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FINANCIAL RATIO ANALYSIS FOR EVALUATING THE PERFORMANCE OF PT BAKRIE & BROTHERS TBK (2015–2023)

Nurfadillah
Department of Management, Pamulang University
fadillah22805@gmail.com[1]

Abstract

This study aims to evaluate the financial performance of PT Bakrie & Brothers Tbk from 2015 to 2023 by analyzing profitability ratios (ROA, ROE, NPM, GPM), solvency **ratios** (DAR, DER), and liquidity ratios (Current Ratio, Quick Ratio, Cash Ratio). The research applies a quantitative descriptive method using secondary data obtained from the company's audited financial statements published by the Indonesia Stock Exchange (IDX). The results indicate that PT Bakrie & Brothers Tbk experienced significant fluctuations across all financial ratios, particularly during the mid-period when the company faced high debt levels and operational inefficiencies. However, toward the end of the analysis period (2022–2023), improvements in profitability and solvency demonstrate better financial management and restructuring efforts. The overall findings suggest that PT Bakrie & Brothers Tbk is gradually stabilizing its operations through enhanced efficiency and debt control, although liquidity remains below the ideal benchmark, reflecting tight working capital conditions.

Keywords: Financial Performance, Profitability, Solvency, Liquidity, PT Bakrie & Brothers Tbk

Introduction

Financial performance is one of the key indicators used to measure a company's success in managing its resources efficiently and maintaining operational sustainability. It reflects how effectively management utilizes assets, controls costs, and generates profits while meeting both short-term and long-term obligations. According to the Indonesia Stock Exchange (IDX, 2023), consistent financial performance is crucial for companies to build investor trust and ensure stability amid changing economic conditions. Financial ratio analysis serves as an essential tool to evaluate these aspects through indicators such as profitability, solvency, and liquidity.

PT Bakrie & Brothers Tbk is one of Indonesia's prominent conglomerate companies engaged in various sectors, including infrastructure, energy, and manufacturing. As a public company listed on the IDX, it is required to publish transparent and accountable financial reports each year. However, throughout its operational journey, the company has faced several financial challenges, including fluctuating profitability, high leverage, and dynamic liquidity levels. These challenges make it necessary to examine the company's financial performance over time to assess how effectively it manages assets, equity, and liabilities in maintaining business continuity.

This study aims to analyze the financial performance of PT Bakrie & Brothers Tbk during the period 2015–2023 by using financial ratio analysis, focusing on profitability, solvency, and liquidity. Through this approach, the research seeks to identify the company's strengths and weaknesses in financial management, observe performance trends, and evaluate the level of efficiency and stability achieved during the observation period. The results of this analysis are expected to provide meaningful insights for management, investors, and researchers in understanding the company's financial condition and its implications for long-term strategic decision-making..

Theoretical Framework

Financial ratio analysis serves as a vital tool for evaluating a company's overall financial condition and managerial efficiency. It provides a systematic approach to understanding the relationships between elements of financial statements such as assets, liabilities, equity, revenues, and expenses enabling stakeholders to assess how effectively management utilizes resources to generate profit and maintain operational stability. According to Kasmir (2015) and Fahmi (2017), financial ratios function as quantitative indicators that help measure performance, identify internal strengths and weaknesses, and support strategic decision-making. Through the analysis of profitability, solvency, and liquidity ratios, analysts can determine not only how well a company manages its operations but also how resilient it is in facing financial risks and market fluctuations.

Profitability ratios, including Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Gross Profit Margin (GPM), measure the company's ability to generate income and reflect its efficiency in using resources. Solvency ratios such as the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) evaluate a company's capacity to meet long-term obligations and reveal its dependence on external financing. Liquidity ratio namely the Current Ratio (CR), Quick Ratio (QR), and Cash Ratio (CaR) indicate the firm's short-term financial flexibility and ability to fulfill immediate liabilities. As Brigham and Houston (2018) note, strong profitability supported by sound solvency and adequate liquidity forms the foundation of sustainable corporate performance. Therefore, analyzing these ratios collectively provides a comprehensive picture of a company's financial strength and long-term stability. This theoretical foundation underpins the present study, which examines the financial performance of PT Bakrie & Brothers Tbk for the 2015–2023 period through the lens of these three key financial dimensions.

Method

This study employs a quantitative descriptive approach aimed at analyzing the financial performance of PT Bakrie & Brothers Tbk during the period 2015–2023. The research relies exclusively on secondary data obtained from the company's audited financial statements published by the Indonesia Stock Exchange (IDX) and other verified sources. The data were processed and analyzed using financial ratio analysis to evaluate three key aspects of performance: profitability, solvency, and liquidity. Profitability ratios, including Return on Assets (ROA), Return on Equity (ROE), Net

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Profit Margin (NPM), and Gross Profit Margin (GPM), were calculated to measure the company's ability to generate profit from its assets, equity, and sales. Solvency ratios, comprising the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER), were used to assess the company's long-term financial stability and reliance on external financing. Liquidity ratios, including the Current Ratio (CR), Quick Ratio (QR), and Cash Ratio (CaR), were analyzed to determine the company's short-term ability to meet current obligations. All data were tabulated and interpreted to identify year-to-year trends, performance fluctuations, and the overall financial trajectory of the company across the ten-year observation period.

1. **Profitability Ratios**, consisting of:
   a. *Return on Assets (ROA)* = $\frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$
   b. *Return on Equity (ROE)* = $\frac{\text{Net Income}}{\text{Total Equity}} \times 100\%$
   c. *Net Profit Margin (NPM)* = $\frac{\text{Net Income}}{\text{Revenue}} \times 100\%$
   d. *Gross Profit Margin (GPM)* = $\frac{\text{Gross Profit}}{\text{Revenue}} \times 100\%$
2. **Solvency Ratios**, consisting of:
   a. *Debt to Asset Ratio (DAR)* = $\frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$
   b. Debt to Equity Ratio (DER) = $\frac{\text{Total Debt}}{\text{Total Equity}} \times 100\%$
3. **Liquidity Ratios**, consisting of:
   a. Current Ratio (CR) = $\frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$
   b. Quick Ratio (QR) = $\frac{(\text{Current Assets} - \text{Inventory})}{\text{Current Liabilities}} \times 100\%$
   c. Cash Ratio (CaR) = $\frac{\text{Cash and Cash Equivalents}}{\text{Total Assets}} \times 100\%$

Furthermore, to obtain a comprehensive overview of the company's financial performance trends, the analysis was conducted by comparing the calculated financial ratios across years and interpreting the changes occurring in each period. This approach aimed to provide insights into the company's overall financial development and performance trajectory during the study period.

Results

1. Profitability Ratios

Tabel 1. Profitability Rations of PT Bakrie & Brothers Tbk

Year	Profitability Ratios			
	ROA (%)	ROE (%)	NPM (%)	GPM (%)
2015	-6,58	105,63	-18,16	31,87
2016	225,85	155,09	1,07	7,96
2017	-12,73	169,99	-48,97	13,50
2018	-8,52	89,25	-52,42	16,79

Year	Profitability Ratios			
	ROA (%)	ROE (%)	NPM (%)	GPM (%)
2019	2,43	81,66	14,13	22,16
2020	-1,72	83,84	-12,14	17,22
2021	-0,30	77,94	-2,87	19,07
2022	0,86	70,67	6,44	18,58
2023	1,89	298,13	4,36	19,94

Source: Processed data from the Financial Statement of PT Bakrie & Brothers Tbk (2015-2023)

The profitability ratios of PT Bakrie & Brothers Tbk from 2015 to 2023 show strong fluctuations that reflect the company's unstable performance in generating profits. The Return on Assets (ROA) and Return on Equity (ROE) recorded extreme variations, with ROA peaking at 225.85% in 2016 and falling into negative values in several subsequent years. Likewise, the ROE reached as high as 298.13% in 2023, indicating a sharp rise in shareholders' returns but also signaling high volatility due to changes in equity levels. These variations suggest that the company's asset utilization and capital structure were inconsistent, possibly influenced by restructuring efforts and fluctuating revenues.

The Net Profit Margin (NPM) and Gross Profit Margin (GPM) further emphasize this instability. The NPM was negative during most years, with the lowest value at 52.42% in 2018, before improving to 6.44% in 2022 and 4.36% in 2023, showing a gradual recovery in profitability. In contrast, the GPM remained positive and relatively stable, averaging between 7.96% and 31.87%, which means the company still maintained sufficient gross profit from its operations. Overall, the profitability trend reflects PT Bakrie & Brothers Tbk's ongoing efforts to recover from financial challenges, enhance operational efficiency, and restore investor confidence through better cost management and strategic restructuring.

2. Solvency Ratios

Tabel 2. Solvency Ratios of PT Bakrie & Brothers Tbk

Year	Solvency Ratios	
	DAR (%)	DER (%)
2015	142,84	135,22
2016	192,28	123,98
2017	190,78	112,23
2018	81,31	91,10
2019	83,61	102,38
2020	89,67	106,96
2021	91,32	117,17
2022	91,26	129,13
2023	62,53	20,98

Source: Processed data from the Financial Statement of PT Bakrie & Brothers Tbk (2015 -2023)

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The solvency ratios, consisting of the Debt to Assets Ratio (DAR) and Debt to Equity Ratio (DER), provide insight into the company's long term financial stability and reliance on external financing. Based on the data, the DAR fluctuated between 62.53% in 2023 and 192.28% in 2016, indicating that the company's debt proportion relative to total assets significantly decreased over time. This decline suggests an improvement in capital structure and reduced dependence on debt financing.

Similarly, the DER ranged from 20.98% in 2023 to 135.22% in 2015, showing that the company managed to strengthen its equity base while reducing leverage. The downward trend in both DAR and DER reflects PT Bakrie & Brothers Tbk's efforts to maintain a healthier balance between liabilities and shareholders' equity. Overall, these results indicate that the company's solvency condition improved considerably after 2016, implying a stronger financial position and better ability to meet long-term obligations.

3. Liquidity Ratios

Tabel 3. Liquidity Ratios of PT Bakrie & Brothers Tbk

Year	Liquidity Ratios		
	CR (%)	QR (%)	CaR (%)
2015	27,67	22,25	7,37
2016	27,01	21,16	6,04
2017	22,29	17,51	5,42
2018	97,35	89,61	66,30
2019	101,30	94,95	70,41
2020	89,42	85,11	71,24
2021	89,76	84,97	72,01
2022	93,22	89,62	80,12
2023	99,68	74,05	37,06

Source: Processed data from the Financial Statement of PT Bakrie & Brothers Tbk (2015-2023)

The liquidity ratios Current Ratio (CR), Quick Ratio (QR), and Cash Ratio (CaR) reflect PT Bakrie & Brothers Tbk's ability to meet its short-term financial obligations using current assets. Throughout the 2015–2023 period, these ratios display noticeable fluctuations that mirror the company's changing financial flexibility and cash management strategy.

The Current Ratio (CR) increased from 27.67% in 2015 to 101.30% in 2019, suggesting that the company gradually improved its short-term solvency and ability to pay current liabilities using its total current assets. This upward movement indicates that management successfully enhanced working capital efficiency after facing liquidity pressure in earlier years. Between 2021 and 2023, the CR stabilized in the range of 93,99%, showing that the company managed to maintain a healthy liquidity level despite industry challenges and macroeconomic fluctuations. Although the ratio has not reached an ideal benchmark of above 200%, this level still demonstrates sufficient liquidity for day to day operations.

The Quick Ratio (QR), which excludes inventory from current assets, followed a similar pattern to the CR. This parallel movement implies that inventory did not significantly distort liquidity performance, meaning most of the company's current assets were relatively liquid such as receivables and short-term investments. The stable QR values across years confirm that the company effectively managed its receivables turnover and minimized the risk of illiquid working capital.

Meanwhile, the Cash Ratio (CaR) declined gradually from 7.37% in 2015 to 3.70% in 2023. This decrease suggests that PT Bakrie & Brothers Tbk opted to utilize its cash for business expansion, debt payments, or investment purposes rather than retaining excessive idle cash. While a lower cash ratio may initially indicate reduced liquidity, in this context it demonstrates efficient use of funds, as the company balanced liquidity needs with growth oriented financial decisions.

In summary, the liquidity analysis shows that PT Bakrie & Brothers Tbk progressively strengthened its short-term financial capacity after 2015, achieving greater stability and control over current assets. The moderate but consistent ratios reflect prudent management decisions aimed at maintaining operational continuity while optimizing asset utilization. These findings suggest that the company's liquidity condition is now more sustainable, supporting its long-term financial resilience and overall performance recovery.

Discussion

The financial ratio analysis of PT Bakrie & Brothers Tbk from 2015 to 2023 provides a comprehensive picture of the company's financial condition, focusing on solvency and liquidity aspects.

From the solvency perspective, both the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) show a significant decline over the observed period. In the early years (2015–2017), the DAR exceeded 140%, while the DER reached above 130%, indicating a high level of debt utilization and financial risk. However, after 2018, both ratios consistently decreased, with the DAR dropping to 62.53% and the DER to 20.98% in 2023. This steady reduction signifies an improvement in the company's financial structure through debt repayment and strengthened equity. It also demonstrates better financial prudence and effective risk management in maintaining long-term stability.

From the liquidity perspective, the Current Ratio (CR) and Quick Ratio (QR) fluctuated moderately throughout the period. The CR rose from 27.67% in 2015 to around 101.30% in 2019, then stabilized at approximately 93–99% between 2021 and 2023. This indicates that the company gradually improved its ability to meet short-term liabilities, even though liquidity pressure was noticeable during earlier years. The Cash Ratio (CaR), however, declined from 7.37% in 2015 to 3.70% in 2023, suggesting that the company allocated more cash for operational or investment purposes rather than keeping idle funds.

Overall, the trend of declining solvency ratios and stable liquidity ratios reflects the company's financial recovery and resilience. It implies that PT Bakrie & Brothers Tbk successfully restructured its capital, balanced debt and equity, and maintained sufficient liquidity to support operations. These financial improvements contribute to better investor confidence and long-term business sustainability despite economic challenges.

Conclusion

Based on the analysis of solvency and liquidity ratios from 2015 to 2023, the financial performance of PT Bakrie & Brothers Tbk shows a significant improvement in solvency and moderate stability in liquidity.

The decreasing trend in both the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) indicates that the company's dependence on external financing has been reduced, leading to a stronger equity position and more sustainable capital structure. Meanwhile, the stability of the Current Ratio (CR) and Quick Ratio (QR) reflects the company's consistent ability to meet short-term obligations. Although the Cash Ratio (CaR) experienced a slight decline, the overall liquidity position remained manageable.

In conclusion, PT Bakrie & Brothers Tbk has shown positive progress toward achieving healthier financial stability through prudent debt management and balanced liquidity practices. To maintain this momentum, the company should continue optimizing asset utilization, managing cash flows efficiently, and strengthening its internal funding capacity to support future growth and business continuity.

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