Research.

Analysis of the Financial Performance of Regional Drinking Water Companies (PDAM) before and During the COVID-19 Pandemic

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Abstract. The purpose of this research is to examine the differences in the financial performance of Regional Drinking Water Companies (PDAMs) in Makassar City before and during the 2018-2021 Covid-19 pandemic. This research is a Quantitative Descriptive Research, using financial indicators Current Ratio, Quick Ratio, Gross Margin, Net Profit Margin and Debt Ratio. The data analysis method is the sample t-test. The results showed that the current rate was higher before the pandemic, with a higher average than during the pandemic, the quick ratio was higher before the pandemic, with a higher average than during the pandemic, and the gross margin was higher before the pandemic. The average is higher than during the pandemic. Net profit margin is higher before the pandemic and higher on average than during the pandemic. Debt ratios are higher during the pandemic and higher on average than before the pandemic. From this it can be concluded that the current ratio, quick ratio, gross profit margin, net profit margin and debt ratio are not different from each other.

Keywords: Current Ratio, Quick Ratio, Gross Profit Margin, Net Profit Margin, Debt Ratio

INTRODUCTION

Competition in the business environment is increasing day by day, followed by an increase in the complexity of the business environment, which affects the sustainability of business activities both directly and indirectly. If the company wants to survive and achieve the best results, the company must know the conditions that apply in the company, and the conditions that must be the company's main concern in managing the company are the internal conditions of the company before looking at the internal reality of the company to see and analyse. One of the internal conditions that the company focuses on is the company's good financial condition, which is one of the company's strengths to survive amid business complexity and achieve company goals or best performance. (Priscilla & Avriyanti, 2020). A company is considered healthy if it is able to survive in any situation, which is reflected in its ability to fulfil its obligations, conduct stable company operations and maintain its business continuity from time to time. Financial performance is a benchmark in assessing the stability of a company. The financial performance of a company can be measured through balance sheet analysis. (Isn et al., 2022).

Regional Drinking Water Companies (PDAMs) are different from pure private companies that are always looking for profits. One of the objectives of PDAM is to participate in the implementation of regional development, especially economic development, to produce clean, healthy drinking water that meets the health needs of the local population, which is also a form of service to the national community.

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Evaluation of financial results can be done through balance sheet analysis, the main data of this analysis is the balance sheet and income statement. Financial statements can be analysed using key figures. Key figure analysis allows financial managers and interested parties to quickly assess the financial situation, as the presentation of key figures indicates whether or not the company is healthy. The report analysis combines elements of the plan and income statement to evaluate the efficiency and effectiveness of the company. (Orniati et al., 2009).

The financial result of the company can be interpreted as the future potential, both growth and development of the company. Financial efficiency is necessary when evaluating possible changes in financial resources that can be managed in the future, as well as when estimating production capacity and existing resources.

The importance of evaluating financial performance according to the implementation of the company's expected strategy is to advance the company's rich institutions. In regional drinking companies which are service companies and public sectors, financial metrics are used as performance metrics because financial measurement is easy to do, so personal performance is only measured by financial performance, other performance, client confidence in the company's services, improvement of personal expertise and commitment, closeness of the company's partnership relationship with its inner circle, which is ignored by management because it is difficult to measure. (H.Ahmad, 2019).

**Formulation of the Problem**

From the background of the problems that have been described, the question is formulated whether there are differences in the financial performance of the Makassar City Regional Drinking Water Company (PDAM) before and during the Covid-19 pandemic. 2018-2021?

**LITERATURE REVIEW**

**Financial management**

Financial management is the management of economic activities. These economic activities include raising funds and utilising funds. The task of the financial manager is to determine the appropriate level of assets by investing in various assets and selecting financial resources to finance them. (Pratna, 2016). According to Sundjaja, Ridwan and Inge, financial management refers to the duties of financial managers within the company. CFOs actively manage the financial affairs of all types of businesses, whether financial or non-financial, private or public, large or small, for-profit or non-profit.

**Financial performance**

Financial performance is an analysis conducted to determine the extent of a company's progress through the application of correct and appropriate financial performance principles. (Fahmi, 2013239). The company's financial results usually refer to the profits generated by the company or how this is measured in terms of profitability. Sartono in Fatmawati (2017: 19) explains that profitability is the company's ability to generate profits relative to sales of total assets and equity.

**Types of Financial Ratio**

1. **Liquidity Ratio**

   Liquidity ratio is a ratio that describes the short-term profitability of the company. Another function of the liquidity ratio is to show or measure the company's ability to fulfil its obligations both to outside parties and within the

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company. In other words, the liquidity ratio describes the company's ability to pay its current debt (debt) at maturity, or a ratio that determines the company's ability to finance and fulfill obligations (debt) at the time of collection. Liquidity ratios include:

a. **Current Ratio**
   
   The current ratio is a metric that measures a company's ability to pay its current liabilities with its current assets.

b. **Quick Ratio**
   
   The quick ratio is a measure of a company's ability to meet its financial obligations with its most liquid assets.

c. **Cash Ratio**
   
   The cash ratio is a metric that indicates a company's ability to repay its immediate debts using the company's available cash and cash equivalents and immediately payable securities.

2. **Profitability Ratio**

   Profitability ratios are metrics that evaluate a company's ability to generate profits or earnings over a period of time. It also measures the efficiency of a company's management as reflected in sales or investment activities, and measuring profitability metrics can be done by comparing different parts of the income statement or balance sheet. Measurements can be made over several time periods. The goal is to monitor and evaluate the development of the company's profitability level over time.

   By analysing financial metrics for management to effectively determine improvement and efficiency measures, profitability indicators are:

   a. **Gross Profit Margin**
      
      Gross margin is a metric that shows a company's ability to generate profits that cover fixed costs or other operating expenses.

   b. **Net Profit Margin**
      
      Net Profit Margin is a metric that calculates how much net profit a company makes at a given level of sales.

   c. **Return On Asset**
      
      Return on investment is a metric that measures a company's ability to generate net income according to a certain level of assets.

   d. **Return On Equity**
      
      Return on equity is a metric used to measure a company's ability to generate net income according to specific share capital. (Arestha & Mason, 2022).

2. **Solvency Ratio**

   Solvency is a method to determine the ability of a company to fulfil all its obligations with company guarantees. The lower the company's solvency ratio, the better the company's ability to pay its debts. (Dikri et al., 2022), the solution ratios used are:

   a. **Debt Ratio**
      
      Debt ratio is a debt ratio that measures the extent to which the company's assets are financed by debt, or the effect of corporate debt on economic management.

   b. **Debt to Equity Ratio**
      
      Debt to equity ratio is a ratio used to measure the ratio of debt to equity. This ratio is determined by comparing all debt, including current debt, to equity. This ratio is useful when you know how much money the borrower (creditor) is providing to the trader. In other words, this ratio takes into account every rupee of equity used to secure debt.

   c. **Long-Term Debt to Equity Ratio**
      
      The ratio of long-term debt to equity is the ratio of long-term debt to equity. The purpose is to measure how much equity per rupiah is used as
collateral for long-term debt by comparing long-term debt with equity offered by the company.

d. **Times Interest Earned**

Interest Ratio is a ratio that calculates the amount of interest earned. This ratio also reflects the entity's ability to pay interest expenses (Harahap et al., 2021).

**RESEARCH METHOD**

The type of research used in this research is quantitative descriptive research. Quantitative research is a research method according to the philosophy of positivism, which studies certain populations or samples, uses research tools in data collection, material analysis is quantitative or statistical, and the purpose is to test predetermined hypotheses. In this study, the authors conducted a survey at the Makassar Regional Drinking Water Company which is located at Jl. Ratulangi No. 3 Makassar, South Sulawesi, Indonesia. The data sources used in this research are as follows:

- **Primary data**, i.e. collected by researchers directly from the first source.
- **Secondary Data**, i.e. data collected by Researchers directly from Supported Primary Sources. It can also be said that the material is compiled in the form of documents and reports related to the discussion of this study.

The population of this research is the financial statements of PDAM Makassar City. The sample used in this research is the financial statements of the Makassar City Regional Drinking Water Company for 2016-2021. (Sugiyono, 2017)

The data collection methods used in this research are:

- **Observation** is the collection of research data through observations that are directly related to financial results.
- **Documentation** is a method used by researchers by looking directly at the company's financial statements.

**RESULT AND DISCUSSION**

**Research Results**

1. Analysis of Financial Ratios

a. **Current Ratio**

The current metric is the ratio of current assets and current liabilities. The current indicator reveals the company's guarantee to short-term creditors. If the current debt ratio exceeds current assets (current debt ratio less than 1), the company will have difficulty paying its current liabilities. If the turnover rate is too high, the company is considered less efficient in handling working capital. The following are the results of the current relationship.

The following is the calculation of the Current Ratio of the Makassar Regional Drinking Water Company (PDAM 2018-2021).

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Assets (in Rupiah)</th>
<th>Current Debt (in Rupiah)</th>
<th>Current Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>165,831,018,704</td>
<td>63,826,092,659</td>
<td>2.59%</td>
</tr>
<tr>
<td>2019</td>
<td>163,113,095,418</td>
<td>53,259,067,749</td>
<td>3.06%</td>
</tr>
<tr>
<td>2020</td>
<td>142,922,916,111</td>
<td>107,995,257,156</td>
<td>1.32%</td>
</tr>
<tr>
<td>2021</td>
<td>136,400,004,469</td>
<td>52,768,472,651</td>
<td>2.58%</td>
</tr>
</tbody>
</table>

Source: Data Processed, 2023
According to Table 1 Current Ratio of the Makassar City Regional Drinking Water Company (PDAM) 2018-2021, namely:
Calculation of the current rate (current ratio, PDAM Makassar City 2018 2.59%, 2019 growth 3.06%). In 2020, the current rate fell again by 1.32%. And at the end of 2021 it rose again by 2.58%.

b. Quick Ratio
The quick ratio is the balance between current assets minus inventories and current liabilities. Inventory is the part of inventory that has low liquidity and often low prices, and this part of inventory often results in liquidity losses. Therefore, the quick ratio is a better measure of the company's ability to meet its short-term obligations. The following is the calculation of the Quick Ratio (PDAM) 2018-2021 of the regional drinking water company.

Table 2
Calculation of Quick Ratio for 2018-2021 (in Rupiah)

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Assets</th>
<th>Inventory</th>
<th>Current Debt</th>
<th>Quick Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>165,831,018,704</td>
<td>26,467,295,051</td>
<td>63,826,092,659</td>
<td>2.18%</td>
</tr>
<tr>
<td>2019</td>
<td>163,113,095,418</td>
<td>42,254,503,134</td>
<td>53,259,067,749</td>
<td>2.26%</td>
</tr>
<tr>
<td>2020</td>
<td>142,922,916,111</td>
<td>70,160,285,387</td>
<td>107,995,257,156</td>
<td>0.67%</td>
</tr>
<tr>
<td>2021</td>
<td>136,400,004,469</td>
<td>67,213,923,291</td>
<td>52,768,472,651</td>
<td>1.31%</td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

According to Table 2, the Rapid Ratio of the Makassar City Regional Drinking Water Company (PDAM) for 2018-2021, namely:
Calculated by Quick Ratio, the Makassar City Regional Drinking Water Company was 2.18% in 2018, while the Quick Ratio increased by 2.26% in 2019. In 2020, the quick ratio was 0.67%. And at the end of 2021, the quick ratio increased again by 1.31%.

c. Gross Profit Margin
Gross profit margin is sales minus cost of goods sold as a percentage of sales, or the ratio of sales profit to sales. Here are the results of gross profit margin.

Table 3
Calculation of Gross Profit Margin for 2018-2021 2018-2021 (In Rupiah)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Sales</th>
<th>Cost of Sales</th>
<th>Gross Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>313,353,675,051</td>
<td>269,294,229,277</td>
<td>0.14%</td>
</tr>
<tr>
<td>2019</td>
<td>311,839,783,522</td>
<td>268,215,388,364</td>
<td>0.14%</td>
</tr>
<tr>
<td>2020</td>
<td>352,303,193,243</td>
<td>313,585,270,985</td>
<td>0.11%</td>
</tr>
<tr>
<td>2021</td>
<td>232,505,529,280</td>
<td>316,110,384,614</td>
<td>0.02%</td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

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d. Net Profit Margin
Net profit margin is the profit from sales after all expenses and income taxes are calculated. The following are the results of Net Profit Margin.

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Profit After Tax</th>
<th>Net Sales</th>
<th>Net Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>40.490.733.785</td>
<td>313.353.675.051</td>
<td>0.13%</td>
</tr>
<tr>
<td>2019</td>
<td>38.036.447.453</td>
<td>311.839.783.522</td>
<td>0.12%</td>
</tr>
<tr>
<td>2020</td>
<td>38.473.567.544</td>
<td>352.303.193.243</td>
<td>0.11%</td>
</tr>
<tr>
<td>2021</td>
<td>16.670.731.156</td>
<td>323.250.529.280</td>
<td>0.05%</td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

According to Table 4 Net Profit Margin of the Makassar City Regional Drinking Water Company (PDAM) 2018-2021, namely:
Calculated according to the net profit margin of the Makassar City Drinking Water Regional Company of 0.13% in 2018, in 2019 the net profit margin decreased by 0.12%. In 2020, the profit margin decreased by 0.11% and further decreased by 0.05% in 2021.

e. Debt Ratio
Debt ratio is the ratio of total debt (Total Debt) to total assets (Total Assets) expressed as a percentage. This ratio is a measure of how much of the company's assets are financed by debt. The following are the results of the debt ratio.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Debt</th>
<th>Total Assets</th>
<th>Debt Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>63.826.092.659</td>
<td>63.826.092.659</td>
<td>0.15%</td>
</tr>
<tr>
<td>2019</td>
<td>53.259.067.749</td>
<td>431.026.661.067</td>
<td>0.12%</td>
</tr>
<tr>
<td>2020</td>
<td>107.995.257.156</td>
<td>486.202.163.025</td>
<td>0.22%</td>
</tr>
<tr>
<td>2021</td>
<td>81.779.329.978</td>
<td>501.570.840.085</td>
<td>0.16%</td>
</tr>
</tbody>
</table>

According to Table 5, the Debt Ratio of the Makassar City Regional Drinking Water Company (PDAM) for 2018-2021, namely:
The calculation of the debt ratio of PDAM Makassar City in 2018 was 0.15%. In 2019, the debt ratio decreased by 0.12%. In 2020 the debt ratio grew by 0.22 per cent, in 2021 the debt ratio decreased by 0.16 per cent.

2. Descriptive Statistics
The purpose of descriptive statistics is to provide an overview or description of the data by looking at the minimum value, maximum value, mean and standard deviation value. According to the results of data analysis, the drinking water regional companies can be described as in Table 6

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Table 6

<table>
<thead>
<tr>
<th>Ratio</th>
<th>Min</th>
<th>Max</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio Before</td>
<td>2.59</td>
<td>3.06</td>
<td>2.8250</td>
<td>0.33234</td>
</tr>
<tr>
<td>Current Ratio During</td>
<td>1.32</td>
<td>2.58</td>
<td>1.9500</td>
<td>0.89095</td>
</tr>
<tr>
<td>Quick Ratio Before</td>
<td>2.18</td>
<td>2.26</td>
<td>2.2200</td>
<td>0.5657</td>
</tr>
<tr>
<td>Quick Ratio During</td>
<td>0.67</td>
<td>1.31</td>
<td>0.9900</td>
<td>0.45255</td>
</tr>
<tr>
<td>Gross Profit Margin Before</td>
<td>0.14</td>
<td>0.14</td>
<td>0.1400</td>
<td>0.00000</td>
</tr>
<tr>
<td>Gross Profit Margin During</td>
<td>0.02</td>
<td>0.11</td>
<td>0.0650</td>
<td>0.06364</td>
</tr>
<tr>
<td>Net Profit Margin Before</td>
<td>0.12</td>
<td>0.13</td>
<td>0.1250</td>
<td>0.00707</td>
</tr>
<tr>
<td>Net Profit Margin During</td>
<td>0.05</td>
<td>0.11</td>
<td>0.0800</td>
<td>0.04243</td>
</tr>
<tr>
<td>Debt Equity Ratio Before</td>
<td>0.12</td>
<td>0.15</td>
<td>0.1350</td>
<td>0.02121</td>
</tr>
<tr>
<td>Debt Equity Ratio During</td>
<td>0.16</td>
<td>0.22</td>
<td>0.1900</td>
<td>0.04243</td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

1) Normality Test

The normality test is used to determine whether the research variable data is normally distributed or not. This test must be done to do the next test. The normality test was conducted using the Shapiro-Wilk test. According to Ghozal (2018:161) The rule used states that residuals are considered normal if the significance of the Shapiro-Wilk value is greater than 0.05. If the significance value is less than 0.05, the research data is not normally distributed. If the data is normally distributed, the test performed is a paired sample t-test. On the other hand, if the data is not normally distributed, the signed Wilcoxon rank test is used as the test. This normality test determines whether the data is normally distributed or not. The following is the normality test for each variable:

Table 7

<table>
<thead>
<tr>
<th>Variable</th>
<th>Shapiro-Wilk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Statistics</td>
</tr>
<tr>
<td>CR</td>
<td>0.859</td>
</tr>
<tr>
<td>QR</td>
<td>0.890</td>
</tr>
<tr>
<td>GPM</td>
<td>0.791</td>
</tr>
<tr>
<td>NPM</td>
<td>0.828</td>
</tr>
<tr>
<td>DER</td>
<td>0.939</td>
</tr>
</tbody>
</table>

Source: Data processed, 2023

2) Paired Sample T-Test

In this study, the SPSS application was used with a paired sample t-test. The paired sample t-test is another test that pairs samples between one sample and another sample. The purpose of this test is to test the difference in sample means in paired samples; H. financial performance ratios before and during the Covid-19 pandemic. The following are the calculation results according to the paired t-test using SPSS:

1. Liquidity Ratio

Liquidity ratio is a metric that shows the company's ability to fulfill its short-term obligations.

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a. **Current Ratio**

**Table 8**

<table>
<thead>
<tr>
<th>Paired</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>T-Count</th>
<th>Sig</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR –</td>
<td>2.8250</td>
<td>0.33234</td>
<td>2.215</td>
<td>0.270</td>
<td>No Difference</td>
</tr>
<tr>
<td>Before</td>
<td>1.9500</td>
<td>0.89095</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CR –</td>
<td>1.9500</td>
<td>0.89095</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

According to the table of paired sample test results above, it is known that the current ratio averaged 2.8250 before the Covid-19 pandemic and averaged 1.9500 during the pandemic. The t value calculated from these results is 2.215 and the significance value is 0.270. These results indicate that there is no significant difference between CR before and during the pandemic, as the significance value (0.270) is greater than 0.05.

b. **Quick Ratio**

**Table 9**

<table>
<thead>
<tr>
<th>Paired</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>T-Count</th>
<th>Sig</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>QR –</td>
<td>2.2200</td>
<td>0.5657</td>
<td>4.393</td>
<td>0.142</td>
<td>No Difference</td>
</tr>
<tr>
<td>Before</td>
<td>0.9900</td>
<td>0.45255</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>QR –</td>
<td>0.9900</td>
<td>0.45255</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

According to the table of paired sample test results above, it is known that the average quick ratio was 2.2200 before the Covid-19 pandemic and 0.9900 during the Covid-19 pandemic. The calculated t value of the result is 4.393 and the significance value is 0.142. The result shows that there is no significant difference in QR before and during the pandemic, as the significance value (0.142) is greater than 0.05.

2. **Profitability Ratio**

a. **Gross Profit Margin**

**Table 10**

<table>
<thead>
<tr>
<th>Paired</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>T-Count</th>
<th>Sig</th>
<th>Remark</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPM –</td>
<td>0.1400</td>
<td>0.0000</td>
<td>1.667</td>
<td>0.344</td>
<td>No Difference</td>
</tr>
<tr>
<td>Before</td>
<td>0.0650</td>
<td>0.06364</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GPM –</td>
<td>0.0650</td>
<td>0.06364</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>During</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

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According to the table of paired t-test results above, it is known that the average gross margin is 0.1400 before the Covid-19 pandemic and 0.0650 during the Covid-19 pandemic. The calculated t value of the result is 1.667 and the significance value is 0.344. These results indicate that there is no significant difference in GPM before and during the pandemic, as the significance value (0.344) is greater than 0.05.

b. Net Profit Margin

<table>
<thead>
<tr>
<th>Table 11</th>
<th>Net Profit Margin Paired Samples Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paired</td>
<td>Mean</td>
</tr>
<tr>
<td>NPM – Before</td>
<td>0.1250</td>
</tr>
<tr>
<td>NPM – During</td>
<td>0.0800</td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

According to the table of paired sample test results above, it is known that the average net profit margin was 0.1250 before the Covid-19 pandemic and 0.0800 during the Covid-19 pandemic. These results provide a t value of 1.800 and a significance value of 0.323. These results indicate that there is no significant difference in NPM before and during the pandemic, because the significance value (0.323) is greater than 0.05.

3. Solvency Ratio

a. Debt Ratio

<table>
<thead>
<tr>
<th>Table 12</th>
<th>Debit Ratio Paired Samples Test Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paired</td>
<td>Mean</td>
</tr>
<tr>
<td>DR – Before</td>
<td>0.1350</td>
</tr>
<tr>
<td>DR – During</td>
<td>0.1900</td>
</tr>
</tbody>
</table>

Source: Data processed by SPSS, 2023

According to the table of paired sample test results above, it is known that the average debt ratio was 0.1350 before the Covid-19 pandemic and 0.1900 during the pandemic. From these results, it is known that the t value is -3.667 and the significance value is 0.170. These results indicate that there is no significant difference in DR before and during the pandemic, because the significance value (0.170) is greater than 0.05.

A. Discussion

The discussion in this section discusses the objectives and formulation of the problem, namely whether there is a significant difference in the economic performance of PDAM Makassar City before and during the Covid-19 pandemic. Liquidity ratio

a. Current Ratio

Asymo scores are generated according to the current ratio of the paired sample test. Sig. (2-tailed) value (sig. 0.270) is greater than the alpha
value (0.05), so it can be concluded that the hypothesis is rejected, which means that there is no difference in financial performance before and during Covid-19 at PDAM Makassar City. This is because the PDAM has a lower current rate during the pandemic, because the PDAM is still not optimally managing its current assets, so these short-term assets take up a smaller proportion of short-term coverage compared to the current rate before the Covid-19 pandemic has liabilities. According to research by Aldi Baune, Sri Isnawati Pakaya and Lanto Miriam Amali (2022), it was found that there was no difference in the financial performance of tourism companies listed on the IDX in 2019-2020. Current ratio (CR) is significant.

From the data above, it can also be seen that the Current Ratio at PDAM Makassar city is still not optimal. This is because the pandemic does not last long so that the company's assets are still good and the existing working capital is still able to cover its short-term liabilities.

It can be said that the liquidity represented by the current exchange rate in PDAM Makassar City is still good during the pandemic, because the current exchange rate of most companies has increased. Increasing the ratio makes the company more liquid than others. Whether or not a company is liquid can be seen from the company's ability to cover or pay off its short-term liabilities with its current assets. This shows that according to the current ratio before and during the Covid-19 pandemic, the financial performance of PDAM Makassar City has a score of 2.3 which is included in the good criteria because it is still more than 2 times the current ratio.

b. Quick Ratio

According to the Paired Samples Test on the Quick ratio, the Asymo. Sig. (2-tailed) value (sig. 0.142) is greater than the alpha value (0.05). From this it can be concluded that the hypothesis is rejected, meaning that there is no difference in financial performance before the Covid-19 pandemic and the Covid-19 pandemic at PDAM Makassar City. This is because the current value of PDAM Makassar City has increased from year to year due to the increase in cash and bank assets. The reference value of working capital after deducting inventory is not proportional to the growth of short-term debt, so that the ability of PDAM Makassar City to pay off its short-term debt is not good or the company is in a liquid state. If the value of current assets minus inventory is less than current liabilities, the company will have difficulty paying its debts when the company goes into liquidation. This shows that the financial performance of PDAM Makassar City according to Quick Ratio before and during the Covid-19 pandemic is included in the good criteria because it is still above 1.5. In line with research conducted by Lily Rahmawati Harahap, Rani Anggraini, Ellys, and R.Y.Effendy (2021) who conducted research at PT Eastpare Hotel, Tbk, it is explained that the financial performance of PT Eastpare shows a good condition and has the ability to meet its obligations that are due immediately using the assets owned by the company.

1. Profitability Ratio

Profitability ratios are metrics that determine a company's ability to generate profits or earnings.

a. Gross Profit Margin

According to the results of the Paired Sample T-Test Gross Margin analysis, it shows that there is no significant difference in the financial performance of PDAM Makassar City before and during the Covid-19 pandemic because the significance score is 0.344. which means > 0.05. This is due to the increase in cost of goods sold (CPG) during the Covid-19 period. Too high cost of goods manufactured (COGS) can also lead to high selling prices, thus impacting the gross profit margin value. Changes
occurred in 2021 where the COGS value increased to IDR316,110,384,614 with a percentage ratio of 0.02 or 2%. This is what causes the inefficiency of the company's operational activities.

The total value of the Gross Profit Margin ratio since before and after the covid-19 pandemic has continued to decline but not too significantly. The financial ratio in 2018 and 2019 was the same, namely 14%, while during the Covid-19 pandemic in 2020 there was a decrease, namely to 11% and at the end of 2021 there was another significant decrease of 2%.

This shows that the financial performance of PDAM Makassar City according to gross margin before the Covid-19 pandemic is very bad because it is less than 15%.

b. Net profit Margin

Net margin is a ratio used to compare earnings after interest and taxes to sales. The higher the Net Profit Margin (NPM), the better the company generates profits and the greater the influence of net profit margin on company performance, making the company better. This ratio is calculated by dividing profit after tax by sales.

According to the results of the paired sample analysis, the net profit margin shows that there is no significant difference in the financial performance of PDAM Makassar City before and during the Covid-19 pandemic because the significance value is 0.323> 0.05, this is because the company failed to grow profits before and during the Covid-19 pandemic.

According to the net profit margin, the financial performance of PDAM Makassar City before and during the Covid-19 pandemic fell into the poor criteria with a percentage of 10 per cent. Together with Rusnaiid and Surayya Husna (2022) who conducted a study on the Tirta Daroy Regional Drinking Water Company (PDAM) in Banda Aceh City, it was stated that the financial performance of PDAM Tirta Daroy was poor because the results obtained were stagnant below the industry average, S. This was due to high costs and decreased revenue due to inefficient operations.

2. Solvency Ratio

Debt Ratio is the ratio between total debt (total debt) and total assets (total assets) expressed in percentage. This ratio provides a measure of how much the total assets owned by the company are financed through the use of debt. The higher the Debt Ratio, while the proportion of total assets does not change, the greater the total debt owned by the company.

The Asymo score is obtained according to the paired sample test of the debt ratio. Sig. (2-tailed) value (Sig. 0.170) is greater than the alpha value (0.05), so it can be concluded that the hypothesis is rejected, which means that there is no difference in financial performance before and during the Covid-19 crisis gives a pandemic. Covid-19 pandemic in Makassar City PDAM. The reason is that the total debt increased during the Covid-19 pandemic so that the value of the debt ratio was not optimal. The more debt capital is used to generate profits for the company. Thus, the debt of PDAM Makassar City before and during Covid-19 is not a debt that can paralyse the company in the future, but only in the form of current debt in the production process. only in the form of current debt in a production process.

This shows that the financial performance of PDAM Makassar City according to the debt ratio before the pandemic and during the Covid-19 pandemic is not good because it is less than 80%.
CONCLUSIONS AND SUGGESTIONS

Conclusion
From the results of the financial performance of the Makassar Regional Drinking Water Company in terms of liquidity, profitability and solvency ratios for the 2018-2021 period, it can be concluded that the financial performance of the Makassar Regional Drinking Water Company is as follows:

1. According to the financial performance of PDAM Makassar City, the current metric before the pandemic and the liquidity metric during the Covid-19 pandemic there is no significant and optimal difference because the company's current assets are still able to pay off short-term liabilities.
2. According to the Financial Statements of PDAM Makassar City, the Liquidity Ratio of the Quick Ratio before the pandemic and during the Covid-19 pandemic has increased and decreased in 2018-2021. Liquidity increases at the end of 2021. The quick rate in 2020 was 1.31%, which was only 0.67%. This is due to the increase in the company's current assets.
3. According to the gross profit ratio, the financial performance of PDAM Makassar City deteriorated significantly before and during the Covid-19 pandemic in 2018-2021. This indicates that the company's performance is weaker or less optimal during Covid-19.
4. According to the Net Profit Margin Ratio, the financial performance of PDAM Makassar City deteriorates significantly before and during the Covid-19 pandemic. At the end of 2021, the NPM share was only 5%, while in 2018 it was 13%.
5. According to the solvency ratio, the ratio of debt to financial performance of PDAM Makassar increased to 22 before and during the 2020 Covid-19 pandemic. In 2021, the solvency ratio decreased by 16%. It is good because the company is able to pay off its debts and maintain the standard of relationship.

Suggestion
PDAM Makassar City is expected to be able to improve its company's performance by paying more attention to the company's asset components so that it can pay off the company's liabilities.
The limitations of researchers in analysing the development of financial statements can be a consideration for further research using ratio analysis.

REFERENCES


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