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FINANCIAL PERFORMANCE EVALUATION OF PT BARITO PACIFIC TBK FOR THE PERIOD 2020-2024 AS SEEN FROM SOLVENCY RATIOS (DAR, DER, ER, LTDAR, AND LTDER)

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Abstract

This study was conducted to assess the financial performance of PT Barito Pacific Tbk (BRPT) over the last five years, from 2020 to 2024, through an analysis of solvency ratios, including the Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER), Equity Ratio (ER), Long-Term Debt to Asset Ratio (LTDAR), and Long-Term Debt to Equity Ratio (LTDER). The evaluation results are expected to contribute, either directly or indirectly, as consideration for potential investors in making investment decisions regarding BRPT shares. The research data was obtained from annual financial reports published on the company's official website and the Indonesian Stock Exchange. The research method employed in this study is a descriptive approach with a quantitative orientation. The evaluation results show that BRPT has a relatively high level of solvency, but with an improving trend in several long-term ratios. This condition reflects a stable capital structure and the company's ability to manage external funding efficiently.

Keywords: Financial Performance, Debt to Asset Ratio, Debt to Equity Ratio, *Equity Ratio*, *Long-Term Debt to Equity Ratio*, *Long-Term Debt to Asset Ratio*.

Introduction

The petrochemical industry is one of the key sectors that plays a strategic role in supporting both the global and national economies. This sector plays an important role in providing raw materials for various manufacturing industries, but on the other hand, it faces significant challenges. One of the main challenges is dependence on petroleum raw materials, whose prices are highly volatile, directly affecting production costs and company profitability. In addition, increasing environmental regulations require companies to innovate in reducing emissions and hazardous waste. Increasingly fierce global competition with foreign producers using more efficient and lower-cost technologies adds to the complexity of this industry. As technology advances, various innovations such as the use of advanced catalysts, energy efficiency, and the application of environmentally friendly chemical processes are being adopted by many petrochemical companies. The trend towards a green economy is also driving the development of bio-based alternative raw materials and increased plastic recycling practices. Digitalization and automation are further strengthening operational effectiveness and production efficiency in this industry.

PT Barito Pacific Tbk (BRPT) is one of Indonesia's leading public companies, playing an important role in the energy, petrochemical, and property sectors. Founded on April 4, 1979, under the name PT Bumi Raya Pura Mas Kalimantan, the company began commercial operations in 1983 and is headquartered in Jakarta. As part of the *basic materials* sector on the Indonesia Stock Exchange, BRPT is committed to becoming a sustainable energy and natural resources company that provides added value to its stakeholders. BRPT's development over the past few years has attracted the attention of many parties, especially potential investors who are considering long-term investment opportunities.

According to Tandelilin (2010), the main objective of investment is to obtain optimal *returns* while considering the appropriate level of risk. In this context, financial ratio analysis becomes a key tool in evaluating the condition and prospects of a company. Financial performance describes a company's ability to generate profits, manage assets and liabilities, and maintain a balanced capital structure (Rahmawati et al., 2021). Companies with good financial performance tend to attract investors more easily, as healthy financial statements reflect efficient financial management and stable business prospects. Financial reports themselves serve as a means of communication between management and external parties, presenting historical and comprehensive information about the company's financial position. According to Brigham et al., financial statement analysis is conducted through financial ratios to identify the relative strengths and weaknesses of a company, both in comparison to similar industries and to assess the development of financial conditions over time.

Table 1. Financial Data of PT Barito Pacific Tbk for the Years 2020-2021 (in thousand USD)

Year	Total Liabilities	Total Equity	Total Assets	Total Long-Term Liabilities
2020	4.732.198	2.950.961	7.683.159	3.632.662
2021	4.969.669	4.271.882	9.241.551	3.836.819
2022	5.526.357	3.721.897	9.248.254	4.747.728
2023	6.037.737	4.111.929	10.149.666	4.900.240
2024	6.344.579	4.187.985	10.532.564	4.910.626

Source: Processed Data (2025)

Based on Table 1, it can be seen that the total assets and liabilities of PT Barito Pacific Tbk show an upward trend during the 2020–2024 period. The increase in total liabilities, which is relatively in line with asset growth, indicates the company's expansion efforts supported by external funding. On the other hand, fluctuations in equity value reflect changes in the capital structure that could potentially affect the company's solvency. This condition raises questions about the extent to which the company is able to maintain a sound financial structure and balance the use of debt and equity in the long term.

One important aspect of financial statement analysis is the solvency ratio, which describes a company's ability to meet its long-term obligations. This ratio is a key indicator in assessing a company's financial stability, especially in the face of economic fluctuations and external pressures. Hery (2018) Emphasizes that the solvency ratio affects a company's level of risk and long-term financial sustainability. However, research on solvency ratios in the petrochemical sector in Indonesia is still limited, especially in the period after the COVID-19 pandemic, which has had a major impact on the financial stability of the industry.

Based on this background, this study aims to evaluate the financial performance of PT Barito Pacific Tbk during the 2020–2024 period using solvency ratio analysis consisting of Debt to Asset Ratio (DAR), Debt to Equity Ratio (DER), Equity Ratio (ER), Long-Term Debt to Asset Ratio (LTDAR), and Long-Term Debt to Equity Ratio (LTDER). Through this analysis, it is expected that a comprehensive picture of BRPT's solvency and financial health during the research period can be obtained, as well as providing input for management and investors in making strategic decisions in the future.

Theoretical Framework

Financial statement analysis is the process of assessing a company's financial condition based on available financial data. Kasmir (2018) explains that financial statement analysis is conducted to assess financial position and performance and identify areas for improvement. According to Munawir (2002), financial ratio analysis helps stakeholders evaluate the strengths and weaknesses of a company quantitatively. Through this analysis, management and external parties such as investors can compare performance results between periods, thereby obtaining an overview of the company's development over time. These ratios help stakeholders understand the extent to which the company is able to manage its assets, liabilities, and capital to achieve optimal performance.

Financial performance is evaluated to determine the extent to which that performance has been successful in achieving a specific goal. There are two aspects that are often used in calculating performance, namely effectiveness and efficiency. Effectiveness reflects the relationship between output and a specific goal, while efficiency describes the relationship between input and output.

The solvency ratio indicates a company's ability to meet its long-term obligations. Kasmir (2013) states that the solvency ratio measures the extent to which a company's assets are financed by debt. Husnan and Pudjiastuti (2004) add that solvency describes a company's ability to pay off its obligations when liquidated. (Agus Sartono, 2001:120) There are three types of dimensions commonly used in the use of debt, namely:

1. Creditors will usually prioritize the amount of collateral provided for the credit.
2. With debt issued by a company, the company will easily obtain profits, thereby increasing its profits.
3. With debt, owners will also gain control over their company and will not lose that control.

Thus, solvency is defined as the ability of a company to pay all its debts (both short-term and long-term). The higher the solvency ratio, the greater the dependence on external financing, thereby increasing financial risk. The types of ratios used in this study include:

1. Debt to Asset Ratio (DAR)

The Debt to Asset Ratio measures the proportion of a company's assets that come from debt financing. According to Adelia & Oktafia (2022) This ratio is calculated by comparing total debt to total assets. If the DAR value reaches 100%, this indicates that all of the company's assets are financed by debt. The higher the DAR ratio, the greater the financial risk because the company becomes highly dependent on borrowed funds. The formula for calculating the debt-to-assets ratio is as follows:

$$Debt\ to\ Asset\ Ratio = \frac{Total\ Liabilities}{Total\ Asset}\ x\ 100\%$$

2. Debt to Equity Ratio (DER)

The Debt to Equity Ratio shows the ratio between a company's total debt and total equity. Ross et al. (2021) state that this ratio illustrates the extent to which a company uses debt to finance its operations and investments compared to its own capital. The higher the DER ratio, the lower the equity financing provided by shareholders. The formula for calculating the debt-to-equity ratio is as follows:

$$Debt\ to\ Equity\ Ratio = \frac{Total\ Liabilities}{Total\ Equity}\ x\ 100\%$$

3. Equity Ratio (ER)

The Equity Ratio is used to measure the extent to which a company's total assets are financed by its own capital. This ratio shows the extent to which a company is able to cover all of its liabilities with its own capital, making it an indicator of security for creditors and investors. The higher *the ER,* the less dependent the company is on external parties, which means the better the company's financial position. However, if this ratio is too low (below 50%), the company is categorized as unhealthy because most of its financing comes from debt. The formula for calculating the equity ratio is as follows:

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$$Equity\ Ratio = \frac{Total\ Equity}{Total\ Assets}\ x\ 100\%$$

4. Long-Term Debt to Asset Ratio (LTDAR)
The Long-Term Debt to Asset Ratio describes the extent to which a company's total assets are financed by long-term debt. According to Arsita (2021), this ratio provides information about a company's dependence on long-term financing. A high ratio indicates that most of the company's assets come from external funding, thus posing greater financial risk in the event of economic changes. The formula for calculating the long-term debt to assets ratio is as follows:

$$Long - Term\ Debt\ to\ Asset\ Ratio = \frac{Long - Term\ Liabilities}{Total\ Asssets}\ x\ 100\%$$

5. Long-Term Debt to Equity Ratio (LTDER)
The Long-Term Debt to Equity Ratio is used to assess the ability of a company's equity to secure long-term debt. According to Urifah et al., this ratio is the comparison between total long-term debt and total equity. Liando (2021) States that the higher the LTDER value, the greater the company's ability to use its own capital to cover its long-term liabilities. The industry average standard for this ratio is around 10% (Arsita, 2021). The formula for calculating the long-term debt to equity ratio is as follows:

$$Long - Term\ Debt\ to\ Equity\ Ratio = \frac{Long - Term\ Liabilities}{Total\ Assets}\ x\ 100\%$$

According to Sartono (2001) There are three important dimensions to consider in a company's use of debt. First, creditors will consider the amount of collateral provided for the loan. Second, the use of debt can provide a leverage effect that has the potential to increase the company's profits. Third, through debt-based financing, company owners can maintain control over their companies without having to relinquish ownership of shares.

Based on this view, the use of debt has both benefits and risks. Therefore, the solvency ratio is an important tool in evaluating the balance between equity and debt, thereby indicating the level of financial health and the company's ability to maintain long-term stability.

Method
This study uses a descriptive method with a quantitative approach. The data used is secondary data in the form of PT Barito Pacific Tbk's financial reports for the 2020–2024 period. A quantitative approach is used because this study focuses on the processing and analysis of numerical data obtained from the company's annual financial reports. According to (Arikunto, 2006) Quantitative research focuses on numerical data that can be measured objectively to describe or explain a phenomenon. Furthermore, (Sugiyono, 2013) Explains that the quantitative descriptive method is

based on a positivistic paradigm, which aims to analyze a specific population or sample through data collection using research instruments.

The type of data used is secondary data, which is data obtained indirectly from official documents. The data was taken from the consolidated financial statements of PT Barito Pacific Tbk for 2020–2024, which were published on the company's official website. The data components used include:

1. Total Assets
2. Total Liabilities (Debt)
3. Total Equity
4. Long-Term Debt

This study does not examine cause-and-effect relationships, but focuses on evaluating the company's solvency level in relation to its capital structure and ability to meet long-term obligations.

Results

The financial reports used by the researchers were the annual consolidated financial reports of PT Barito Pacific Tbk, including the balance sheet, liability report, equity/capital report, and income statement (Annual Report) from 2020 to 2024. From this data, the researcher then conducted a quantitative analysis focused on solvency ratios (DAR, DER, ER, LTDAR, LTDER) to assess the financial performance of PT Barito Pacific Tbk. The results of the financial performance analysis of PT Barito Pacific Tbk for the 2020-2024 period are presented below.

Table 2. Debt to Assets Ratio Results of PT Barito Pacific, 2020-2024 (in thousand USD)

Year	2020	2021	2022	2023	2024
Total Liabilities	4.732.198	4.969.669	5.526.357	6.037.737	6.344.579
Total Assets	7.683.159	9.241.551	9.248.254	10.149.666	10.532.564
	61,59%	53,78%	59,76%	59,49%	60,24%
Industry Standard	≤40%	≤40%	≤40%	≤40%	≤40%

Source: Processed Data (2025)

The DAR calculation results show values of 61%, 54%, 59%, 59%, and 60%, which means they are above the industry standard (≤40%). A high DAR value indicates that most of the company's assets are financed by debt. In other words, approximately half of the company's total assets come from external financing. This condition indicates that the company has a relatively high financial risk in the event of a decline in profits or income. However, the stable DAR value from year to year shows that the company remains consistent in maintaining its funding structure and its ability to maintain an asset structure that is proportional to its debt.

Table 3. Debt to Equity Ratio Results of PT Barito Pacific, 2020-2024 (in thousand USD)

Year	2020	2021	2022	2023	2024
Total Liabilities	4.732.198	4.969.669	5.526.357	6.037.737	6.344.579
Total Equity	2.950.961	4.271.882	3.721.897	4.111.929	4.187.985
	160,36%	116,33%	148,48%	146,83%	151,49%
Industry Standard	≤90%	≤90%	≤90%	≤90%	≤90%

Source: Processed Data (2025)

The DER value of PT Barito Pacific Tbk is in the range of 116–160%, well above the industry standard of ≤ 90%. According to Kasmir (2019), a high DER indicates a high dependence on debt. However, the stability of the ratio over five years indicates that the company can maintain the proportion of debt to capital within controlled limits. A high DER may also reflect the company's strategy to use *leverage* for business expansion, as explained by Sartono (2001), that debt can increase profits if used productively.

Table 4. Equity Ratio Results of PT Barito Pacific, 2020-2024 (in thousand USD)

Year	2020	2021	2022	2023	2024
Total Equity	2.950.961	4.271.882	3.721.897	4.111.929	4.187.985
Total Assets	7.683.159	9.241.551	9.248.254	10.149.666	10.532.564
	38,41%	46,22%	40,24%	40,51%	39,76%

Source: Processed Data (2025)

The ER ratio is in the range of 38–46%, below the ideal standard of ≥ 50%. This indicates that the company is still heavily dependent on external financing rather than its own capital. However, the stability of the ER shows that the company is able to maintain an internal capital contribution of around 40% of total assets. According to Riyanto (2015), an ER close to 50% indicates a fairly good level of security for creditors because equity is still able to cover most of the liabilities.

Table 5. Long-Term Debt to Assets Ratio Results of PT Barito Pacific, 2020-2024 (in thousand USD)

Year	2020	2021	2022	2023	2024
Total Long-Term Liabilities	3.632.662	3.836.819	4.747.728	4.900.240	4.910.626
Total Assets	7.683.159	9.241.551	9.248.254	10.149.666	10.532.564
	47,28%	41,52%	51,34%	48,28%	46,62%
Industry Standard	≤ 10%	≤ 10%	≤ 10%	≤ 10%	≤ 10%

Source: Processed Data (2025)

The LTDAR value is in the range of 46–52%, still above the standard of ≤ 10%. This means that nearly half of the assets are financed by long-term debt. However, the downward trend from 52% (2021) to 46% (2024) illustrates a positive step in reducing the proportion of long-term debt to total assets. In other words, PT Barito Pacific Tbk has demonstrated its ability to improve its capital structure to make it healthier and more sustainable.

Table 6. Long-Term Debt to Equity Ratio Results of PT Barito Pacific, 2020-2024 (in thousand USD)

Year	2020	2021	2022	2023	2024
Total Long-Term Liabilities	3.632.662	3.836.819	4.747.728	4.900.240	4.910.626
Total Equity	2.950.961	4.271.882	3.721.897	4.111.929	4.187.985
	123,10%	89,82%	127,56%	119,17%	117,26%
Industry Standard	>10%	>10%	>10%	>10%	>10%

Source: Processed Data (2025)

The LTDER value ranges from 117–195%, well above the industry average of ≤ 10%. This condition indicates a high dependence on long-term debt. However, the downward trend from 195% (2021) to 117% (2024) shows that there have been efforts to improve this situation. The company appears to be trying to reduce its long-term debt and increase the use of equity as a source of financing. Thus, this condition reflects that the company has managed its long-term funding more efficiently and is not entirely dependent on loans.

Discussion

Based on the results, PT Barito Pacific Tbk showed that the company's solvency ratio during the 2020–2024 period was relatively high, but stable, and showed gradual improvement in several long-term ratios. This condition reflects that although the company is still highly dependent on external funding, management can maintain the capital structure within controlled limits and strives to reduce financial risk from year to year.

Theoretically, according to Kasmir (2019), a high solvency ratio indicates a high dependence on external financing, which has the potential to increase financial risk if not balanced with efficient use of debt. However, the results of this study show that PT Barito Pacific Tbk can maintain this balance. High but stable DAR and DER values indicate the company's ability to utilize debt as a leverage tool to expand business activities without compromising its ability to pay long-term obligations. This is in line with Sartono's (2001) theory, which explains that the efficient use of debt can increase company profits through *the leverage effect*.

The downward trend in LTDAR and LTDER ratios from 2021 to 2024 reinforces the indication that the company has begun restructuring its financing to improve its capital structure. According to Brigham and Houston (2011), a decrease in the long-term debt ratio indicates an increase in the efficiency of equity utilization and the

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company's ability to reduce its dependence on external loans. This means that PT Barito Pacific Tbk is showing a healthier direction in its solvency management.

The findings in this study differ from the results of previous studies on PT Garuda Indonesia for the period 2017–2020, which also examined the solvency ratio as a financial performance indicator. In that study, the company's solvency ratio fluctuated greatly and showed extreme dependence on debt financing. This condition indicates an imbalance in the capital structure and difficulties in meeting long-term obligations, so that the company is considered inefficient in managing its solvency.

These differences in results are reasonable given the different characteristics of the industries. PT Barito Pacific Tbk operates in the petrochemical and energy sectors, which have large fixed asset structures and a long-term investment orientation, while PT Garuda Indonesia operates in the air transportation sector, which is more vulnerable to global economic fluctuations. Thus, the use of debt at BRPT tends to be strategic in nature to support long-term projects and expansion, while at Garuda Indonesia, it is used more to meet short-term operational needs.

In practical terms, the results of this study have implications for company management and investors. For management, it is important to continue to reduce the long-term debt ratio by improving operational efficiency and strengthening equity capital through retained earnings. Meanwhile, for investors, high DAR and DER ratios are indicators that investment risk is relatively high, but can provide attractive returns if the company can maintain stable profitability.

Thus, the results of this study contribute to the development of financial management theory, particularly in the context of managing the capital structure of industrial companies in Indonesia. However, this study has limitations because it only focuses on solvency ratios without a comprehensive analysis that describes the conditions of at and previously, which are more detailed. It is hoped that future researchers will complete the analysis of other ratios and add the latest period that is more complex, so that they can describe the fluctuations in ratios under the actual conditions of the company.

Conclusion

Based on the results of the solvency ratio analysis, it can be concluded that the financial performance of PT Barito Pacific Tbk during the 2020–2024 period is relatively stable but has a high level of solvency. The DAR and DER ratios indicate that the company is still heavily dependent on external financing, while the ER ratio shows the company's ability to maintain its own capital at around 40% of total assets. Meanwhile, the LTDAR and LTDER ratios show a downward trend, indicating an improvement in capital structure and a decrease in dependence on long-term debt.

Academically, this study contributes to the field of financial management by showing that solvency stability can be achieved even with a high proportion of corporate debt, as long as it is managed efficiently. Practically, these results can be used as a reference for management in designing optimal funding strategies and for investors in assessing the level of risk and investment prospects of a company.

For further research, it is recommended that the analysis be expanded by adding profitability and liquidity ratios, so as to provide a more comprehensive picture of the company's financial performance from various aspects.

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