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Financial Performance of Logistics Companies: Liquidity, Solvency and Profitability Ratios at PT. Jet-Logistik in Yogyakarta

Bambang Jatmiko[1], *Wahyu* Manuhara Putra[1], *Titi* Laras[2], *Kholifah* Fil Ardhi[3*], and *Sukardi*[3]

[1]Department of Magister Accounting, Universitas Muhammadiyah Yogyakarta, Indonesia
[2]Department of Magister Management, Faculty of Economics and Business, Universitas Janabadra, Indonesia
[3]Department of Accounting, Faculty of Economics and Business, Universitas Muhammadiyah Yogyakarta, Indonesia

Abstract. The aims of this research are: a) to empirically test the liquidity ratio of PT. Jet-Logistik do Yogyakarta; To empirically test the solvency and profitability ratio of PT. Jet-Logistik do Yogyakarta; Apart from that, during the pre-survey, problem a) was discovered. Difficulty Checking Delivery Receipts; b). Goods Not Arrived; c). Error in information on shipping method; d). Damaged Goods on the Road; e). Confusing Claims Process. This research method uses a mixed method. The research results show: a). PT. Jet-Logistik shows that the company is illiquid because the company is unable to cover the company's current liabilities; b). PT, Jet-Logistik is not solvable because the capital owned by the company is not able to cover debts to external parties and when measured using the debt to asset ratio it shows that the company is solvable because the total assets owned by the company are able to cover its debts. company; c). PT. Jet-Logistik shows that the company is not profitable because the profits obtained from the capital used for operations have not produced profits that are lower than the company's internal average.
Keywords: Performance; Logistics; Liquidity; Solvency; Profitability

1 Introduction

Indonesia is the biggest archipelago country in the world. The area of Indonesia reaches 8.3 million km2 with 1.9 million km2 being land area and 6.4 million km2 being sea area [1]. Apart from that, Indonesia also has abundant natural resources with a population of more than 270 million people [2]. With a very large area, for the smooth running of the community's economy it must be accompanied by adequate infrastructure development. Infrastructure plays an important role in determining a country's logistics performance, many countries are making improvements and adding logistics aspects in the development process.

* Corresponding author : kholifah.ardhi@umy.ac.id

To achieve a better economic environment, the main branch of the logistics industry is transportation and storage, which requires infrastructure through air transportation, seaports, highways, railways, and information and communication technology. Apart from the fact that the quality of infrastructure is an important factor in logistics that attracts investors to develop economic activities, poor quality of logistics infrastructure is one of the causes of high logistics costs and low availability, which is the biggest problem in the logistics sector.

In general, logistics costs are grouped into three classifications, namely: (1) costs transportation, (2) goods storage costs, and (3) administration costs. Logistics costs include various cost components, as mentioned below: Transportation costs for each mode of transportation; Storage costs for each warehousing activity; Working capital investment costs for inventory; Costs of marking goods and packaging, identifying goods, and recording goods; Stacking/unstacking activity costs; Packing costs; Consolidation/deconsolidation activity costs; Costs of application and integration of information and communication systems (ICT); Logistics management system costs; Costs that occur due to lack of stock of goods (stock out) [3]. The high logistics costs in Indonesia are triggered by logistics systems and infrastructure that are still not optimized. The high cost of logistics is caused by various factors: 1) The logistics system is not yet good due to a lack of human resources; 2) The amount of goods supplied is still not evenly distributed, resulting in differences in logistics costs between the western and eastern regions of Indonesia; 3) The two-way system which often does not occur, ships transporting to the area should bring back cargo from the area to make it more efficient [4]. Indonesia has continued to make various improvements in the domestic logistics sector. However, due to increasingly tight global competition, national logistics performance still does not look encouraging. High logistics costs are also a result of poor regulatory enforcement, high road fees, and costs associated with poor infrastructure. Regarding regulatory factors, human resources, inefficient logistics processes and management, the lack of professionalism of national logistics service providers and actors, also contribute significantly to the inefficiency of domestic goods delivery service companies [5].

Poor logistics performance with very expensive goods transportation costs is one of the obstacles to the competitiveness of Indonesian industry and trade at the international level [5]. Companies periodically issue financial reports prepared by the accounting department and provided to interested parties, for example the government, creditors, company owners and management itself. Financial reports are generally presented to provide information about the financial position, performance and cash flow of a company in a certain period. This information is expected to be useful for the majority of users of financial reports in order to make decisions. Assessment of a company's financial level can be done by analyzing the company's financial reports [6]. The types of financial reports that are commonly known are: Balance Sheet or Profit/Loss Report, or business results, Cash Flow Report, Report on Changes in Financial Position or Report on Changes in Capital. Financial reports are basically the result of a reflection of many things that happen within a company. This financial report is the information tool (screen) for analysts in the decision making process. Financial reports describe the company's financial position, the company's business results in a certain period [7]. It can be understood that financial reports are very useful in looking at the condition of a company, both current conditions and used as a predictive tool for future conditions [8]. In a simple sense, financial reports are reports that show the company's current financial condition or in a certain period.

In other words, this financial report functions as a connecting information tool company with interested parties, which shows the company's financial health condition and company performance [9]. This research focuses on PT. Jet-Logistik which is in Yogyakarta, the problems are: delivery times are often delayed, prices are not appropriate, there are products that are damaged during the delivery journey. Apart from that, several problems are found in e-commerce logistics: a). Difficulty Checking Delivery Receipts; b). Goods Not Arrived; c). Shipping Method Information Error; d). Damaged Goods on the Road; e). Confusing Claims Process. The aims of this research are as follows: 1). Do transportation costs affect logistics services; 2). Warehousing costs affect Logistics Services; 3). Ordering and information costs affect Logistics Services; 4). Production costs affect Logistics Services; 5). The cost of shipping goods affects Logistics Services.

2 Research method

The research subject in this study is Logistics Company Financial Performance: Liquidity, Solvency and Profitability Ratios. The object of this research is PT. JET Logitsik which is the pseudonym of a goods delivery service company in Yogyakarta. The data used is primary data and secondary data. Primary data was carried out through observations at PT. JET Logistik, while secondary data researchers used financial reports from 2019-2023. The research method uses a mixed method. Mixed Methods is a research design based on philosophical assumptions as well as inquiry methods. Mixed Methods is also referred to as a methodology that provides philosophical assumptions in indicating direction or giving instructions on how to collect data and analyze data as well as a combination of quantitative and qualitative approaches through several phases of the research process [10]. Mixed methods focus on collecting and analyzing data and combining quantitative data and qualitative data both in a single study (single research) or series studies (series research). The use of a mixed research design (mixed method) is based on problems viewed from various different perspectives. Apart from that, to develop a more complete understanding regarding a problem, develop a complete picture, compare, validate, provide illustrations of a context, and examine processes or experiences together. A mixed research design (mixed method) has several models or designs, including a sequential explanatory strategy, a sequential exploratory strategy, a sequential transformation strategy, a concurrent triangulation strategy, joint integrated strategy (concurrent embedded strategy), and concurrent transformative strategy [11]. Aspects that need to be considered in mixed method research designs include [12]: a). Time (Timing); b) Weighting; c). Mixing (Mixing); and D). Theory Formation (Theorizing). Analysis tools using PT. Jet-Logistik's Financial Ratio includes: a). Liquidity Ratio; b). Solvency Ratio and c). Profitability Ratio/Profitability Ratio.

Financial ratios as a tool for measuring financial performance have certain functions, objectives and meanings. The results of this ratio can be used as a basis for decision making. According to [13] several ratios that are often used are: 1). Liquidity Ratio: Describes the company's ability to settle its short-term obligations; 2). Solvency Ratio: Describes the company's ability to pay its long-term obligations or obligations if the company is liquidated; 3). Profitability/Profitability Ratio: Describes the company's ability to earn profits through all existing capabilities and resources; 4. Leverage Ratio: Describes the relationship between company debt to capital and assets. This ratio can see how far the company is financed by debt or external parties with the company's capabilities as described by capital; 5). Activity Ratio Describes the activities carried out by the company in carrying out its operations, both in sales, purchasing and other activities; 6). Growth Ratio (Growth): Describes the percentage growth of company items from year to year; 7). Market Assessment (Market Based Ratio): This ratio is a common ratio and is specifically used in the capital market which describes the situation/circumstances of the company's achievements in the capital market, and 8). Productivity Ratio: this ratio shows the level of productivity of the unit or activity being assessed, for example the ratio of employees to sales, the ratio of costs per employee. Of the 8 (eight) ratios, the researcher limited them to 3 (three) ratios, namely: 1). Liquidity Ratio; 2). Solvency Ratio and 3) Rentability/Profitability Ratio. The reasons: a). Researchers only obtained limited data; b). Because there is some data that is kept confidential by the company.

This section should explain how the research was conducted. It should be written clearly and completely, containing a clear description of (i) population and sampling, (ii) data measuring and collecting, and (iii) variable and data analysis. For qualitative research, please adjust this method to the scientific writing habits while considering the repeatability of the study. References to original methods/procedures must be stated, and all modifications of procedures (if any) should be explained. Symbol description of the model was suggested to be written in narration, not in point.

3 Results and discussion

In the discussion of this research, financial ratios are used, which are analytical tools used to describe the specific relationship between one component and other components contained in financial reports in the form of balance sheets and income statements. The balance sheet shows the location of a company's assets, liabilities and capital. The income statement describes the business achieved in the industry during a predetermined time period (a period of one year). Financial ratio analysis helps determine the company's financial position and development. The results of this analysis can be used to identify weaknesses that exist in the company over the current period. Companies need to correct any weaknesses quickly, but good results need to be maintained into the future. In the research discussion is the financial report of PT. Jet-Logisti which is located in Yogyakarta. In the beginning, this results and discussion section presented the results. Data should be presented in Tables or Figures when feasible. There should be no duplication of data in the Table and Figure. The table should be clear, readable, and not offside of the margin. The title of Table and Figure should briefly and clearly describe. Symbols written in Tables and Figures should be given complete information, allowing the reader to interpret the experiment results. Each Figure and Table must be referred to in the narration.

Table 1. PT Delivery service development report jet 2019-2023

No	Information	2022	2023
1	Cash and cash equivalents	189,090	72,285
2	Supplies	920,063	1,117,464
3	Current asset	1,464,899	1,567,684
4	Fixed assets	1,464,899	1,567,684
5	Other assets	85,484	45,634
6	Total assets	3,135,368	3,405,894
7	Current liabilities	1,776,357	1,894,819
7	Long-term debt	220,411	181,392
8	Total amount of debt	1,986,768	2,072,211
9	Equity	1,158,600	1,340,083
10	Net Profit After Tax	231,909	192,083

It can be seen that the average current ratio in 2019 until 2023 is 84.16% or compared to 84:1. This means that every Rp. 1 of current debt is guaranteed by Rp. 0.8416% of current assets. Meanwhile, in 2023 PT. Jet-Logistik's current ratio will be 83.2% or 86:1. This means that every Rp. 1 of current debt is guaranteed by Rp. 0.832% of current assets, but according to the company's financial statements, current assets are not able to cover its long-term liabilities. So this company is declared illiquid because current assets must be twice as large or 200% of current liabilities. In the financial report presented by the company, it turns out that its assets are lower than its current liabilities.

This quick ratio is used to measure the company's ability to fulfill requirements short term liabilities. The average quick ratio from 2019 to 2023 is 30.94% or compared to 30.94:1. This means that short-term liabilities of IDR 1 are guaranteed by current assets other than inventory of IDR 0.3094. Meanwhile, in 2019 PT. Jet-Logistik's quick ratio was 27.6% or compared to 27.6:1. This means that short-term liabilities of IDR 1 are guaranteed by current assets other than inventory of IDR 0.276. So that in 2023 there will be a decrease in the company's internal average. Thus, it can be seen that the quick ratio at PT. Jet-Logistik has decreased significantly.

This ratio measures the company's ability to pay its current debt with cash or cash equivalent. The average cash ratio from 2019 to 2023 is 11.04% or compared to 11.04:1. This means that every Rp. 1 of current debt is guaranteed by cash amounting to Rp. 0.1104. Meanwhile, in 2023 PT. Jet Logistik's cash ratio will be 3.6% or compared to 3.6:1. This means that every Rp. 1 of current debt is guaranteed by Rp. 0.036 in cash. So that in 2023 there will be a decline in the company's internal average and it will not be able to reach the standard ratio of similar companies.

This ratio measures the percentage of funds provided by creditors. Liabilities include short-term debt and all long-term debt. Every rupiah of own capital is used as collateral for debt. The debt to equity ratio in 2023 will be 154.7%, meaning this ratio shows that lenders provide 154.7% of funding for every rupiah provided by shareholders. Meanwhile, the average ratio for the 2019 – 2023 period is 178%. This means that this ratio shows that the lender provides 178% of funding for every rupiah provided. Compared the percentage ratio in 2023 with the company's internal average ratio. So in 2023 the percentage will be below the company's internal average. In 2023 it will be 154.7%.

The average internal ratio during the period 2019 to 2023 is 65.38% or compared to 65.38:1. This means that every Rp. 1 of total assets can cover Rp. 0.6538 of debt. The debt to assets ratio in 2023 will be 60.7% or compared to 60.7%:1. This means that every Rp. 1 of total assets can cover Rp. 0.607 of debt. This causes the ratio of debt to total assets in 2023 to be quite good because it is below the internal average standard and below the standard ratio of similar companies. So the company can be said to be not yet solvable because the total amount of assets presented in the company's financial statements cannot yet cover the company's debts. To maintain the company's debt to asset ratio, the company should be able to further increase its total assets so that it can cover the company's debts.

The company's internal average from 2019 to 2023 is 5.47% or equivalent to 5.47:1. This means that every Rp. 1 of assets invested can generate a profit of Rp. 0.0547. Return on Assets (ROA) in 2023 will be 5.52% or 5.52:1. This means that Rp. 1 of invested assets can generate a profit of Rp. 0.0552. So the ROA ratio in 2018 can be said to be good because it is above the internal average. However, it cannot reach the standard ratio of similar companies. So the company is said to have not achieved the expected profitability in generating profits from the total assets owned.

The internal average during the period 2019 to 2023 is 16.12% or compared to 16.12:1. This means that for every Rp. 1 of your own capital invested, you will get a profit of Rp. 0.1612. Return On Equity in 2023 is 15.07% versus 15.07:1. This means that Rp. 1 of your own capital invested will get a profit of Rp. 0.1507. In 2023 PT. Jet Logistik's ROE will not be good because it is still below the company's internal average and below the standard ratio.

4 Conclusion and recommendation

Conclusion Based on the results of research on several financial ratios of PT. Jet-Logistik including liquidity ratios, solvency ratios and profitability ratios. Based on the results of research on several financial ratios of PT. Jet-Logistik including liquidity ratios, solvency ratios and profitability ratios. Measured using the current ratio, quick ratio and cash ratio, the situation at PT. Jet-Logistik shows that the company is illiquid because the company is unable to cover the company's current liabilities. The results of the discussion show that, using the debt to equity ratio, it shows that the company PT. Jet-Logistik is not solvable because the capital owned by the company is not able to cover debts to external parties and when measured using the debt to asset ratio, it shows that the company is solvable because of its total assets. owned by the company is able to cover the company's debts. The results of the discussion show that by using return on assets (ROA) in 2023 which is compared with the internal average of the PT. Jet-Logistik company, it shows that the PT. Jet Logistik company has also not been able to get a good profit but the return on equity (ROE) in 2023 which is compared with the internal average of the PT. Jet-Logistik company shows that the company is not profitable because the profits obtained from the capital used for operations have not resulted in a profit that is lower than the company's internal average.

From the results of this research, it is hoped that, if the company can achieve liquidity, solvency and profitability/profitability, it is hoped that it will be able to provide opportunities for the unemployed/graduates to be employed in the appropriate field. The impact: Unemployment can be resolved, college graduates can be recruited, there will be no unemployment, and security at business locations will be more complete. From the results of this research, it is hoped that, if the company can achieve liquidity, solvency and profitability/returnability, it is hoped that the goods delivery service business environment will be more lively and perform better. The impact: Company performance increases, taxation increases, Regional Original Income increases, and per capita income increases. From the results of this research, it is hoped that, if the company can achieve liquidity, solvency and profitability/profitability, it is hoped that the economy in Yogyakarta will improve. The impact: Economic development increases, the community economy improves, company performance increases, taxation increases, Regional Original Income increases, and per capita income increases.

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