difference before and after the emergence of covid-19 in Indonesia because p Value < Alpha and T-Calc > T-Table, therefore H1,H3,H4,H5,H8, and H9 are accepted.

Quick Ratio, Net Profit Margin and Inventory Turnover Ratio show no significant difference before and after the emergence of covid-19 in Indonesia because the p Value > Alpha and T-Calc < T-Table, therefore H2, H6 and H7 are rejected.

Figure 12: Paired T-test of PZZA

Description	Status	p Value	Alpha	T-Calc	T-Table	Summary	Decision
Current Ratio	Pre & Post	0,0042	0,050	7,95	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H1
Quick Ratio	Pre & Post	0,0681	0,050	2,80	3,18	p Value > Alpha dan T-Calc < T-Table	Reject H2
DER	Pre & Post	0,0054	0,050	7,25	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H3
DAR	Pre & Post	0,0037	0,050	8,26	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H4
ROE	Pre & Post	0,0400	0,050	3,48	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H5
NPM	Pre & Post	0,0564	0,050	3,03	3,18	p Value > Alpha dan T-Calc < T-Table	Reject H6
ITR	Pre & Post	0,6512	0,050	0,50	3,18	p Value > Alpha dan T-Calc < T-Table	Reject H7
TATR	Pre & Post	0,0361	0,050	3,63	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H8
Stock Price	Pre & Post	0,0014	0,050	11,66	3,18	p Value < Alpha dan T-Calc > T-Table	Accept H9

CONSLUSIONS, RECOMMENDATIONS, AND LIMITATIONS

Conclusion and Recommendations

Conclusion

Based on the results of the liquidity ratio analysis from MAPB can be said to be unable to meet its short-term obligations before the covid-19 pandemic in Indonesia and it got worse when the covid-19 pandemic in Indonesia was marked by the liquidity ratio value before the covid-19 was already <1 and getting lower after the covid-19 pandemic. For PZZA, PZZA's condition can be said to be quite healthy because it is able to meet its short-term obligations before the pandemic which is marked by its liquidity ratio >1 but after the covid-19 pandemic in Indonesia, PZZA's liquidity ratio has decreased and it can be said that it is no longer able to meet its short-term obligations. Therefore, the impact of covid-19 on PZZA is quite large because after the covid-19 the value of PZZA's liquidity ratio dropped to <1 .

According to the results of the solvency ratio analysis from MAPB can be said that before the covid-19 pandemic, MAPB was financed by its equity with indicators DER <1 and DAR $<0,5$ but after the covid-19 pandemic, MAPB became financed by debt with indicators DER >1 and DAR $>0,5$ which means where there has been a 2-times increase after the COVID-19 pandemic. For PZZA, before and after the COVID-19 pandemic in Indonesia did not make PZZA financed by debt. Shown by the value of DER <1 and DAR $<0,5$ before and after the covid-19 pandemic, which can be concluded that PZZA is financed by equity rather than debt although there is an increase of about 1,5-times.

Based on the results of profitability ratio analysis of MAPB in 2019 Q1 to Q4 the profitability ratio tends to be stable but in the 2020 Q1 to 2020 Q2 period, the profitability ratio decreased significantly due to a decrease in sales and net income and began to increase again in the 2020 Q3 and 2020 Q4 periods. There is a slight difference with PZZA, where PZZA where in 2019 Q1 to Q4 the profitability ratio can be said to be stable but in the 2020 Q1 to Q4 period the profitability ratio continues to decline.

Based on activity ratio analysis, before and after the emergence of COVID-19 outbreak in Indonesia, activity ratio analysis MAPB showed a decline caused by declining sales which led to increased inventory turnover ratio and the decreased total assets turnover ratio is also caused by declining sales during the pandemic which makes assets ineffective. Regarding PZZA's activity ratio analysis, the inventory turnover ratio and total assets turnover ratio decreased due to a decrease in sales which made PZZA's inventory and assets less effective.

Based on stock price analysis, in the period before and after the emergence of Covid-19 outbreak in Indonesia, the MAPB stock price tends to decrease from the 2019 Q1 to 2020 Q4 period, which means that before and after the emergence of Covid-19 outbreak in Indonesia the stock price of MAPB continued to decline. For PZZA, in the pre-covid-19 period, namely 2019 Q1 to 2019 Q4 the stock price of PZZA can be said to be stable, then it decreased when there was Covid-19 in Indonesia, namely in the 2020 Q1 to 2020 Q3 period. From MAPB and PZZA at the end of the 2020 Q4 period, all stock prices have increased compared to the previous period, namely the 2020 Q3 period, which indicates that stock prices are starting to strengthen during this covid-19 pandemic period.

Based on the result of paired t-test MAPB, it shows that of the 9 hypotheses, 7 of them are Current Ratio, Quick Ratio, Debt to Equity Ratio, Debt to Assets Ratio, Return on Equity, Total Assets Turnover Ratio and Stock Price has a significant difference result before and after the emergence of covid-19 in Indonesia. In addition, 2 others, namely Net Profit Margin and Inventory Turnover Ratio have no significant difference results before and after the emergence of covid-19 in Indonesia.

Based on the result of paired t-test PZZA, it shows that of the 9 hypotheses, 6 of them are Current Ratio, Debt to Equity Ratio, Debt to Assets Ratio, Return on Equity, Total Assets Turnover Ratio and Stock Price has a significant difference result before and after the emergence of covid-19 in Indonesia. In addition, 3 others, namely Quick Ratio, Net Profit Margin and Inventory Turnover Ratio have no significant difference results before and after the emergence of covid-19 in Indonesia.

Recommendation

From the results of liquidity ratio analysis, MAPB and PZZA, it is necessary to increase their current assets or decrease their current liabilities because before and after the covid-19 pandemic, the liquidity ratio of MAPB and PZZA <1 , MAPB and PZZA need to be very accurate to ensure the payment due date of short-term bank loans so that the scheme is in accordance with their ability because if not MAPB and PZZA will have difficulty meeting their short-term obligations.

MAPB and PZZA should reduce their total debt by increasing their equity, according to the results of the solvency ratio. The company has several options for increasing its equity, including increasing retained earnings or issuing shares. They should maximize sales and minimize costs in order to increase retained earnings, and they can decide whether to pay dividends first or pay dividends with a lower nominal than usual. They must also manage their assets, not allowing too many assets to be ineffective in order to generate profit.

Because of the large decline in sales and revenue, MAPB and PZZA must cut their fixed costs, resulting in a lot of costs incurred but not effective, for example labor because the labor required for the amount of sales is excessive, an agreement can be made to withdraw periodically in accordance with the increase in sales and carry out marketing and special methods to increase sales.

MAPB and PZZA need to reduce their inventory purchases to be effective, which is adjusted to current sales so that there is no deadstock or ineffective stock, according to the results of the Activity ratio. The most important thing is to increase sales, with one example being to concentrate on online sales so that the assets you already have can generate even more sales.

Limitations

- a. The data used to analyze and compare the pandemic ratio lasted for only 4 Quarter or 12 months, and this was due to the limited data available. Moreover, this research was conducted in 2021 when the pandemic was still ongoing. It is hoped that further research can use more complete data so that the analysis is carried out more accurately.
- b. This research only focusing on food and beverages industry, specifically restaurant business and the only differentiating variables is covid-19 excluding other macroeconomic and internal company issues.
- c. It is better if future research can use more complete data and financial ratio analysis variables to explain better how the company's financial performance is so that the results are expected to be closer to the actual situation.

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