

FINANCIAL PERFORMANCE EVALUATION OF PT KOKOH INTI AREBAMA TBK DURING THE DIGITAL TRANSFORMATION ERA (2015-2024)

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Abstract

This study assesses the financial performance of PT Kokoh Inti Arebama Tbk from 2015 to 2024 within the context of the digital transformation era. The analysis focuses on three main aspects: liquidity, activity, and market, to provide a comprehensive view of the company's ability to manage assets, meet short-term obligations, and generate value for shareholders. The research uses a quantitative descriptive approach with a time series method, analyzing data from the company's annual financial reports over the past ten years. Each financial ratio is examined to identify trends and stability in the company's performance over time. The findings suggest that, overall, PT Kokoh Inti Arebama Tbk has maintained relatively stable financial conditions despite market fluctuations and changes driven by digital developments. Although some variations occurred in the market and activity ratios, the company's liquidity remained within a healthy range. In conclusion, the company demonstrated solid financial performance during the study period and showed an ability to adapt to technological changes that improve operational efficiency and competitiveness in the digital age.

Keywords: financial performance, liquidity, market, activity, digital transformation

Introduction

Advances in digital technology have greatly changed how companies run their operations and develop their business strategies. Digital transformation has affected not only production and marketing but also financial systems and decision-making processes. In this context, evaluating financial performance is crucial to understanding how well companies can adapt to increasingly competitive markets.

PT Kokoh Inti Arebama Tbk, a company focused on distributing construction materials, faces challenges in maintaining financial stability while boosting operational efficiency amid ongoing digital developments. This study was conducted to analyze and evaluate the company's financial performance from 2015 to 2024 using several key indicators that measure liquidity, activity, and market conditions.

The goal is to provide a clear understanding of the company's long-term financial health and its ability to adapt to economic and technological changes. Academically, this research highlights the importance of flexible financial management in the digital

transformation age. Practically, the results can help company management develop more efficient and sustainable financial strategies to improve future competitiveness.

Theoretical Framework

Finance acts as the primary benchmark for evaluating how well a company can achieve its operational and financial objectives. According to Harahap (2021), financial performance describes a company's financial health, which is assessed through financial ratio analysis to understand how effectively and efficiently resources are managed. Liquidity ratios reveal a company's capacity to meet short-term obligations, while activity ratios evaluate how efficiently a company utilizes its assets to generate income. Additionally, market ratios mirror investors' reactions to a company's performance, using indicators such as earnings per share and price-to-earnings ratios. Several previous studies, such as those by Putri and Rahmawati (2020), demonstrate that financial ratio analysis can be used to evaluate a company's stability and growth over the long term.

Meanwhile, research by Nugroho (2022) emphasizes that digitization positively influences operational efficiency and the disclosure of financial information. However, most prior studies have focused on large manufacturing industries and have not emphasized companies in the building materials distribution sector facing gradual digitization challenges.

Therefore, this study aims to address this gap by evaluating the financial performance of PT Kokoh Inti Arebama Tbk over the past ten years (2015–2024) within the context of the digital transformation era. This research seeks to provide new insights into how technological changes influence financial performance in the distribution sector. Building on existing theories and prior research, this study examines the relationship between operational efficiency, financial stability, and market perceptions of company value.

Method

This study employs a descriptive quantitative approach to analyze and assess the financial performance of PT Kokoh Inti Arebama Tbk from 2015 to 2024. This approach was chosen because it can provide a clear and measurable depiction of the company's financial condition based on available historical data.

The data used are secondary data obtained from PT Kokoh Inti Arebama Tbk's annual financial reports published on the official website of the Indonesia Stock Exchange (IDX). The data include financial information that is crucial for calculating liquidity, activity, and market ratios.

Data collection was conducted through the documentation method, specifically by gathering the company's financial reports from 2015 to 2024. The research tools included calculating financial ratios to assess liquidity (current ratio, quick ratio, cash ratio), activity (inventory turnover, accounts receivable turnover, total asset turnover), and market (earnings per share, price-earnings ratio, dividend payout ratio).

The methods used for analysis are financial ratio analysis and trend analysis (time series analysis) to observe changes and patterns in the company's financial

performance over the past ten years. The results of this analysis are then interpreted to assess the company's financial stability, operational efficiency, and market response during the era of digital transformation.

Results

The results of PT Kokoh Inti Arebama Tbk's financial performance review from 2015 to 2024 reveal changes in three main areas: liquidity, activity, and market. Overall, the company has maintained a stable level of liquidity despite fluctuations in the economic and market environment during the study period.

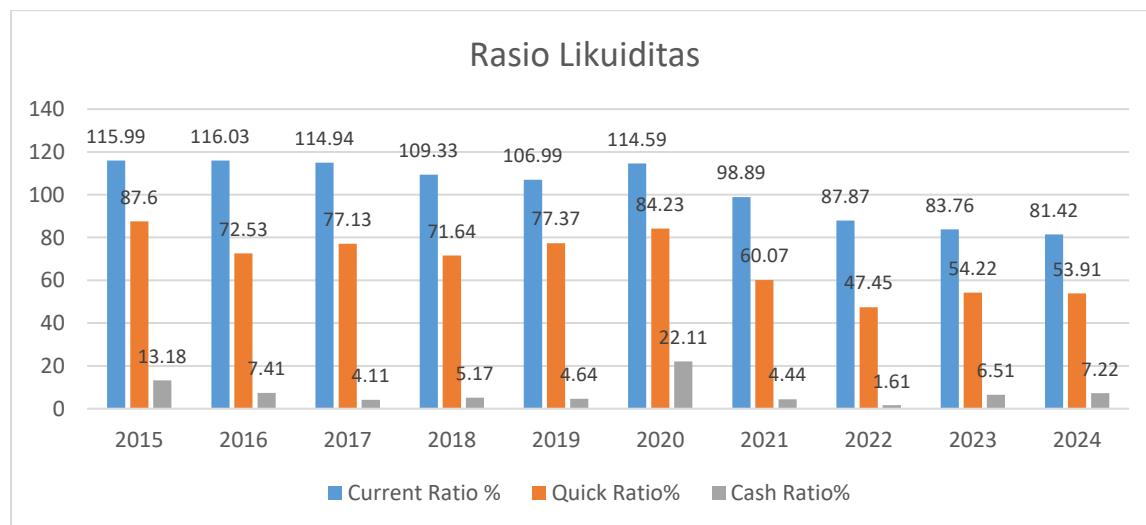


Figure 1. Graph of CR, QR, and Cash Ratio Development of PT Kokoh Inti Arebama Tbk for the Period 2015–2024

Table 1. Development of EPS, PER, and DPR% of PT Kokoh Inti Arebama Tbk for the Period 2015–2024

| Year | EPS | PER | DPR (%) |
|------|--------|-----------|----------|
| 2015 | 14,69 | 6,81 | 90,28 |
| 2016 | -0,01 | -14639,84 | 39596,22 |
| 2017 | -14,88 | -6,72 | 66,18 |
| 2018 | -10,19 | -9,82 | 84,91 |
| 2019 | -19,01 | -5,26 | 91,46 |
| 2020 | 41,93 | 2,39 | 98,65 |
| 2021 | -28,38 | -3,52 | 101,62 |
| 2022 | -74,70 | -1,34 | 98,90 |
| 2023 | -76,59 | -1,31 | 99,86 |
| 2024 | 36,20 | 2,76 | 104,10 |

Source: Data processed from PT Kokoh Inti Arebama Tbk's financial statements (2015–2024)

Table 2. Development of CTO, RTO, and ITO% of PT Kokoh Inti Arebama Tbk for the period 2015-2024

| Year | CTO (%) | RTO (%) | ITO (%) |
|------|---------|---------|---------|
| 2015 | -236,39 | -43,35 | -109,78 |
| 2016 | -416,61 | -48,52 | -70,94 |
| 2017 | -687,44 | -39,34 | -74,8 |
| 2018 | -406,83 | -33,26 | -55,78 |
| 2019 | -381,67 | -24,69 | -59,74 |
| 2020 | -59,25 | -21,4 | -43,14 |
| 2021 | -252,05 | -20,76 | -28,86 |
| 2022 | -786,97 | -27,99 | -31,32 |
| 2023 | -208,75 | -28,84 | -46,02 |
| 2024 | -157,76 | -25,4 | -41,43 |

Source: Data processed from the financial statements of PT Kokoh Inti Arebama Tbk (2015-2024)

Based on the observed trends, the company's liquidity ratio stayed steady throughout the research period, showing management's skill in balancing liquid assets and liabilities.

The activity ratio experienced notable fluctuations, particularly during the COVID-19 pandemic, which caused a rapid decline in accounts receivable and inventory turnover. However, after 2021, operational activity began to increase again alongside economic recovery.

Conversely, market ratios such as Earnings per Share (EPS) and Price Earning Ratio (PER) have been increasing since 2022, reflecting investors' expectations about the company's performance and future prospects. The rising Dividend Payout Ratio (DPR) also indicates that the company is committed to providing greater benefits to its shareholders.

Overall, the results of this study show that PT Kokoh Inti Arebama Tbk can sustain solid financial performance over the long term and demonstrate its ability to adapt to changes in the business environment, especially during the era of digital transformation.

Discussion

This study shows that PT Kokoh Inti Arebama Tbk's financial performance from 2015 to 2024 has experienced significant changes in various financial ratios. These findings highlight how the company has adapted to economic shifts and an ever-changing business environment driven by digital transformation. Overall, the company was able to maintain liquidity stability and demonstrate signs of recovery after the COVID-19 pandemic, despite facing pressure on operational efficiency and profit levels in previous years.

Based on theory, the research results support Harahap's (2021) opinion that financial performance reflects how company management effectively manages its resources. Liquidity stability indicates management's ability to maintain a balance between liquid assets and short-term liabilities, in line with the findings of Putri and

Rahmawati (2020), who stated that good liquidity is the main foundation for long-term financial strength. On the other hand, the increase in market ratios, such as EPS and DPR, after 2020 supports Nugroho's (2022) research, which states that the application of digital technology improves the transparency and efficiency of financial information, thereby enhancing investor perception.

Scientifically, this study enriches the literature on the relationship between digital transformation and financial performance in the building materials distribution sector—an area that has received less research effort than larger manufacturing industries. From a practical standpoint, the results highlight the importance for companies to continuously enhance their ability to adopt technology, especially in financial management systems, to sustain operational efficiency amid rapid market changes.

However, this study has limitations because it relies solely on secondary data from financial reports and does not consider external factors such as macroeconomic conditions, government policies, or changes in company business strategies. Therefore, further research should include external variables and employ a more in-depth analytical approach to provide a more comprehensive understanding of how digital transformation affects company financial performance.

Conclusion

This study aims to evaluate the financial performance of PT Kokoh Inti Arebama Tbk during 2015–2024 within the context of the digital transformation era. Based on the analysis results, it can be concluded that, overall, the company was able to maintain relatively stable financial conditions despite facing economic shifts and the challenges of digitalization. The liquidity ratio demonstrates solid stability, indicating the company's capacity to meet short-term obligations. Additionally, the activity ratio shows increased operational efficiency after the pandemic, and the market ratio reflects an improvement in investor perception of the company's recent performance. From an academic standpoint, this study contributes to the growing literature on the connection between digital transformation and financial performance in the building materials distribution sector, which has been underrepresented in research. Practically, the findings can serve as a reference for company management to enhance financial strategies that adapt to technological changes and bolster competitiveness in the digital age. However, this study has limitations, as it relies solely on secondary data and does not consider external variables such as government policies, macroeconomic conditions, or industry factors. For future research, it is recommended to employ advanced quantitative methods like panel regression or inter-company comparative analysis to gain deeper insights into the impact of digital transformation on corporate financial performance.

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