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ANALYSIS OF FINANCIAL STATEMENTS PERTAMINA 2017

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Abstract:
This study was obtained from the PT. Pertamina Balance Sheet and Profit Report in 2017, then the title is: Analysis of Pertamina's Financial Statements. The goal is to find out the performance of PT Pertamina. This research was obtained from PT Pertamina's Balance Sheet and Income Statement. in 2018, the title is: Analysis of Pertamina's Financial Statements. The aim is to find out the performance of Pertamina in terms of liquidity, solvency, activities and profitability. The research method is Library Research by exposing existing data in the form of Balance Sheet and Income reports via the internet where the data are in the form of quantitative data and in the form of descriptive. Financial statement analysis is performed to determine the company's financial performance, can also be used as a reference in making decisions that affect the company's future. The result is that liquidity: current ratio = 1.336, Quick ratio = 11.221.049.9, cash ratio = 0.543 and working capital = 0.077. The solvability is: total debt to equity ratio = 2.63, total debt to total asset ratio = 0.625, long term to total asset ratio = 1.66, Tangible Asset dept coverage = 1.94, Time interest earned Ratio = 0.064. Its activities are: Total asset turnover = 0.256, accounts receivable turnover = 2.67, accounts receivable collection period = 134.78, inventory turnover = 0, fixed assets turnover = 0.370. While the profitability are: Gross profit Margin = 1, Net Profit Margin = 0.099, operational profit Margin = 0.141, Return on Investment = 0.020 and return on equity = 0.07.

Keywords: Pertamina Financial Statement Analysis.

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1. Introduction

Financial statement analysis is a process of financial statement research and its elements that aims to evaluate and predict the financial condition of a company or business entity and also evaluate the results that have been achieved by a company or business entity in the past and present. Analysis of a company's financial statements is basically because it wants to know the level of profit, risk level and health level of a company. This kind of analysis require analyst. 1.urposeoftheanalysis2. Understand the concepts and principles that underlie financial statements and financial ratios derived from those financial statements. 3. Understand the economic conditions and other business conditions in general that are related to the company and affect the company's business. Before conducting an analysis an analyst must understand the three steps above, and then conduct the analysis using analytical tools such as financial ratios or other ratios.

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All types of companies managed by the government or private sector must have financial reports, one of the state-owned companies, PT Pertamina. Every year PT Pertamina must audit the financial statements to find out the health condition and for the life of the company in the future.

2. Literature Review

1BalanceSheetA balance sheet is a report that describes the financial position of a company which includes assets, liabilities and equity in a certain period. The balance sheet shows how much the company's wealth. The balance sheet has 2 forms:1. Staffel form balance Staffel form is a form of balance sheet that is composed both assets and liabilities (debt + capital). At the top to record assets and the bottom to record debt and capital.2. Scontro form balance sheet which is next to the position of assets and liabilities (debt + capital). For altiva on the left and liabilities (debt+capital) on the right. Below is PT Pertamina's Balance Sheet Financial Report (Consolidated Financial Position Report)2. Profit/Loss. The income statement is a report compiled systematically, the contents of which the income earned by the company is reduced by expenses that occur in the company during a certain period. The income statement desc form of income statement:1. Single step form in the profit / loss statement in the form of a single step, for income accounts are grouped first, then just added up. then at the bottom of the new income the expenses are grouped separately and added up. Total income less total expenses, the difference is the net profit or net loss.
2. Multiple forms. The multiple step form for income needs to be separated between the mainincomeandtheincometheoutsidbusinessexpenses.3. Liquidity Ratio. Used to measure the company's ability to meet short-term financial obligations in the form of short-term debt. This ratio is shown from the size of the current assets. How quickly (liquidated) the company fulfills its financial performance, generally short-term liabilities (liabilities less than one period/year). Liquidity Ratio consists of: Current Ratio. The ratio used to measure a company's ability to pay its short-term liabilities using current assets. Can be calculated with the formula, namely: Current Ratio= (Current Assets)/ (Current Debt)

Quick Ratio
The ratio used to measure the company's ability to pay short-term liabilities using more liquid assets. Can be calculated with the formula, namely: Quick Ratio = (Current-Inventory Assets)/ (Current Debt)

Cash Ratio (Slow Ratio)
Ratios used to measure a company's ability to pay short-term liabilities with cash available and held in a bank. Cash can be in the form of a checking account. Can dhitiun namely: Cash Ratio = (Cash-Securities/Securities) / (Current Debt)
Working Capital to Total Asset Ratio. The multiple steps form for income needs to be separated between the main income and the income outside the main business, and to separate the main business expenses from the outside business expenses.

Liquidity Ratio
Used to measure the company's ability to meet short-term financial obligations in the form of short-term debt. This ratio is shown from the size of the current assets. How quickly (liquidated) the company fulfills its financial performance, generally short-term liabilities (liabilities less than one

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Cash Ratio (Slow Ratio)
Ratios used to measure a company's ability to pay short-term liabilities with cash available and held in a bank. Cash can be in the form of a checking account. Can Dhitiung with the formula, namely: Cash Ratio = (Cash-Securities / Securities) / (Current Debt)
Working Capital To Total Asset Ratio
Liquidity of total assets and working capital position (net). Can be calculated with the formula, namely: Working Capital = (Current Assets-Current Debt) / (Total Assets)

Solvency Ratio
The ratio is. The difference between the Solvency Ratio (Leverage Ratio) and the Liquidity Ratio is the term of the loan (liability). The Solvency Ratio measures a company's ability to meet long-term obligations. While the liquidity ratio measures the company's-term obligations. Total Debt To Equity Ratio (Debt-to-Equity Ratio). That is a comparison between debts and equity in corporate funding and shows the woman's own capital, the company to fulfill all its obligations. Can be calculated with the formula, namely: Total Debt To Equity Ratio= (Total Debt)/ (Shareholders' Equity)
Total Debt to Total Asset Ratio (Ratio of Debt to Total Assets)
That is the ratio between current debt and long-term debt and the sum of all assets known. This ratio shows how much part of the total assets are debt serviced. Can be dhirung with the formula, namely: Total Debt To Total Asset Ratio = (Total Debt) / (Total Assets)
Long term to total asset ratio. Receivable Collection Period. The average period required to collect receivables. Can be calculated with the formula, namely:
Receivable collection period = (accounts receivable * 360) / (sales)
Inventory Turnover. The ability of funds embedded in inventory to rotate over a certain period, or the liquidity of the inventory and the tendency for "overstock". This ratio can be calculated by the formula: Accounts Receivable Turnover = (cost of product) / (inventory)Fixed assets turnover
Turnover of fixed assets is the ratio between sales and fixed assets owned by a company. Can be calculated with the formula, namely: Turnover of fixed assets = (sale) / (fixed assets).

Profitability Ratio
This ratio is used to measure the level of rewards or gains (profits) compared to sales or assets, measuring how much the company's ability to make a profit in relation to sales, assets or profit and own capital. Gross Profit Margin. Is the ratio between net sales minus cost of goods sold and level of sales, the ratio describes the gross profit that can be achieved from the number of sales. This ratio can be calculated by the formula:
Gross Profit Margin=(sales-hpp)/(sales)

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Net Profit Margin (Net Profit Margin). This is the ratio used to measure net income after tax and then compared to sales volume. Can be calculated with the formula, namely: Net profit margin= (profit after tax)/(sales).

Operational Profit Margin.
Operating profit before interest and taxes generated by each sales rupiah. It can be calculated using the formula, which is: Operational Profit Margin = (operating profit) / sales. Return on Investment. The ability of capital invested in overall assets to generate net profits. Can be calculated with the formula, namely: Can be calculated with the formula, formula, namely: Return on Equity = (Net Profit) / (own capital)

NERACA
PT PERTAMINA2017
(Expressed in thousands of United States Dollars, unless otherwise stated)

ASSETS		LIABILITY AND EQUITY ACTIVITIES (PASIVA)	
Current assets	**amount**	**Liabilities**	**amount**
Cash and cash equivalents	5.226.332	short-term liabilities	
Cash that is restricted in use	89.919	Short -term loan	452.879
short term investment	247.119	Accounts payable	
Accounts receivable		Relationship	56.013
Relationship	946.027	Third party	3.828.858
Third party	1.385.519	Current government debt is smooth	1.027.762
Current government receivables is current	1.492.625	Tax debt	
Other receivables		Income tax	283.985
Relationship	286.233	Other taxes	241.874
Third party	430.766	Actual load	1.987.659
Stock	5.967.627	Long term liabilities- parts smoothly	365.959
Taxes are paid upfront in part smoothly	794.236	other debt	
Prepaid expenses and advances	393.075	Relationship	74.228
Other Investment	27.328	Third party	836.934
Total current assets	17.286.806	Current deferred part income	260.838
		Total short-term liabilities	9.416.989
Non-current assets			
Deferred tax assets	1.304.196	Long term liability	
Long term investment	2.821.999	Government debt is reduced by the current portion	391.577
Fix assets	10.728.017	Deferred tax liabilities	2.724.624
Oil and gas assets and geothermal	16.359.682	Long term liabilities less current parts	2.085.084
Government receivables less current portion	663.114	bond debt	8.498.447
Prepaid taxes less current portion	593.898	Employee benefits liability	2.099.487
Other non-current assets	1.455.858	Priority for demolition of restoration	2.040.097

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Total other non -current assets	33.926.764	Deferred income less current portion	51.621
		Other long-term debt	79.290
		Total of Long -Term liabilities	17.970.227
		Total liabilities	27.387.216
		Equity	
		Equity that can be distributed to owners	
		Parent entity	
		Capital stock	
		Authorized capital- 200.000.000	
		Common stock reduces nominal value Rp1.000.000	
		(Full value) per share is issued ad paid upr -	
		133.090.697 stock	13.417.047
		Additional paid in capital	2.736
		Government assistance that has not yet been determined	1.361
		Other equity components	487.699
		Retain earning	
		Specified usage	6.871.101
		Usage has not been determined	2.540.195
		The Importance	23.320.139
		Non-Controlling interests	506.215
		Total equity	23.826.354
Total Assets	51.213.570	Total Liabilities and equity	51.213.570

Income statement
PT PERTAMINA
2017
(Expressed in thousands of US dollars, unless sated otherwise)

Sales and other income	
Domestic sales, crude oil, geothermal energy, geothermal energy and oil products	36.782.295
Use of government subsidy fees	3.572.084
Exports of crude oil, natural gas and oil product	1.874.281
Reward s for government service	25.474
Operating income from operating activities	705.191
TOTAL SALES AND OTHER BUSINESS INCOME	**42.959.325**

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Beban pokok penjualan dan beban langsung lainnya	
Cost of goods sold	-31.117.915
Lifting production costs	-3.321.895
Exploration expenses	-165.356
Expenses from other operating activities	-839.864
TOTAL COST OF GOODS SOLD AND OTHER DIRECT COSTS	**-35.445.030**
Gross Profit	**7.514.295**
Selling and marketing expenses	-1.353.052
General and administrative expenses	-1.395.004
Net foreign exchange gains and loss	68.399
Financial income	212.779
Financial burden	-670.110
The share of net income of associates and join ventures	48.379
Other expenses - net	-850.076
	-3.938.685
Profit before income tax	**3.575.610**
Net income tax expenses	-1.022.991
Current year profit	**2.552.619**

3. Research Methodology

This research was conducted from the results of PT Pertamina's financial statements in the form of a balance sheet and 2017 profit statement through the internet. This research method uses the Library Research method by exposing existing data in the form of Balance Sheet and Income reports, quantitative and descriptive research data, Research Instruments in the form of library research by searching from the internet and books, and scientific work related to the title of this research, data analysis techniques by analyzing the performance of PT Pertamina's companies through liquidity, solvability, activity and profitability.

4. Discussion

Liquidity Ratio

a. current ratio =current ratio/ liability=17,286,806/ 9,416,989= 1.83 b. Quick Ratio = (Current-Inventory Assets) / (Current Debt).= 17,286,8-5,967,627/9,416,989 = 11,339,179/9,416,989 = 1.20. c. Cash Ratio (Slow ratio). Cash Ratio = Cash + Securities/ Current liabilities= 5,226,332 + 247,119/9,416,989 = 5,473,451/ 9,416,989 = 0.58. d. Working Capital to Total Assets Ratio. Working capital to total assets ratio = Current Assets – Current Debt / Total assets = 17,286,806 - 9,416989/ 51,213,570= 0,15

Solvency / Leverage Ratio

a. Total Debt To Equity Ratio (debt to equity ratio)

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T DEBT = Total Debt/ Shareholders' Equity= 27,387,216 /13,417,047= 2,04. b. Total Debt To Total Asset Ratio (ratio of debt to total assets) = T DTAR = Total Debt/Total assets= 27,387,216 /51,213,570= 0.53.c. Long Term Debt To Equity Ratio=L TTAR = Long Term Debt/ Capital stock
= 17,970,227 / 13,417,047= 1,339 / 1.34. d. Tangible Assets to Debt Laverage Tangible Assets Debt Coverage = Total Assets - Intangible - Current Debt / Long-term debt =51,213,570 - 0 - 9,416,989 / 17,970,227 = 2,32. e. Times Interest Earned Ratio. Times Interest Earned Ratio = EBIT/ Long-term debt. = 3,575,610 / 17,970,227= 0,19 / 0,2

Profitability Ratios.
a. Gross Profit Margin (Gross profit margin)
Gross Profit Margin = Sales – COGS/ Sales = 42,959,325 - 31,117,915 /42,959,325= 0,27
b.Net Profit Margin (Net profit margin). Net Profit Margin = Net Profit / Sales = 2,552,619/ 42,959,325= 0.05. c. Operating Income Ratio / Operating Profit Margin
d, Net Earning Power Ratio (Rate Or Return On Investment / ROI)
Return On Investment = Net Profit /Total Assets= 2,552,619 / 51.2113,570= 0.04
e. Return on Equity Ratio. ROE = Net profit after tax/ Shareholder equity = 2,552,619 / 13,417,047 = 0,19

Activity Ratio
a. Total Asset Turnover. Total Assets Turnover = Sales/Total Assets= 42,959,325/ 51,213,570 = 0.838 / 0.84. b. Receivable Turnover. Receivables Turnover = Sales/ Receivables = 42,959,325/ 4,541,170 =9,45. c. Average Collection Period
Receivables Collection Period = Receivables x 360/Sales
= 4,541,170 x 360/ 42,959,325= 38,05
d. Inventory Turnover
Inventory Turnover = COGS/Inventory = 31,117,915 /5,967,627 = 5.21
e. Fixed Assets Turnover
Turnover of fixed assets = Sales/ Fixed Assets = 42,959,325/ 33,926,764= 1,26

5. Conclusions and Suggestions

Conclusion

1) From the liquidity analysis are: current ratio = 1.83, Quick ratio = 1.20, cash ratio = 0.58 and working capital = 0.15, then PT PERTAMINA is a liquid company.
2) From the analysis of Solvency are: total debt to equity Ratio = 2.04, Total debt to total asset ratio = 0.53, long term to total asset ratio = 1.34, Tangible Asset dept coverage = 2.32, Time interest earned Ratio = 0.19, then PT PERTAMINA is a solvable company.
3) From the analysis of Activities are: Total asset turnover = 0.84, accounts receivable turnover = 9.45, receivables collection period = 38.05, inventory turnover = 5.21, fixed assets turnover = 1.26, then PT PERTAMINA including companies that active.
4) While the profitability is: Gross profit Margin = 0.27 Net Profit Margin = 0.05, operational profit Margin = 0.08, Return on Investment = 0.04 and return on equity = 0.4, then PT PERTAMINA is a company the profit.

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Suggestion

1) PT. Pertamina is expected to look for new oil and gas fields to expand its production both offshore and on land.
2) PT Pertamina is expected to increase the amount of its production so that it is able to meet the needs of oil and gas in Indonesia, and if necessary the excess is exported in order to obtain foreign exchange.
3) PT. Pertamina is expected to compete with foreign oil companies.

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