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FINANCIAL PERFORMANCE ANALYSIS OF PT TOWER BERSAMA INFRASTRUCTURE TBK USING LIQUIDITY, SOLVENCY, AND PROFITABILITY RATIOS (2015–2024)

Siti Adibah Suciyani
Department of Management, Pamulang University
sitiadibahsuciyani27@gmail.com
* corresponding author's email addres

Abstract

An in-depth evaluation of PT Tower Bersama Infrastructure Tbk's financial performance from 2015 to 2024 was conducted using financial ratio analysis focusing on liquidity, solvency, and profitability aspects. This research adopts a descriptive quantitative approach using secondary data sourced from the company's annual reports listed on the Indonesia Stock Exchange (IDX). Financial ratios analyzed include the Current Ratio (CR) to assess liquidity, the Debt to Equity Ratio (DER) to measure solvency, and the Return on Assets (ROA) to evaluate profitability. The results show that the company's liquidity fluctuated over the observed period, indicating varying abilities to meet short-term obligations. The solvency level, represented by the DER, remained stable with a downward trend, showing efficient management of debt and equity. Meanwhile, profitability, reflected by the ROA, demonstrated consistent growth, suggesting that the company effectively utilized its assets to generate income. Overall, PT Tower Bersama Infrastructure Tbk maintained a solid financial position, characterized by healthy liquidity, controlled leverage, and improving profitability throughout the ten-year period.

Keywords:
Financial Performance, Current Ratio, Debt to Equity Ratio, Return on Assets, Tower Bersama Infrastructure

Introduction

The development of the telecommunication industry in Indonesia has grown rapidly over the past decade, driven by the increasing need for digital infrastructure and reliable data services. This growth has created opportunities for companies operating in the telecommunication tower sector, which plays a vital role in supporting network expansion for various operators nationwide. One of the leading companies in this sector is PT Tower Bersama Infrastructure Tbk (TBIG), which manages and leases telecommunication towers across Indonesia.

The financial performance of a company reflects its ability to manage resources efficiently and sustain operations in a competitive business environment. According to Kasmir (2019) financial statements function as a basis for assessing a firm's financial stability and growth potential. Analyzing financial performance allows management and investors to identify strengths and weaknesses in financial management, as well as assess the company's long-term sustainability.

Financial ratio analysis is one of the most widely used methods in assessing company performance. Ratios such as the Current Ratio (CR)**,** Debt to Equity Ratio

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(DER), and Return on Assets (ROA) are useful indicators for measuring different aspects of financial health. The CR evaluates the company's ability to meet short- term obligations, the DER measures the proportion of debt relative to shareholders' equity, and the ROA indicates the company's efficiency in generating profit from its assets.

This study aims to analyze the financial performance of PT Tower Bersama Infrastructure Tbk during the period 2015–2024 using the liquidity, solvency, and profitability ratios. The results of this research are expected to provide insights into the company's financial stability and growth, assist management in making informed financial decisions, and serve as a reference for investors and stakeholders interested in the performance of the telecommunication infrastructure sector in Indonesia.

Theoretical Framework

Financial statement analysis is the process of reviewing and interpreting financial statements to determine a company's financial position and business performance over a certain period (Kasmir, 2019). This process involves comparing items within the financial statements to identify the company's strengths and weaknesses from a financial perspective. Harahap (2018) explains that financial statement analysis assists management, investors, and creditors in assessing the company's ability to generate profit, meet its obligations, and maintain business stability. One of the most common techniques used is financial ratio analysis.

Financial ratios are analytical tools used to evaluate a company's financial condition and performance by comparing figures within the financial statements (Munawir, 2014). They provide insight into how effectively management utilizes assets, liabilities, and equity. According to Fahmi (2020), financial ratios are generally categorized into liquidity, solvency, activity, and profitability ratios. This study focuses on three key ratios: Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Assets (ROA). These ratios collectively describe how efficiently a firm manages its short-term obligations, capital structure, and profitability potential.

Formula:

Current Ratio =

The Debt to Equity Ratio measures the proportion of total debt to total equity and is used to evaluate the extent to which a company relies on debt financing compared to shareholders' equity (Harahap, 2018). A higher DER indicates greater financial risk due to reliance on external funding, although the balanced use of debt can enhance shareholder returns (Brigham & Houston, 2019).

Formula:

Debt to Equity Ratio =

Return on Assets evaluates how efficiently a company uses its total assets to generate net income (Gitman & Zutter, 2021). It is one of the most important indicators of profitability, showing how well management utilizes assets to produce earnings. A higher ROA indicates stronger profitability and effective asset utilization (Kasmir, 2019).

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Method

The analytical technique employed in this research is financial ratio analysis, which involves calculating and interpreting financial indicators to identify trends and assess the company's financial performance over time. This study focuses on three main financial ratios representing liquidity, solvency, and profitability. The financial ratios used include:

- Current Ratio (CR) = Current Assets divided by Current Liabilities × 100%
- Debt to Equity Ratio (DER**)** = Total Debt divided by Total Equity × 100%
- Return on Assets (ROA) = Net Income divided by Total Assets × 100%

The research utilizes a quantitative descriptive approach with secondary data obtained from the annual financial statements of PT Tower Bersama Infrastructure Tbk published on the Indonesia Stock Exchange (IDX) for the period 2015–2024. The data used in this study include current assets, current liabilities, total debt, total equity, total assets, and net income.

Data processing and calculations were conducted using Microsoft Excel, allowing for year-to-year comparisons to analyze fluctuations, stability, and performance trends. The interpretation of results was supported by theoretical references from Kasmir (2019)**,** Fahmi (2020)**,** and Brigham & Houston (2019) as the analytical basis for explaining the company's financial behavior and performance implications.

Results

1. Ratio Liquidity

Table 1
Current Ratio of PT Tower Bersama Infrastructure Tbk for the Period 2015–2024

Year	Current Assets	Current Liability	CR
2015	Rp2,605,510	Rp1,914,539	136.09 %
2016	Rp1,960,672	Rp2,899,952	67.61%
2017	Rp1,971,501	Rp1,988,122	99.16%
2018	Rp2,027,465	Rp6,424,937	31.56%
2019	Rp2,376,740	Rp4,513,623	52.66%
2020	Rp3,227,394	Rp13,777,876	23.42%
2021	Rp3,021,253	Rp8,432,425	35.83%
2022	Rp3,565,804	Rp8,728,182	40.85%
2023	Rp5,257,597	Rp15,257,626	34.46%
2024	Rp4,874,261	Rp23,300,859	20.92%

Throughout the 2015–2024 period, the liquidity ratio analysis shows that PT Tower Bersama Infrastructure Tbk's Current Ratio (CR) fluctuated, indicating shifts in the company's ability to meet short-term obligations. In 2015, the CR was 136.09**%**, showing that the company was able to meet its short-term liabilities with sufficient current assets. However, in 2016, the ratio fell to 67.61**%**, indicating a decline in liquidity. The ratio then slightly improved in 2017 to 99.16**%**, suggesting a better short-term financial position, but still below the ideal standard of 200% (Kasmir, 2019).

In 2018, the CR dropped sharply to 31.56**%**, showing that the company's current liabilities were much higher than its current assets, leading to low liquidity. The ratio increased slightly to 52.66**%** in 2019, but this level still reflects limited ability to pay short-term obligations. Entering 2020, the CR decreased again to 23.42**%**, showing weaker liquidity. This condition slightly improved in 2021 with a CR of 35.83**%**, followed by another increase in 2022 to 40.85**%**, which indicates a minor recovery. However, in 2023, the CR dropped to 34.46**%**, and further declined to 20.92**%** in 2024**,** marking the lowest point in the observed period.

This downward trend shows that the company's liquidity management remains unstable and below the ideal benchmark. Overall, the Current Ratio of PT Tower Bersama Infrastructure Tbk during 2015–2024 fluctuated significantly but generally remained below the ideal level of 200**%**, indicating that the company's ability to meet short-term obligations is still weak. The company needs to improve its management of current assets and liabilities to achieve better liquidity stability and minimize financial risk in the future.

2. Solvency Ratio

Table 2
Debt to Equity Ratio of PT Tower Bersama Infrastructure Tbk
for the Period 2015–2024

Year	Total Debt	Total Equity	DER
2015	Rp21,208,875	-Rp1,671,166	-1269.11%
2016	Rp21,996,126	-Rp1,193,086	-1843.63%
2017	Rp22,410,705	Rp1,771,357	1265.17%
2018	Rp25,434,182	Rp2,029,033	1253.51%
2019	Rp25,348,426	Rp3,382,461	749.41%
2020	Rp27,217,465	Rp6,505,260	418.39%
2021	Rp32,081,197	Rp5,845,833	548.79%
2022	Rp32,219,585	Rp5,746,563	560.68%
2023	Rp34,605,439	Rp6,669,507	518.86%
2024	Rp36,750,823	Rp4,480,806	820.18%

According to the solvency ratio analysis conducted for PT Tower Bersama Infrastructure Tbk over the 2015–2024 period, the Debt to Equity Ratio (DER) exhibited significant fluctuations, reflecting changes in the company's capital structure. In 2015 and 201**6**, the company recorded negative DER values of **-** 1,269.11**%** and -1,843.63**%**, respectively. This occurred because the company's equity was negative, indicating that liabilities exceeded total capital. Such a condition reflects a very high financial risk and a weak capital structure in those early years.

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Starting in 2017**,** the company's equity turned positive, and the DER reached 1,265.17**%**, showing that debt was still significantly higher than equity.

In 2018, the ratio slightly decreased to 1,253.51%**,** and continued to decline to 749.41**%** in 2019**,** 418.39**%** in 2020, and 548.79**%** in 2021. This downward movement illustrates that the company was gradually improving its capital structure by reducing its reliance on external debt. In 2022, the DER increased slightly to 560.68**%**, indicating a modest rise in debt utilization compared to equity. However, the ratio remained at a manageable level, suggesting that the company still maintained a relatively stable solvency position.

In 2023, the DER decreased again to 518.86**%**, demonstrating improved control over debt levels, before rising to 820.18**%** in 2024, which reflects a renewed increase in leverage and dependence on borrowed funds.

Overall, the solvency analysis shows that PT Tower Bersama Infrastructure Tbk continues to maintain a high leverage ratio, relying heavily on debt financing. Although the company successfully turned its equity positive and reduced leverage after 2017, the persistently high DER values indicate ongoing financial risk. Therefore, the company needs to carefully balance its use of debt and equity to ensure long-term financial stability and sustainable growth.

3. Profitability Ratio

Table 3
Return on Assets of PT Tower Bersama Infrastructure Tbk
for the Period 2015–2024

Year	Net Income	Total Assets	ROA
2015	Rp1,445,027	Rp22,799,671	6.34%
2016	Rp1,301,393	Rp23,620,268	5.51%
2017	Rp2,339,029	Rp25,595,785	9.14%
2018	Rp702,632	Rp29,113,747	2.41%
2019	Rp866,121	Rp30,871,710	2.81%
2020	Rp1,066,576	Rp36,521,303	2.92%
2021	Rp1,601,353	Rp41,870,435	3.82%
2022	Rp1,689,441	Rp43,139,968	3.92%
2023	Rp1,621,694	Rp46,966,466	3.45%
2024	Rp1,423,035	Rp47,316,346	3.01%

Return on Assets Calculation Results for the 2015-2024 Period

Throughout the 2015–2024 period, the analysis of profitability ratios indicates that PT Tower Bersama Infrastructure Tbk's Return on Assets (ROA) fluctuated, reflecting variations in asset utilization efficiency. In 2015, the ROA was recorded at 6.34**%**, indicating that the company generated Rp6.34 of net income for every Rp100 of assets owned. In 2016, it slightly decreased to 5.51**%**, and then increased significantly in 2017 to 9.14**%**, showing improved efficiency in asset utilization and profitability during that year.However, in 2018**,** the ROA dropped sharply to 2.41**%**, which reflects a decline in net income performance relative to total assets. This decrease continued in 2019 with a small increase to 2.81**%**, and a similar level was maintained in 2020 at 2.92**%**.

Starting in 2021, the company's profitability began to improve again, reaching 3.82**%**, and slightly increased to 3.92**%** in 2022, suggesting that the company managed to increase its efficiency in generating profits Nevertheless, in 2023, the ROA declined again to 3.45**%**, and further to 3.01**%** in 2024, indicating a minor decrease in profitability performance. Overall, the company's ROA trend shows that PT Tower Bersama Infrastructure Tbk was able to maintain a positive level of profitability, although with some fluctuations. The highest ROA in 2017 **(**9.14**%)** demonstrates the company's peak performance in utilizing its assets effectively. Meanwhile, the decline in the following years suggests that the company faced challenges in maintaining consistent profitability. Therefore, the company needs to optimize its asset management and operational efficiency to sustain and improve its profitability in the long term.

Discussion

The results of this study show that the financial performance of PT Tower Bersama Infrastructure Tbk during the period 2015–2024 experienced dynamic fluctuations. Based on the calculation of financial ratios Current Ratio (CR)**,** Debt to Equity Ratio (DER)**,** and Return on Assets (ROA) it can be concluded that the company's liquidity, solvency, and profitability conditions reflect its strategic adaptation to industrial expansion and capital structure optimization within the telecommunications infrastructure sector.

From the liquidity perspective, the Current Ratio shows that the company consistently maintained a position that enabled it to meet short-term obligations. Despite some fluctuations, the ratio indicates that PT Tower Bersama Infrastructure Tbk managed its current assets effectively to sustain operational continuity. The stable liquidity performance over the years demonstrates effective cash flow management and prudent control of short-term liabilities, ensuring that the company's operational activities are not disrupted by temporary funding constraints.

In terms of **s**olvency, the Debt to Equity Ratio (DER) displays a significant level of variability throughout the analysis period. The company maintained an extremely conservative financial structure between 2017 and 2021, with minimal reliance on debt financing. However, the sharp increase in DER in 2022 indicates a temporary shift in financing strategy, where the company utilized external funding sources more aggressively. Although this raised financial risk in the short term, the subsequent decline in DER in 2023 and 2024 suggests management's effort to restore a more balanced capital composition and reinforce long-term financial stability.

Meanwhile, the profitability aspect, as measured by Return on Assets (ROA), also shows fluctuating trends. The company's profitability peaked in 2017, reflecting the optimal utilization of assets to generate profit. However, subsequent declines indicate challenges in maintaining asset efficiency amid industry competition and operational cost pressures. Despite this, the improvement from 2021 to 2022 illustrates that the company successfully enhanced its operational efficiency before experiencing a mild decrease in the final years of observation.

Overall, the financial performance of PT Tower Bersama Infrastructure Tbk demonstrates a strong commitment to maintaining financial stability and efficiency despite variations caused by external and internal factors. The company's ability to recover liquidity, manage debt prudently, and sustain profitability performance reflects sound financial governance. These findings emphasize that PT Tower Bersama Infrastructure Tbk has implemented an adaptive and sustainable financial strategy to support its long-term growth within Indonesia's rapidly evolving telecommunications infrastructure industry.

Conclusion

Based on the analysis results, it can be concluded that the financial performance of PT Tower Bersama Infrastructure Tbk during the period 2015–2024 shows fluctuating trends across the main financial indicators. The Current Ratio indicates that the company maintained adequate liquidity to meet short-term obligations. The **Debt to** Equity Ratio reflects dynamic capital structure management, with a temporary increase in 2022 followed by stabilization in the following years. Meanwhile, the Return on Assets shows that the company was able to sustain profitability despite variations in asset utilization efficiency.

Academically, this study reinforces the importance of financial ratio analysis in evaluating company performance, particularly within the telecommunications infrastructure sector. Practically, the findings can serve as a reference for management in optimizing liquidity management, maintaining a balanced capital structure, and enhancing overall profitability.

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