

## FINANCIAL PERFORMANCE ASSESSED FROM QUICK RATIO, CURRENT RATIO, RETURN ON INVESTMENT, NET PROFIT MARGIN IN MANUFACTURING COMPANIES LISTED IN INDONESIA STOCK EXCHANGE 2017 – 2019

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**Abstract:** *This study aims to determine the financial performance of manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019 in terms of the Quick Ratio, Current Ratio, Return On Investment, and Net Profit Margin. This type of research is quantitative research. The population in this study were all 182 manufacturing companies listed on the Indonesia Stock Exchange from 2017 to 2019. The sampling technique used was purposive sampling and the number of samples in this study were 11 companies. The data collection technique is secondary data, so the data is taken from the financial statements of Manufacturing Companies listed on the IDX 2017-2019 through the Indonesia Stock Exchange website ([www.idx.co.id](http://www.idx.co.id)). Testing the research hypothesis using multiple linear regression analysis through SPSS 26. The results of this study indicate that each company, judging from the ratios owned, has increased and decreased quite varied. From the points obtained, it can be seen that the companies that have the best level of financial health during 2017 to 2019 are PT HM Sampoerna Tbk, PT Tempo Scan Pasific Tbk and PT Mayora Indah Tbk. And the company that has the most unhealthy level of financial health during 2017 to 2019 is PT Wismilak Inti Makmur Tbk.*

**Keywords:** *Financial Performance, Quick ratio, Current ratio, Return on investment, Net profit margin*

### 1. Introduction

Manufacturing companies in Indonesia strive to produce high quality goods with cost reduction in order to increase competitiveness in both the domestic market and the global market. So that it becomes even more attractive and is predicted to be the most promising industry. This situation encourages companies to adapt manufacturing systems that can accelerate the process of creating added value, namely by establishing contractual relationships with suppliers and investors.

The establishment of a company must have clear objectives. The first objective is to achieve maximum profit. The second goal is to make the company owners or shareholders prosper. Meanwhile, the third company goal is to maximize the value of the company which is reflected in its share price. The three objectives of the company are not substantially different. It's just that the emphasis that each company wants to achieve differs from one another (Harjito and Martono, 2014).

The financial statements of companies that go public are very important as a basis for evaluating financial performance. Financial reports are designed to help report users identify the variable relationships of financial statements. For investors who perform financial ratio analysis,

financial reports are one type of information that is easiest to obtain than other information. Financial performance is the result or achievement that has been achieved by company management in managing company assets effectively during a certain period. Financial performance is needed by companies to determine and evaluate the company's success rate based on the financial activities that have been implemented (Rudianto, 2013).

According to research by Laily and Putri (2016). From the calculation of the average profitability ratio on the net profit margin, return on assets, gross profit margin shows that the condition of the company is in good condition. While the calculation of the liquidity ratio in the quick ratio, the cash ratio shows that the condition of the company is in good condition and the current ratio shows that the condition the company is not doing well. Significant financial performance means that it is feasible to be a company benchmark in competing with other companies and a point of view for companies in making decisions. Liquidity also has a significant effect on financial performance, concluded from the research of Hutajulu, etc (2019).

Based on the background described above, the researcher describes the problems that arise so that they can be resolved. The formulation of the problem is how the financial performance of manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019 in terms of Quick Ratio, Current Ratio, Return On Investment, and Net Profit Margin?

This study aims to determine the financial performance of manufacturing companies listed on the Indonesia Stock Exchange in 2017-2019 in terms of Quick Ratio, Current Ratio, Return On Investment, and Net Profit Margin.

## **2. Review Of Theory**

### **Financial performance**

According to Irhan Fahmi (2012) financial performance is an analysis carried out to see the extent to which a company has implemented proper and correct financial implementation rules. Company performance is a description of the financial condition of a company which is analyzed by means of financial analysis, so that it can be seen about the good and bad financial condition of a company that reflects the work performance in a certain period. This is very important so that resources are used optimally in the face of environmental changes.

### **Financial Performance Measurement**

This performance measurement is used by the company to then make an improvement on its operational activities or activities so that it can or can compete with other companies. The analysis of financial performance is a process in a critical assessment of data review, then calculating, measuring, then interpreting, and also providing a solution to the company's finances in a certain period.

### **Financial Ratios**

According to Kasmir (2016), financial ratios are an activity of comparing numbers in financial statements by dividing one number by another. Comparisons can be made between one component with components in one financial report or between components that exist between financial statements.

### The Purpose and Benefits of Liquidity Ratio

The objectives and benefits that can be obtained from the results of the liquidity ratio according to Kasmir (2012), are:

- Measures the company's ability to pay obligations or debts that are due immediately when they are collected.
- Measure the company's ability to pay short-term liabilities with current assets as a whole.
- Measure the company's ability to pay short-term liabilities with current assets without taking into account inventories or receivables.
- Measure or compare the number of existing stocks with the company's working capital.
- Measure how much cash is available to pay debts.

### Type of Liquidity Ratio

The types of liquidity ratios used in this study are:

- Quick Ratio or Acid Test ratio is a ratio that shows a company's ability to meet or pay its liabilities or current debt (long-term debt) with current assets without taking inventory value into account.

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}} \times 100\%$$

- Current Ratio (Current Ratio) is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when they are collected as a whole.

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

### Purpose and Benefits of Profitability Ratio

The purpose of using profitability ratios for companies and other parties according to Kasmir (2012) is:

- Measure or calculate the profit earned by the company in a certain period.
- Assess the company's profit position from the previous year to the current year.
- Assess the progress of profit over time.
- Assess the amount of net profit after tax with your own capital.
- Measuring the productivity of all company funds that are used both for loan capital and for own capital.

The benefits obtained according to Kasmir (2012: 198) are:

- Knowing the level of profit obtained by the company in one period.
- Knowing the company's profit position from the previous year to the current year.
- Knowing the progress of profit over time.
- Knowing the amount of net profit after tax with own capital.

### Types of Profitability Ratios

The types of profitability ratios used in this study are:

- Net Profit Margin is one of the ratios used to measure the profit margin on sales.

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

- b. Return on Investment (ROI) is a measure of management effectiveness in managing its investment.

$$\text{Return on Investment} = \frac{\text{Earning after Tax}}{\text{Total Assets}} \times 100\%$$

### 3. Research Methods

#### Types of research

This type of research is quantitative research. Quantitative research is a scientific approach that views a reality that can be classified, concrete, observable, measurable, the relationship between variables is causal in which the research data is in the form of numbers and the analysis uses statistics (Sugiono, 2008).

#### Place of research

The place of this research is in manufacturing companies listed on the Indonesia Stock Exchange (BEI).

#### Data source

The data source used is a secondary data source. This study uses secondary data sources derived from the financial statements of companies listed on the Indonesia Stock Exchange 2017-2019.

#### Population

The population of this study were all Manufacturing Companies listed on the IDX in 2017-2019, namely 182 companies.

#### Sampling technique

The sampling technique in this study was purposive sampling, namely the sampling technique with certain criteria.

#### Sample

The samples in this study were 11 companies that met the purposive sampling criteria.

#### Data collection technique

Data collection techniques are taken from the financial statements of Manufacturing Companies listed on the IDX 2017-2019 through the Indonesia Stock Exchange website ([www.idx.co.id](http://www.idx.co.id)).

#### Variables and Variable Operational Definitions

- 1) Financial Performance (variable Y), namely the analysis carried out to see the extent to which the company carries out financial activities guided by proper and correct financial

implementation rules. The rules in question are the standards made in SAK (Financial Accounting Standards).

- 2) *Quick Ratio* (variable X1) is the ratio used to measure the company's ability to pay its short-term liabilities by using more liquid assets.
- 3) *Current Ratio* (variable X2) that is the ratio used to measure the company's ability to pay its short-term liabilities using current assets owned.
- 4) *Return on investment* (variable X3), namely this ratio is to determine to what extent the assets used can generate profits.
- 5) *Net Profit margin*(variable X4) namely the ratio used to measure net profit after tax and then compared with sales volume

### Data Analysis Method

#### 1) Normality test

Pawenang (2011) explains that the normality test aims to test whether the confounding variable (e) is normally distributed or not. In this study using the Kolmogrov - Smirnov test, data is normally distributed if the significance value is more than 0.05.

#### 2) Multicollinearity Test

Basuki (2016) Multicollinearity test aims to determine whether the regression model found a strong correlation between independent variables. The prerequisite that must be met in the regression model is the absence of cases of multicollinearity. This problem can be identified by looking at the Variance Influence Factor (VIF) value in the regression model. Multicollinearity test can be done by looking at tolerance values or by using SPSS 26.

#### 3) Heteroscedasticity Test

The heteroscedasticity test aims to determine the probability distribution remains the same in all x observations, and the variance of each residual is the same for all values of the explanatory variable. One of the methods of testing heteroscedasticity in the regression model is the Glacier test. The glacier test method regresses absolute residual values with independent variables, with a significant level of 5%, if the significance value is above 0.05, heteroscedasticity does not occur (Ghozali, 2005).

#### 4) Autocorrelation test

The autocorrelation test is used to test whether in the multiple linear regression model there is a correlation between the confounding error in period t and the error in period t-1 (previous). The method used to diagnose autocorrelation is the Durbin-Watson test (DW test).

#### 5) Multiple Linear Regression Analysis

Multiple linear regression analysis is used to measure the effect of independent variables on the dependent variable.

## 4. Results And Discussion

### Financial Performance is based on the Aspect of Liquidity Ratio and Profitability

#### 1. *Quick Ratio*(QR)

**Table 1. Quick Ratio Measurement Standards**

Measurement	Criteria
175% -200%	Very healthy
150% -174% or 225% -249%	Healthy
125% -149% or 250% -274%	Pretty healthy
<125% or > 275%	Unwell

Source: PMK No. 06 / Per / M.KUKM / V / 2006

**Table 2. Financial Performance based on Quick Ratio**

No.	Company name	Year	QR (%)	Criteria
1.	PT HM Sampoerna Tbk	2017	249	Healthy
		2018	258	Pretty healthy
		2019	199	Very healthy
2.	PT Kino Indonesia Tbk	2017	130	Pretty healthy
		2018	111	Unwell
		2019	103	Unwell
3.	PT Kalbe Farma Tbk	2017	291	Unwell
		2018	314	Unwell
		2019	290	Unwell
4.	PT Mayora Indah Tbk	2017	198	Very healthy
		2018	195	Very healthy
		2019	268	Pretty healthy
5.	PT Nippon Indosari Corp Tbk	2017	221	Healthy
		2018	345	Unwell
		2019	162	Healthy
6.	PT Sido Muncul Tbk	2017	653	Unwell
		2018	335	Unwell
		2019	340	Unwell
7.	PT Tunas Baru L Tbk	2017	65	Unwell
		2018	122	Unwell
		2019	106	Unwell
8.	PT Tempo Scan Pacific Tbk	2017	178	Very healthy
		2018	178	Very healthy
		2019	206	Very healthy
9.	PT Unilever Indonesia Tbk	2017	44	Unwell
		2018	50	Unwell
		2019	47	Unwell
10.	PT Wismilak Inti M Tbk	2017	120	Unwell
		2018	157	Healthy
		2019	251	Pretty healthy
11.	PT Integra Indocabinet Tbk	2017	33	Unwell
		2018	50	Unwell

	2019	54	Unwell
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Source: Data processed in 2020

A company that is said to be unhealthy indicates that the company cannot pay its current obligations in a short time. These are bad signs for Creditors, Business Partners and Investors. Therefore, the company must immediately pay for these short-term obligations by collecting receivables and then turning them into cash or paying with other securities.

## 2. Current Ratio

**Table 3. Measurement Standards Current Ratio**

Measurement	Criteria
200% -250%	Very healthy
150% -174%	Healthy
125% -149% or 225% -249%	Pretty healthy
<125% or > 275%	Unwell

Source: PMK No. 06 / Per / M.KUKM / V / 2006

**Table 4. Financial Performance based on Current Ratio**

No.	Company name	Year	CR (%)	Criteria
1.	PT HM Sampoerna Tbk	2017	527	Unwell
		2018	430	Unwell
		2019	328	Unwell
2.	PT Kino Indonesia Tbk	2017	165	Healthy
		2018	150	Healthy
		2019	135	Pretty healthy
3.	PT Kalbe Farma Tbk	2017	451	Unwell
		2018	466	Unwell
		2019	435	Unwell
4.	PT Mayora Indah Tbk	2017	239	Very healthy
		2018	265	Very healthy
		2019	343	Unwell
5.	PT Nippon Indosari Corp Tbk	2017	226	Very healthy
		2018	357	Unwell
		2019	169	Healthy
6.	PT Sido Muncul Tbk	2017	781	Unwell
		2018	419	Unwell
		2019	412	Unwell
7.	PT Tunas Baru L Tbk	2017	111	Unwell
		2018	188	Healthy
		2019	163	Healthy
8.	PT Tempo Scan Pacific Tbk	2017	252	Very healthy
		2018	252	Very healthy
		2019	278	Unwell



9.	PT Unilever Indonesia Tbk	2017	63	Unwell
		2018	73	Unwell
		2019	65	Unwell
10.	PT Wismilak Inti M Tbk	2017	536	Unwell
		2018	592	Unwell
		2019	602	Unwell
11.	PT Integra Indocabinet Tbk	2017	112	Unwell
		2018	130	Pretty healthy
		2019	130	Pretty healthy

Source: Data processed in 2020

The company is said to be unhealthy, indicating that the company cannot pay its current obligations in a short time and receivables that are difficult to collect tend to increase. Therefore, the company must immediately pay these short-term obligations with available cash and other securities or must be able to make the best use of current assets.

### 3. Return On Investment (ROI)

**Table 5. ROI Measurement Standards**

Measurement	Criteria
$\geq 10\%$	Healthy
7% - <10%	Fairly Healthy
3% - <7%	Unwell
1% - <3%	Not healthy
<1%	Very unhealthy

Source: PMK No. 06 / Per / M.KUKM / V / 2006

**Table 6. Financial Performance based on ROI**

No.	Company name	Year	ROI (%)	Criteria
1.	PT HM Sampoerna Tbk	2017	29	Healthy
		2018	29	Healthy
		2019	27	Healthy
2.	PT Kino Indonesia Tbk	2017	3	Unwell
		2018	4	Unwell
		2019	11	Healthy
3.	PT Kalbe Farma Tbk	2017	15	Healthy
		2018	14	Healthy
		2019	13	Healthy
4.	PT Mayora Indah Tbk	2017	33	Healthy
		2018	10	Fairly Healthy
		2019	11	Healthy
5.	PT Nippon Indosari Corp Tbk	2017	1	Not healthy
		2018	3	Unwell
		2019	5	Unwell
6.	PT Sido Muncul Tbk	2017	17	Healthy



		2018	20	Healthy
		2019	23	Healthy
7.	PT Tunas Baru L Tbk	2017	7	Fairly Healthy
		2018	5	Unwell
		2019	4	Unwell
8.	PT Tempo Scan Pacific Tbk	2017	7	Fairly Healthy
		2018	7	Fairly Healthy
		2019	7	Fairly Healthy
9.	PT Unilever Indonesia Tbk	2017	37	Healthy
		2018	45	Healthy
		2019	36	Healthy
10.	PT Wismilak Inti M Tbk	2017	3	Unwell
		2018	4	Unwell
		2019	2	Not healthy
11.	PT Integra Indocabinet Tbk	2017	4	Unwell
		2018	5	Unwell
		2019	4	Unwell

Source: Data processed in 2020

The company is said to be unhealthy or unhealthy, indicating that the company is inefficient in the sales department and less efficient in managing assets for operational activities, therefore operational costs are more pressed to be efficient in all fields.

#### 4. Net Profit Margin (NPM)

**Table 7. NPM Measurement Standards**

Measurement	Criteria
$\geq 15\%$	Healthy
10% - <15%	Fairly Healthy
5% - <10%	Unwell
1% - <5%	Not healthy
<1%	Very unhealthy

Source: PMK No. 06 / Per / M.KUKM / V / 2006

**Table 8. Financial Performance based on NPM**

No.	Company name	Year	NPM (%)	Criteria
1.	PT HM Sampoerna Tbk	2017	13	Fairly Healthy
		2018	13	Fairly Healthy
		2019	13	Fairly Healthy
2.	PT Kino Indonesia Tbk	2017	3	Not healthy
		2018	4	Not healthy
		2019	11	Fairly Healthy
3.	PT Kalbe Farma Tbk	2017	12	Fairly Healthy
		2018	12	Fairly Healthy
		2019	11	Fairly Healthy

4.	PT Mayora Indah Tbk	2017	24	Healthy
		2018	7	Unwell
		2019	8	Unwell
5.	PT Nippon Indosari Corp Tbk	2017	2	Not healthy
		2018	5	Unwell
		2019	7	Unwell
6.	PT Sido Muncul Tbk	2017	21	Healthy
		2018	24	Healthy
		2019	26	Healthy
7.	PT Tunas Baru L Tbk	2017	11	Fairly Healthy
		2018	9	Unwell
		2019	8	Unwell
8.	PT Tempo Scan Pacific Tbk	2017	6	Unwell
		2018	5	Unwell
		2019	5	Unwell
9.	PT Unilever Indonesia Tbk	2017	17	Healthy
		2018	22	Healthy
		2019	17	Healthy
10.	PT Wismilak Inti M Tbk	2017	3	Not healthy
		2018	12	Fairly Healthy
		2019	6	Unwell
11.	PT Integra Indocabinet Tbk	2017	10	Fairly Healthy
		2018	12	Fairly Healthy
		2019	10	Fairly Healthy

Source: Data processed in 2020

The company is said to be unhealthy or unhealthy, indicating that it is very detrimental to the company in the future if it does not improve this NPM ratio. Because NPM is the benchmark for the company's future success. Therefore the company must be able to improve quality so that profits will increase and improve the NPM ratio.

**Table 9. Financial Performance Points**

No.	Company name	Year	QR criteria	CR criteria	ROI criteria	NPM criteria	Number of points	total
1.	PT HM Sampoerna Tbk	2017	Healthy	Unwell	Healthy	Fairly Healthy	13	39
		2018	Pretty healthy	Unwell	Healthy	Fairly Healthy	12	
		2019	Very healthy	Unwell	Healthy	Fairly Healthy	14	
		Total						
2.	PT Kino Indonesia Tbk	2017	Pretty healthy	Healthy	Unwell	Not healthy	10	9
		2018	Unwell	Healthy	Unwell	Not healthy	9	

		2019	Unwell	Pretty healthy	Healthy	Fairly Healthy	12	
		<b>Total</b>						<b>31</b>
		2017	Unwell	Unwell	Healthy	Fairly Healthy	11	
3.	PT Kalbe Farma Tbk	2018	Unwell	Unwell	Healthy	Fairly Healthy	11	
		2019	Unwell	Unwell	Healthy	Fairly Healthy	11	
		<b>Total</b>						<b>33</b>
		2017	Very healthy	Very healthy	Healthy	Healthy	18	
4.	PT Mayora Indah Tbk	2018	Very healthy	Very healthy	Fairly Healthy	Unwell	15	
		2019	Pretty healthy	Unwell	Healthy	Unwell	11	
		<b>Total</b>						<b>44</b>
		2017	Healthy	Very healthy	Not healthy	Not healthy	11	
5.	PT Nippon Indosari Corp Tbk	2018	Unwell	Unwell	Unwell	Unwell	8	
		2019	Healthy	Healthy	Unwell	Unwell	12	
		<b>Total</b>						<b>31</b>
		2017	Unwell	Unwell	Healthy	Healthy	12	
6.	PT Sido Muncul Tbk	2018	Unwell	Unwell	Healthy	Healthy	12	
		2019	Unwell	Unwell	Healthy	Healthy	12	
		<b>Total</b>						<b>36</b>
		2017	Unwell	Unwell	Fairly Healthy	Fairly Healthy	10	
7.	PT Tunas Baru L Tbk	2018	Unwell	Healthy	Unwell	Unwell	10	
		2019	Unwell	Healthy	Unwell	Unwell	10	
		<b>Total</b>						<b>30</b>
		2017	Very healthy	Very healthy	Fairly Healthy	Unwell	15	
8.	PT Tempo Scan Pacific Tbk	2018	Very healthy	Very healthy	Fairly Healthy	Unwell	15	
		2019	Very healthy	Unwell	Fairly Healthy	Unwell	12	
		<b>Total</b>						<b>42</b>
		2017	Unwell	Unwell	Healthy	Healthy	12	
9.	PT Unilever Indonesia Tbk	2018	Unwell	Unwell	Healthy	Healthy	12	
		2019	Unwell	Unwell	Healthy	Healthy	12	
		<b>Total</b>						<b>36</b>
10.	PT Wismilak Inti M Tbk	2017	Unwell	Unwell	Unwell	Not healthy	7	
		2018	Healthy	Unwell	Unwell	Fairly	11	

					Healthy		
		2019	Pretty healthy	Unwell	Not healthy	Unwell	8
		<b>Total</b>					<b>26</b>
		2017	Unwell	Unwell	Unwell	Fairly Healthy	9
11.	PT Integra Indocabinet Tbk	2018	Unwell	Pretty healthy	Unwell	Fairly Healthy	10
		2019	Unwell	Pretty healthy	Unwell	Fairly Healthy	10
		<b>Total</b>					<b>29</b>

With the criteria points:

5 = Very healthy

4 = Healthy

3 = Healthy enough

2 = Not healthy

1 = Not healthy

## Data Analysis

### 1. Normality test

Based on the results of SPSS 26, it can be seen that the significant number shows 0.178 so that the significant value of the Kolmogorov-Smirnov test is greater than 0.05, so it can be said normally distributed.

### 2. Multicollinearity Test

Based on the results of SPSS 26, it can be seen that VIF QR is 3.010 tolerance, QR is 0.332 VIF CR is 2.833 tolerance, CR is 0.353 VIF ROI is 2.518 tolerance of 0.397 VIF NPM is 2.682 tolerance of 0.373 so it can be said that there is no multicollinearity because the Tolerance value of the variable is more than 0, 1 and a VIF value of less than 10

### 3. Heteroscedasticity test

Based on the results of SPSS 26, it can be seen that the QR sig is 0.111 CR of 0.848 ROI of 0.787 NPM of 0.814, so it is said that there are no symptoms of heteroscedasticity because sig > 0.05.

### 4. Autocorrelation Test

The calculated Durbin-Watson value of 2.596 is greater than the limit (dU) of 1.7928 and less than (4-du) 4-1.7928 = 2.2072.

2.2072 > 1.1927

So dw > dU then there is no positive autocorrelation,

So as the basis for decision making in the Watson Durbin test above, it can be concluded that there are no problems or symptoms of autocorrelation.

### 5. Multiple Linear Regression Analysis

$Y = 0.032 + 0.250X_1 + 0.250X_2 + 0.250X_3 + 0.250X_4$

Information :

Y = Financial performance

X1 = Quick ratio

X2 = Current ratio

X3 = Return on investment (ROI)

X4 = Net Profit margin

Based on the results of the regression equation above, it can be interpreted as follows:

- a. A constant ( $\alpha$ ) of 0.032 indicates that the QR, CR, ROI, and NPM factors are constant, so financial performance will increase by 0.032.
- b. The regression coefficient for the X1 variable is 0.250 shows that every 1% increase in QR while the variables CR, ROI, and NPM are assumed to be constant, it will cause an increase in financial performance of 0.250
- c. The regression coefficient for the X2 variable is 0.250, indicating that every time there is an increase in CR of 1% while the variables CR, ROI, and NPM are assumed to be constant, it will cause an increase in financial performance of 0.250
- d. The regression coefficient for the X3 variable is 0.250, indicating that every 1% increase in ROI while the variables CR, ROI, and NPM are assumed to be constant, it will cause an increase in financial performance of 0.250.
- e. The regression coefficient for the X4 variable is 0.250%, indicating that each time there is an increase in NPM of 1% while the variables CR, ROI, and NPM are assumed to be constant, it will cause an increase in financial performance of 0.250

## 5. Conclusions And Suggestions

### Conclusion

Based on the results of the research and discussion presented regarding research on financial performance in terms of quick ratios, current ratios, return on investment, net profit margins in manufacturing companies listed on the Indonesia Stock Exchange in 2017 - 2019, it can be concluded that:

- 1) Of the eleven companies that have been analyzed and assessed based on points, it can be seen that the company with the best level of financial health during 2017 to 2019 is PT HM Sampoerna Tbk, PT Tempo Scan Pacific Tbk and PT Mayora Indah Tbk. This is indicated by the highest point gain from 3 years of research and compared to nine similar companies.
- 2) Of the eleven companies that have been analyzed and assessed based on points, it can be seen that the company with the most unhealthy level of financial health during 2017 to 2019 is PT Wismilak Inti Makmur Tbk. The company is said to be unhealthy because the ratio value is very low compared to ten similar companies.

### Suggestion

Based on the conclusions that have been stated above, the research suggestions are as follows:

- 1) From the results of this study can be taken into consideration by investors in investing in stocks by first looking at the company's financial performance.
- 2) We recommend that the management further improve the company's financial performance each year in order to increase investor confidence in investing in the company.
- 3) Further researchers are expected to expand the object of research, namely using all types of companies listed on the Indonesia Stock Exchange, not limited to Manufacturing Companies.
- 4) The next researcher is expected to extend the research period, so that the research results can be generalized.

- 5) Future researchers are expected to add and replace other variables as observations. Because the possibility of other financial ratios is more significant to financial performance.

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