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ANALYSIS OF THE FINANCIAL PERFORMANCE DEVELOPMENT OF PT INTI BANGUN SEJAHTERA TBK FOR THE PERIOD 2017 – 2024 BASED ON LIQUIDITY, ACTIVITY, AND PROFIITABILITY RATIOS

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Abstract

This study aims to analyze the PT Inti Bangun Sejahtera Tbk financial performance from 2017–2024 through a thorough examination of liquidity, solvency, activity, and profitability ratios. The study utilizes a quantitative descriptive method relying on secondary data as retrieved from the company's annual financial reports. The calculation of each ratio applies a common analytical formula to uncover financial trends, numerically measure stability, and test consistency in performance over time. This approach allows improved understanding of how the company funded its capital structure and operational efficiency over the eight-year duration.The results indicate that the company's liquidity position fluctuated over the observation duration, reflecting irregular short-term financial capability. The solvency ratio reflected increasing dependence on debt financing, which could raise financial risk unless carefully managed. Conversely, the activity ratio suggested moderate efficiency in the use of company resources, while the profitability ratio offered proof of improved earning capacity despite certain financial disadvantages. Overall, PT Inti Bangun Sejahtera Tbk had fluctuating financial operations over the review period. In making headway for longer-term stability, the company is encouraged to consolidate liquidity management, smooth its debt structure, and optimize profitability through higher operating efficiency and cost control.

Keywords: Financial Performance, Liquidity, Solvency, Activity, Profitability, Financial Ratio

Introduction

Financial performance is likely the most crucial metric to utilize in order to determine whether a firm is able to efficiently use resources and achieve long-term financial results. Brigham and Houston (2018) state that financial performance reflects how efficiently a firm generates profits, consistently does so, and reacts to the internal as well as external business pressures. Good financial performance reflects good operation in the utilization of assets, management of liabilities, and profitability in the long run. Continuous monitoring of financial performance allows organizations to know their position in the market, potential weaknesses, and prepare to improve financial sustainability.

Operations in the telecommunication infrastructure business take place in an extremely dynamic and competitive business environment, and achieving sustained growth demands strategic management of finance. PT Inti Bangun Sejahtera Tbk, as a leading telecommunication tower infrastructure company in Indonesia, is a sector beset by rapid technological advancements, intense competition, and massive capital requirements. The company must be able to have the optimal balance between profitability, efficiency, and solvency in its operations to remain competitive in the midst of a rapidly changing digital landscape. Analysis of its financial performance is thus crucial to determine the extent to which the firm performs under external pressure while being efficient internally. The telecom industry, being highly capital-intensive, also relies heavily on long-term financing and debt, and hence the use of financial ratio analysis in particular is highly applicable to determine stability and growth potential.

The research endeavors to examine the financial performance of PT Inti Bangun Sejahtera Tbk for the period 2017 to 2024 through financial ratio analysis, including liquidity, solvency, activity, and profitability ratios. Using these indicators, the research endeavours to identify patterns of performance, evaluate strengths and weaknesses of the finance, and be a guide to managerial improvement. The financial statistics used in this study are derived from the company's own reports, translated into terms of ratio analysis and trend appraisal in an attempt to examine financial stability across time. This study is valuable as it provides a balanced view of the potential applicability of financial ratio analysis to telecommunication infrastructure firms and has useful implications for financial decision-making, investment valuation, and long-term planning. Further, the research must add to scholarship by bringing out the importance of financial ratio analysis for use in capital-intensive sectors, particularly those undergoing changes under the pressures of intense technological change and shifting market environments.

Theoretical Framework

The ratio analysis of financial performance provides an essential foundation for ascertaining how a company manages its finance and stays stable over the long term. Kasmir (2019) states that ratio analysis facilitates the interpretation of financial statements, allowing researchers to gauge the liquidity, solvency, activity, and profitability of an organization. These ratios are not just numbers but also reflections of managerial effectiveness in maintaining operating equilibrium and achieving sustainable growth. For PT Inti Bangun Sejahtera Tbk, a telecommunication tower infrastructure service provider, ratio analysis is necessary to determine how efficiently the company utilizes assets, manages financial obligations, and sustains profit generation amidst capital-intensive operations and market competition.

The liquidity ratio reveals the firm's capacity to fund short-term financial needs; PT Inti Bangun Sejahtera Tbk's results for 2017–2024 show non-uniform direction in the ratio, suggesting a change in the short-term financial position of the company. The solvency ratio describes the company's use of external financing, and the trend indicates greater use of debt to fund growth, but this increases financial risk.

The activity ratio illustrates how effectively the assets of the company are used to produce income, while the profitability ratio shows the success of the company in producing earnings based on effective operations. Both ratios provide a general picture of financial health on many dimensions of performance.

Literature to date (e.g., Sutrisno, 2020; Riyanto, 2021) has largely viewed ratio analysis in manufacturing and bank industries, while research on capital-intensive industries such as telecommunications is limited. This study addresses this gap by aiming specifically at PT Inti Bangun Sejahtera Tbk to examine its financial health using ratio-based metrics. The theoretical framework developed in this study is that the balanced management of liquidity, solvency, activity, and profitability leads to improved financial stability, and imbalance among these factors may reduce efficiency, increase financial pressure, and destroy investor confidence.

Method

The method used in this study is a quantitative descriptive method that is applied to examine the financial performance of PT Inti Bangun Sejahtera Tbk from 2017–2024. The method seeks to describe real financial conditions by examining movements in ratios that indicate the ability of the company to manage assets, debts, and profitability. The method concentrates on quantitative interpretation of secondary data without altering the figures presented in the company's financial reports.

The data were obtained with a documentation method, collecting data from the company's audited financial statements and published financial summaries. Because the analysis is about just one firm, the sample and population are identical—covering eight consecutive years of PT Inti Bangun Sejahtera Tbk's finance performance. Key variables tracked include liquidity, leverage, asset activity, and profitability.

The analytical method used is financial ratio analysis, which re-engineers basic bookkeeping data into relative measures of performance. The ratios are then calculated as follows:

1. Current Ratio (CR) = Current Assets / Current Liabilities × 100%
2. Debt-to-Equity Ratio (DER) = Total Debt / Shareholders' Equity × 100%
3. Total Asset Turnover (TATO) = Net Revenue / Total Assets × 100%
4. Gross Profit Margin (GPM) = Gross Profit / Net Revenue × 100%

The study applies time-series and trend analysis to identify changes in every ratio and to explain trends of profitability, efficiency, and financial stability. Analytical interpretation refers to the theoretical exposition of Horne & Wachowicz (2016), Van Horne (2018), and Ross et al. (2020), stressing the importance of ratio analysis in revealing the operations and financial activities of a firm.

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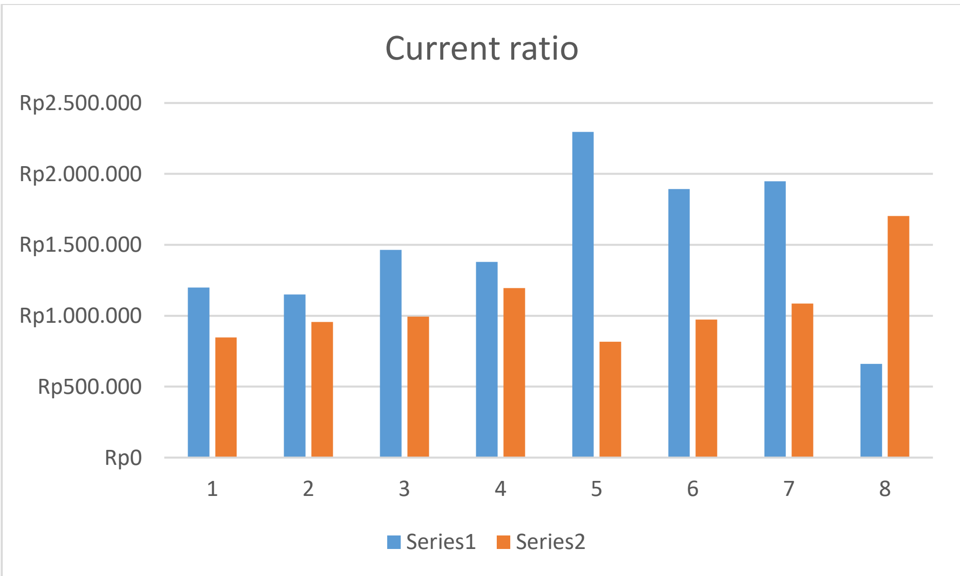
Results

1. Liquidity Ratio

Table 1.1
Current Ratio Indicator PT Inti Bangun Sejahtera TBK
Tahun 2017-2024
(In Million Rupiah)

Tahun	Current Asset	Current Liability	CR
2017	Rp1.199.164	Rp846.443	141,67%
2018	Rp1.149.974	Rp956.509	120,23%
2019	Rp1.463.645	Rp993.021	147,39%
2020	Rp1.380.009	Rp1.194.454	115,53%
2021	Rp2.296.081	Rp817.506	280,86%
2022	Rp1.893.120	Rp973.197	194,53%
2023	Rp1.947.127	Rp1.086.320	179.24%
2024	Rp661.353	Rp1.702.413	38,85%

Source: Proceed Data



Grafik 2.1
Calculate Result of Current Ratio Periode 2017-2024

The liquidity ratio is an important indicator that reflects a company's capacity to fulfill its short-term financial obligations through the utilization of its current assets. According to Kasmir (2019), a firm can be categorized as liquid if its Current Ratio (CR) is above 100%, meaning that current assets are sufficient to cover short-term liabilities. The liquidity performance of PT Inti Bangun Sejahtera Tbk between 2017 and 2024 experienced considerable fluctuations, showing both strong and weak financial periods within the eight-year span.

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In 2017, the company recorded a CR of 141.67%, signifying a sound liquidity position. The ratio slightly decreased to 120.23% in 2018 but improved again in 2019 to 147.39%, indicating stable short-term financial capability. However, in 2020, the CR dropped to 115.53%, suggesting that the company's ability to manage current assets had weakened. A significant recovery occurred in 2021 when the ratio surged to 280.86%, marking the highest level during the observed period. This increase reflected effective working capital management, reduced short-term debt, and stronger control over current assets.

Despite the improvement, the following years revealed a downward trend. In 2022, the ratio fell to 194.53%, and continued to 179.24% in 2023, showing that liquidity pressure was gradually increasing. The most critical decline appeared in 2024, when the CR dropped sharply to 38.85%, far below the acceptable threshold, signaling that the company's current assets were no longer adequate to meet its short-term obligations. Overall, the results indicate that PT Inti Bangun Sejahtera Tbk exhibited unstable liquidity performance from 2017 to 2024. Although the company achieved a peak in 2021, it failed to maintain this position, and the sharp drop in 2024 underscores the need for improved cash flow management, optimized current asset utilization, and more prudent short-term debt control to ensure financial stability in the future.

2. Solvency Rasio

Tabel 1.2
Indikator Debt To Equity Ratio PT Inti Bangun Sejahtera
Tahun 2017-2024
(Dalam jutaan Rupiah)

Tahun	Total hutang	Ekuitas	DER
2017	Rp2.037.803,73	Rp3.052.367,33	66,76%
2018	Rp2.504.220,88	Rp3.727.153,39	67,19%
2019	Rp3.090.312,25	Rp4.066.577,50	75,99%
2020	Rp4.210.975,93	Rp4.075.930,50	103,31%
2021	Rp2.962.262,14	Rp3.019.706,14	98,10%
2022	Rp3.540.668,59	Rp3.057.621,51	115,80%
2023	Rp3.632.986,43	Rp3.345.904,60	108,58%
2024	Rp2.251.114,00	Rp1.277.409,00	176,22%

Source: Proceed Data

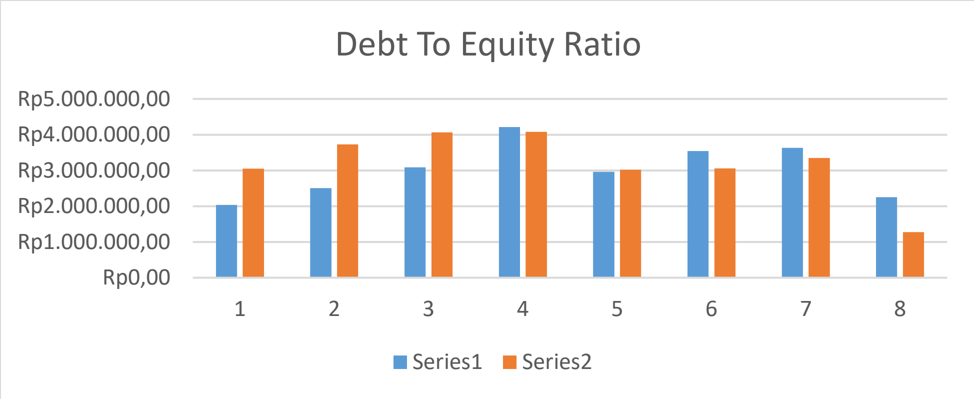

Image 2.2
Calculate Result of_Debt To Equity Ratio 2017-2024

Solvency ratio measures the capability of a company to meet its long-term financial obligations and represents the proportion of debt utilized in funding its assets. To Kasmir (2019), Debt to Equity Ratio (DER) reflects the level of operation of a company financed via debt versus shareholders' equity. The higher the ratio, the higher the reliance of the company on borrowed capital and higher financial risk, whereas the lower it is, the higher the capital structure and financial independence.

PT Inti Bangun Sejahtera Tbk's solvency position from 2017 to 2024 is evidently fluctuating. DER in 2017 stood at 66.76%, reflecting limited dependence on debt and a healthy capital structure. The ratio slightly increased to 67.19% in 2018, still reflecting an equivalent level of total liabilities and equity. DER went up to 75.99% in 2019, a continuation of its steady increase in the reliance on debt to fund operations and business expansion. In 2020, the ratio went up to 103.31%, which is above the 100% mark, signaling that the firm had begun relying on more debt than capital to finance its assets.

In 2021, the DER was relatively high at 98.10%, reflecting the continued leverage but better control compared to the previous year. The ratio rose once more in 2022 to 115.80% and by 108.58% in 2023, which indicates that debt financing still dominated the firm's capital structure. The steepest increase was in 2024 when the DER went up to 176.22%, indicating a mammoth rise in long-term financial obligations and higher dependency on external financing. This abrupt increase in debt ratio is an alarming signal that can be an early indicator of solvency risk affecting the long-term financial position of the company.

Overall, the results show that PT Inti Bangun Sejahtera Tbk experienced a gradual evolution of debt policy from conservative to aggressive during the 2017–2024 period. While moderate use of debt during the first few years granted flexibility to activities, recent sharp surge reflects imposing a greater financial burden. The company should be able to manage its capital structure more effectively in order to balance debt and equity in order to stay solvent, reduce financial risk, and ensure sustainable growth in the future.

3. Activity Ratio

Tabel 1.3
Debt Assets Indicator Turn Over Ratio PT Inti Bangun Sejahtera
Tahun 2017-2024
(In Million Rupiah)

Tahun	Penjualan	Total Aktiva	GPM
2017	Rp152.000,00	Rp6.355.270,88	2,39%
2018	Rp153.007,06	Rp7.725.601,13	1,98%
2019	Rp170.930,07	Rp8.893.030,99	1,92%
2020	Rp177.263,07	Rp10.412.826,25	1,70%
2021	Rp188.900,88	Rp9.547.133,66	1,98%
2022	Rp175.580,09	Rp9.431.928,85	1,86%
2023	Rp171.785,00	Rp9.912.420,50	1,73%
2024	Rp160.749,00	Rp4.419.501,00	3,64%

Source: Proceed Data

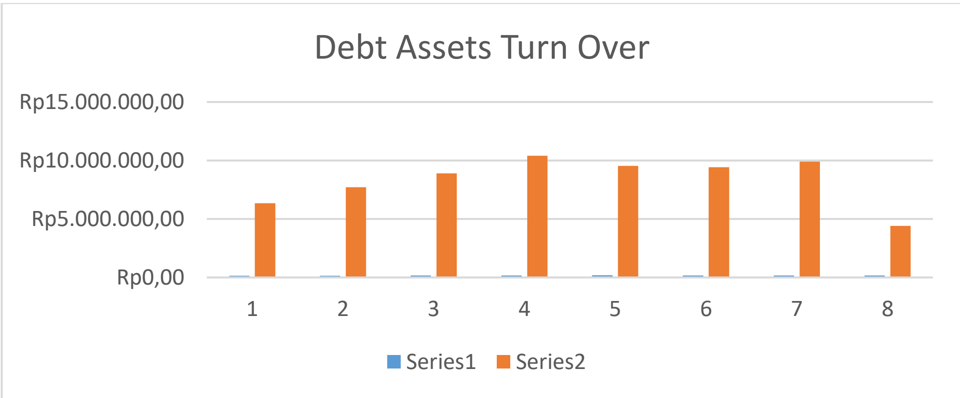

Image 2.3
Calculate Result of_Debt Assets Turn Over 2017-2024

The activity ratio shows how well a company uses its total assets to make sales. From 2017 to 2024, PT Inti Bangun Sejahtera Tbk had ups and downs in its Total Asset Turnover (TATO). In 2017, the ratio was 2.39%, then it went down slightly to 1.98% in 2018 and 1.92% in 2019. Even though sales went up, assets grew faster than revenue, meaning the company wasn't using its assets as well as it could. The ratio continued to drop to 1.70% in 2020, but then it went up a little to 1.98% in 2021.

In 2022 and 2023, the ratio stayed pretty much the same at 1.86% and 1.73%, showing some consistency but not much improvement.
However, in 2024, there was a big jump to 3.64%. This means the company used its assets more effectively to make more sales, which suggests better management and productivity during that time.

Overall, the company's ability to use its assets efficiently wasn't steady over the years. While there were some good periods, it had trouble keeping things consistent. The big increase in 2024 is a good sign, but to keep things running smoothly in the long term, the company needs better asset management, more control over operations, and a better match between how much assets grow and how much sales increase.

4. Probability Ratio

Tabel 1.4
Gross Profit Margin Indicators PT Inti Bangun Sejahtera
Tahun 2017-2024
(In Million Rupiah)

Tahun	Laba kotor	Penjualan	GPM
2017	Rp427.822,77	Rp761.760,61	56,16%
2018	Rp490.846,24	Rp897.612,64	54,68%
2019	Rp548.821,26	Rp1.087.963,09	50,44%
2020	Rp555.595,36	Rp1.122.276,25	49,51%
2021	Rp489.792,16	Rp975.211,33	50,22%
2022	Rp569.317,03	Rp1.088.236,71	52,32%
2023	Rp592.914,00	Rp1.109.756,00	53,43%
2024	Rp364.802,00	Rp862.466,00	42,30%

Source: Proceed Data

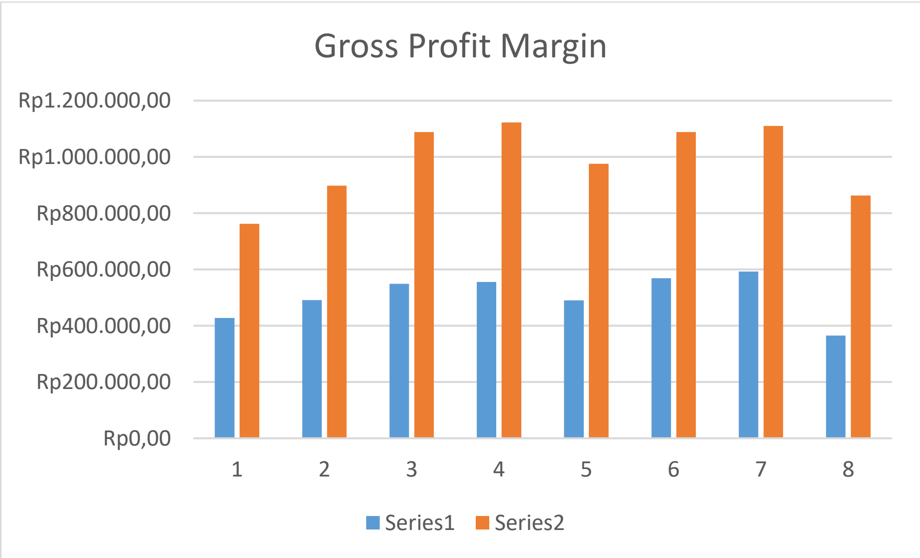

Image 2.4
Calculate Result of Gross Profit Margin 2017-2024

The trend in the profitability ratio, in the context of PT Inti Bangun Sejahtera Tbk Gross Profit Margin (GPM), 2017-2024, shows an inconsistent but overall declining trend in the company's profitability. The GPM in 2017 is 56.16%, which indicates moderate profitability through sales. The marginally increased ratio in 2018

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became 54.68%, but began declining in 2019 to 50.44% and then plummeted to 49.51% in 2020. All of these numbers show decreased efficiency in cost control along with declining profitability compared to previous years.

In later years, the company's profitability showed mixed movements. The GPM fell to 50.22% in 2021 but improved marginally to 52.32% in 2022 and 53.43% in 2023, indicating partial recovery of operational efficiency. However, the ratio fell appreciably to 42.30% in 2024, the worst margin during the review period. This is testimony that despite its temporary improvement, the company continued struggling with maintaining profitable operations based on fluctuations in sales performance and cost of production.

All in all, the Gross Profit Margin report shows that PT Inti Bangun Sejahtera Tbk was experiencing fluctuating and overall declining profitability from 2017–2024, wherein the company needs to improve cost control and more effective sales methods in order to sustain stable profit growth.

Discussion

The results of this study indicate that PT Inti Bangun Sejahtera Tbk's financial performance between 2017 and 2024 fluctuated across all the key financial ratio metrics—liquidity, solvency, activity, and profitability. The findings are consistent with the study's objective to analyze the company's financial standing using financial ratio analysis to determine stability, efficiency, and profitability over the years. Financial ratios, as argued by Kasmir (2019) and Brigham & Houston (2018), play an important role in gauging the efficiency with which a company uses assets, liabilities, and equity to achieve financial sustainability. The changes registered in PT Inti Bangun Sejahtera Tbk's ratios are evidence that the company experienced shifting financial forces as influenced by managerial decisions from within and market forces from without in the Indonesian telecommunication infrastructure sector.

Theoretically, the findings corroborate existing literature in that capital-intensive industries such as telecommunications are highly sensitive to adjustments in financing structures and operational efficiency (Riyanto, 2021; Van Horne, 2018). The company's liquidity ratio was highest in 2021, a reflection of good short-term financial management, but the subsequent decline reflected poor cash management and increasing current liabilities. The solvency ratio, which was boosted significantly in recent years, validates Gitman's (2015) argument that high leverage can maximize growth potential but also elevate financial risk. Conversely, the erratic activity and profitability ratios reveal that asset utilization and income generation were uneven, validating the theory that harmonized financial management across all ratio categories is one of the foundations of long-term stability.

Scientifically, the study contributes to the growing literature on financial performance analysis in the telecommunication sector by applying ratio-based evaluation to a non-banking, infrastructure-based company. Practically, the results highlight the need for PT Inti Bangun Sejahtera Tbk to enhance working capital management, reduce debt dependence, and advance operational productivity for sustained profitability. Managers must focus on optimizing cash flow cycles, balancing debt-equity structure, and integrating investment plans to enhance financial resilience.

However, the research has the following limitations. The analysis is based solely on secondary financial data without consideration of external economic factors such as inflation, interest rates, or policy changes within the industry that may affect performance. In addition, this research focuses on one company, which limits the generalizability of the findings. Future research can expand the study to comparative analysis between telecommunication infrastructure firms or include qualitative factors such as management strategy and market competition to provide a more complete image of financial performance in the sector.

Conclusion

This study analyzed PT Inti Bangun Sejahtera Tbk's financial performance between 2017 and 2024 using financial ratio analysis for liquidity, solvency, activity, and profitability. Findings showed that the company's financial situation significantly changed over the period of observation. Liquidity was fluctuating, high in short-term strength in 2021 but poor in 2024, which illustrates the strain on cash flows. The solvency ratio expressed increasing reliance on debt financing, enhancing potential long-term financial risk. Activity ratios reflected inconsistent utilization of assets, and profitability ratios expressed inconsistent performance in producing profits. Together, the results confirm that the financial management of the company continued to be less than stable and required more consistency in sustaining assets, liabilities, and profitability to ensure long-term financial stability.

Scholarship, this research contributes to the literature of financial management with empirical data in analyzing the possibility of using ratio analysis as a tool to quantify performance in the telecommunication infrastructure industry, an under-studied sector compared to banking or manufacturing. Practically, the findings of the research can serve to enlighten company management, investors, and stakeholders to scrutinize operational efficiency and financial risk, which underscores the necessity of tightening liquidity management, controlled leverage, and improved asset productivity.

The study, however, is not without its limitations. It is limited to secondary quantitative data derived from the financial statements, excluding any external macroeconomic factors like inflation or policy changes that can influence performance. Future research is recommended to include comparative studies across different telecommunication companies or combine qualitative studies of managerial decisions to offer a broader range of insights into corporate financial performance as well as strategic management in this sector.

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