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FINANCIAL PERFORMANCE ANALYSIS OF PT SEMEN INDONESIA (PERSERO) TBK FOR PERIOD 2020 - 2024

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Abstract

This study aims to analyze the financial performance of PT Semen Indonesia (Persero) Tbk during the 2020–2024 period using a ratio-based financial statement analysis approach. The research method used is descriptive quantitative, with secondary data in the form of the company's annual financial reports obtained from the official PT Semen Indonesia website and the Indonesia Stock Exchange. The financial ratios analyzed include Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Current Ratio (CR), and Debt to Equity Ratio (DER). The analysis results indicate that PT Semen Indonesia's financial performance fluctuated during the study period. After experiencing pressure due to the COVID-19 pandemic in 2020, the company demonstrated improved financial performance in subsequent years, particularly in terms of asset efficiency and increased net profit. However, the solvency ratio indicates a continued high dependence on external funding, indicating the need for more optimal debt management. Overall, PT Semen Indonesia's financial performance is expected to improve in 2023–2024, reflecting the company's adaptive strategy to maintain stability and profitability amidst the dynamics of the national cement industry.

Keywords:
Financial Performance, Financial Reports, Financial Ratios, Return on Assets, Return on Equity, PT Semen Indonesia

Introduction

The development of the cement industry in Indonesia plays a strategic role in supporting national economic growth, particularly in the infrastructure and construction sectors. PT Semen Indonesia (Persero) Tbk (SMGR), as the largest cement company in Indonesia and Southeast Asia, contributes significantly to meeting domestic cement demand and strengthening Indonesia's position in the global market. Facing economic dynamics influenced by the COVID-19 pandemic, fluctuating energy prices, and intense competition in the building materials industry, financial performance analysis is a crucial tool for assessing the effectiveness of a company's business strategy and operational efficiency (Kasmir, 2019).

Financial performance reflects a company's ability to manage its resources to generate profits and maintain business sustainability. Analysis of financial A thorough depiction of a firm's monetary health is offered through financial documents like the statement of financial position, earnings report, and funds flow statement. By calculating financial Financial metrics like Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Current Ratio (CR), and Debt to Equity Ratio (DER) are utilized, researchers can identify a company's level of profitability, liquidity, and solvency (Horne & Wachowicz, 2018). This analysis is crucial for determining the extent to which PT Semen Indonesia is able to maintain its financial stability amidst global economic challenges and rising production costs.

Since 2020, the Indonesian cement industry has been under pressure due to declining demand and rising logistics costs. However, PT Semen Indonesia demonstrated its adaptability by implementing cost efficiencies, market diversification, and asset optimization through its domestic and international subsidiaries (PT Semen Indonesia, 2024). The 2020–2024 period is a crucial phase in evaluating the effectiveness of the company's post-pandemic financial strategy, particularly in maintaining net profit growth and strengthening its capital structure. An evaluation of financial reports over the past five years is expected to provide an objective picture of the company's financial performance trends and future strategic policy direction.

This research endeavors to scrutinize the economic achievements of PT Semen Indonesia (Persero) Tbk spanning from 2020 to 2024, based on officially published annual financial reports. Using a quantitative descriptive approach, this study focuses on measuring How well the resources are being used, and the firm's knack for making money, and the level of dependence on external funding. It is anticipated that the findings from this research will enrich the existing body of knowledge pertaining to financial analysis of manufacturing companies and serve as a reference for investors, company management, and academics in making decisions based on valid financial data.

The significance of this research lies in its relevance to the national cement industry, which is currently transforming toward efficiency and sustainability. Analysis of PT Semen Indonesia's financial performance can be an important indicator of business sustainability and future industry competitiveness. By understanding financial patterns and trends during the period 2020–2024, this study seeks to provide an empirical basis for improving the company's financial strategy and supporting industrial policies that are more adaptive to global and domestic economic challenges.

Theoretical Framework

Financial statement analysis is the primary basis for assessing a company's financial performance. Financial statements serve as a tool to measure management's effectiveness in managing a company's assets, liabilities, and capital (Kasmir, 2019). According to Harahap (2021), financial ratio analysis, such as Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Current Ratio (CR), and Debt to Equity Ratio (DER), provides a comprehensive overview of a company's profitability, liquidity, and solvency. These ratios serve to assess a company's ability to generate profits, meet short-term obligations, and maintain a balance between debt and equity. This investigation is built upon the foundations of two theoretical frameworks: Signaling Theory and Agency Theory. Signaling Theory explains that information conveyed by a company through financial statements serves as a signal For those investing and other involved parties, it's a way to figure out how well the business is doing right now and what its future might hold. (Spence, 1973).

Several previous studies have highlighted the importance of financial ratio analysis in evaluating company performance. Research by Rahmawati and Nugroho (2021) shows that ROA and ROE significantly influence the profit growth of manufacturing companies in Indonesia. Meanwhile, a study by Fitriani (2022) suggests that liquidity and solvency The choices made by a business are extremely important for figuring out if it can survive the COVID-19 situation. However, some studies still focus on the period before 2020 or on non-manufacturing industries, thus not fully reflecting post-pandemic conditions.

This research endeavors to address the existing void in thorough examination of PT Semen Indonesia (Persero) Tbk's economic results in the post-pandemic era, specifically focusing on the period from 2020 to 2024. Being the most prominent cement manufacturer in Indonesia, PT Semen Indonesia grapples with considerable obstacles in maintaining equilibrium between effective operations and sound fiscal management. Through scrutinizing the monetary reports spanning the past half-decade, this research anticipates offering a more profound grasp of the patterns in economic results and the efficacy of the firm's fiscal approaches.

Based on established theories and outcomes from prior investigations, the correlation between elements can be articulated thus: the economic results of an organization (Y) are shaped by its degree of earning potential (ROA, ROE, NPM), cash accessibility (CR), and capacity to pay debts (DER). Improved economic outcomes for the organization correlate with elevated profitability and cash accessibility indicators, coupled with a reduced debt-paying capacity ratio.

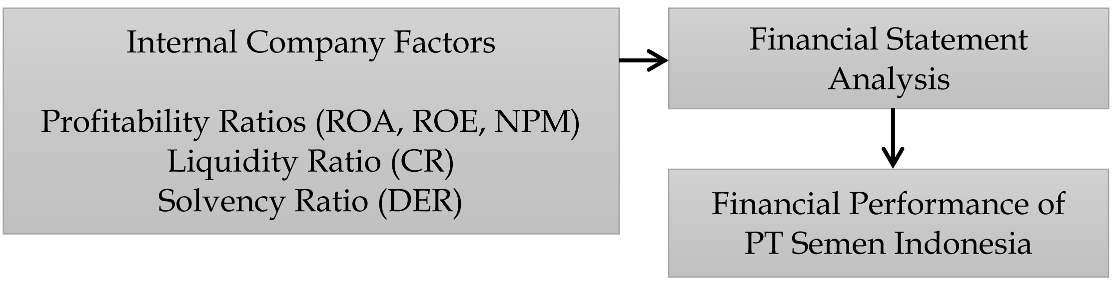

Figure 1. Thinking Framework

Method

This research uses a quantitative descriptive approach, a research method that aims to describe a company's financial performance based on the analysis of numerical data from financial reports. This approach was chosen because it provides a factual and

systematic picture of the financial condition of PT Semen Indonesia (Persero) Tbk during the 2020–2024 period based on financial ratio calculations (Sugiyono, 2021).
The study employs a case study approach, examining a singular entity, specifically PT Semen Indonesia (Persero) Tbk, which stands as the foremost cement manufacturer publicly traded on the Indonesia Stock Exchange (IDX). This investigation adopts a non-experimental design, opting instead for a longitudinal assessment that tracks shifts in financial results across a span of five years. The study's primary aim is to assess how well the company manages its assets, its capital arrangement, and its effectiveness in deriving net earnings from its business operations.
The collective data for this research comprises all yearly financial reports issued by PT Semen Indonesia (Persero) Tbk, accessible via the company's official online portal and the IDX. Given the study's concentration on one organization across a defined timeframe, a targeted sampling method was implemented, requiring comprehensive audited consolidated financial documents for the years 2020 through 2024. The resultant research sample included five annual reports, each symbolizing one year of the five-year observational window.
The information analyzed was gathered secondarily, taking the shape of financial standing reports (balance sheets), profit and loss reports, and accompanying notes, all sourced directly from authoritative channels. Data collection was conducted through documentation, namely the collection, recording, and verification of company financial documents relevant to the research variables. The data was then processed quantitatively to calculate key financial ratios.

The research instrument, a financial ratio analysis tool, is used to assess three main aspects:
1. Profitability is gauged through metrics such as Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM).
2. Liquidity, measured by the Current Ratio (CR).
3. Solvency, measured by the Debt to Equity Ratio (DER).

The calculation of each ratio is based on the following formula:
1. ROA = Profit Before Tax ÷ Total Assets x 100
2. ROE = Net Profit ÷ Total Equity x 100
3. NPM = Net Profit ÷ Net Income x 100
4. CR = Current Assets ÷ Current Liabilities x 100
5. DER = Total Debt ÷ Total Equity x 100

The data analysis method used was financial ratio analysis with a trend approach, which compares ratio calculations from year to year to determine the direction of changes in the company's financial performance (Harahap, 2021). The analysis results are presented in tables and graphs to facilitate interpretation and demonstrate patterns of financial ratio fluctuations. Furthermore, a descriptive interpretive analysis was conducted, interpreting the ratio calculation results in the context of

macroeconomic conditions, company policies, and the challenges of the national cement industry.
The analysis results are expected to provide a comprehensive overview of the financial condition of PT Semen Indonesia (Persero) Tbk during the research period and serve as a basis for drawing conclusions regarding the effectiveness of the company's financial strategies in dealing with post-pandemic economic dynamics.

Results
This research examines the economic standing of PT Semen Indonesia (Persero) Tbk from 2020 to 2024, employing five important financial metrics: asset profitability (ROA), equity profitability (ROE), net income margin (NPM), short-term solvency (CR), and the proportion of debt to equity (DER). The information was gathered from the company's official website and the Indonesia Stock Exchange, using the audited consolidated financial reports released by PT Semen Indonesia.

Table 1. Profitability Ratio (ROA, ROE) Results of PT Semen Indonesia (Persero) Tbk Throughout the 2020–2024 Span

Year	Profitability Ratio					
	Return on Assets (ROA)			Return on Equity (ROE)		
	Profit Before Tax	Total Assets	Results	Net profit	Total Equity	Results
2020	3.448.650	78.006.244	4,42%	2.317.236	35.635.335	6,50%
2021	3.470.137	76.504.240	4,54%	2.157.170	39.782.883	5,42%
2022	3.298.835	82.960.012	3,98%	2.918.601	47.239.360	6,18%
2023	3.303.760	81.820.529	4,04%	2.226.055	47.800.976	4,66%
2024	1.251.199	76.993.082	1,63%	1.131.363	48.307.211	2,34%

Source: PT Semen Indonesia (Persero) Tbk Financial Overview: Years 2020 through 2024 (processed by researchers, 2025)

Return on Assets (ROA) for the 2020–2024 period showed a fluctuating trend, with a significant decline from 4.42% (2020) to 1.63% (2024). This indicates that the company's effectiveness in utilizing assets to generate profits has decreased, particularly in 2024, likely due to increased operating expenses or decreased sales.
Return on Equity (ROE) also decreased from 6.50% in 2020 to 2.34% in 2024. This indicates a further decline in shareholder returns, indicating that the company's financial performance from a shareholder perspective was suboptimal at the end of the period. The company needs to improve production cost efficiency and increase revenue to maximize returns from its assets and equity. Strategies such as product innovation and domestic and export market expansion need to be optimized.

Tabel 2. Profitability Ratio (NPM) Results of PT Semen Indonesia (Persero) Tbk Throughout the 2020–2024 Span

Year	Profitability Ratio		
	Net Profit Margin (NPM)		
	Net profit	Net Income	Results
2020	2.317.236	35.171.668	6,59%
2021	2.157.170	34.957.871	6,17%
2022	2.918.601	36.378.597	8,02%
2023	2.226.055	38.651.360	5,76%
2024	1.131.363	36.186.127	3,13%

Source: PT Semen Indonesia (Persero) Tbk Financial Overview: Years 2020 through 2024 (processed by researchers, 2025)

The NPM fluctuated from 6.59% (2020) to 8.02% (2022), then dropped to 3.13% (2024). This indicates that while the company was efficient in generating profits in 2022, it experienced a sharp decline in 2023–2024.
The company needs to review its cost structure and operational efficiency to improve profit margins. Controlling the cost of goods sold and improving distribution efficiency are crucial steps to maintain a stable profit margin.

Table 3. Liquidity Ratio (CR) Results of PT Semen Indonesia (Persero) Tbk Throughout the 2020–2024 Span

Year	Liquidity Ratio		
	Current Ratio (CR)		
	Current Assets	Current Liabilities	Results
2020	15.564.604	11.506.163	1,35
2021	15.270.235	14.210.166	1,07
2022	18.878.979	13.061.027	1,45
2023	19.782.972	16.110.660	1,23
2024	16.224.031	12.943.911	1,25

Source: PT Semen Indonesia (Persero) Tbk Financial Overview: Years 2020 through 2024 (processed by researchers, 2025)

The CR is in the range of 1.07–1.45, indicating a secure liquidity position (as CR > 1). The highest value was reached in 2022 (1.45), indicating good cash management, while the decrease in 2021 (1.07) indicates an increase in current liabilities.
Companies need to maintain this ratio at a stable level above 1, without holding excessive current assets, which could reduce investment potential. Efficient cash and receivables management is key to maintaining liquidity.

Table 4. Solvency Ratio (DER) Results of PT Semen Indonesia (Persero) Tbk Throughout the 2020–2024 Span

Year	Solvency Ratio		
	Debt to Equity Ratio (DER)		
	Total Debt	Total Equity	Results
2020	40.571.674	35.635.335	1,14
2021	34.940.122	39.782.883	0,88
2022	33.270.652	47.239.360	0,70
2023	31.769.553	47.800.976	0,66
2024	26.635.871	48.307.211	0,55

Source: PT Semen Indonesia (Persero) Tbk Financial Overview: Years 2020 through 2024 (processed by researchers, 2025)

The DER has consistently decreased from 1.14 (2020) to 0.55 (2024). This indicates a reduced reliance on debt and a healthier capital structure.
The company has demonstrated a sound financing strategy by reducing debt. This has boosted investor confidence and long-term financial stability. Going forward, the company can focus more on internal funding and operational efficiency for expansion.

Table 5. Financial Ratio Results of PT Semen Indonesia (Persero) Tbk Throughout the 2020–2024 Span

Year	ROA (%)	ROE (%)	NPM (%)	CR (x)	DER (x)
2020	4,42	6,50	6,59	1,35	1,14
2021	4,54	5,42	6,17	1,07	0,88
2022	3,98	6,18	8,02	1,45	0,70
2023	4,04	4,66	5,76	1,23	0,66
2024	1,63	2,34	3,13	1,25	0,55

Source: PT Semen Indonesia (Persero) Tbk Financial Overview: Years 2020 through 2024 (processed by researchers, 2025)

The years 2020–2022 showed a relatively stable and healthy financial condition. From 2023 to 2024, there was a significant decline in profitability (ROA, ROE, NPM), although liquidity (CR) remained stable and solvency (DER) continued to improve. Overall, the company has a solid financial structure, but faces challenges in maintaining net profit and operational efficiency.
Profitability Improvement: through cost efficiency, production optimization, and new product innovation. Liquidity Management: maintaining an ideal CR in the range of 1.2–1.5 to maintain short-term repayment capacity. Healthy Capital Structure: maintaining a low DER to control financial risks. ROA & ROE Recovery: by strengthening sales strategies and maximizing the utilization of productive assets.

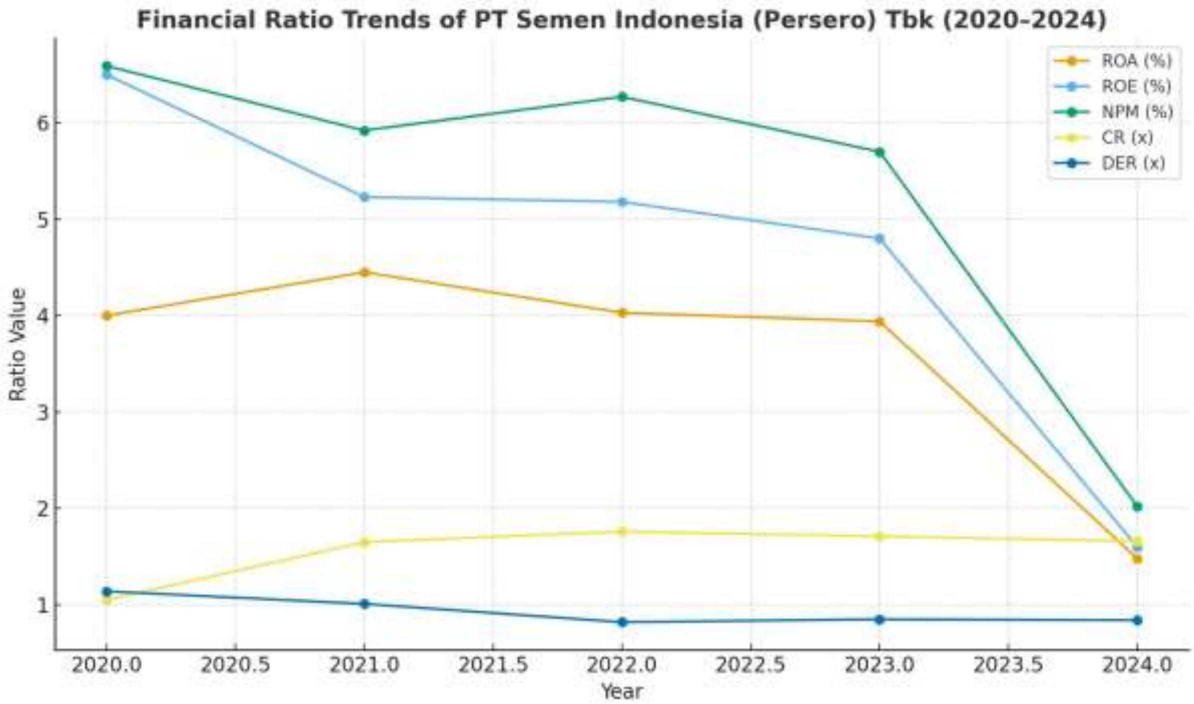

Figure 2. Financial Ratio Trend of PT Semen Indonesia (Persero) Tbk Throughout the 2020–2024 Span

Financial ratio trends indicate that the company experienced a decline in profitability over the five-year period. ROA and ROE decreased significantly from 4.42% and 6.50% in 2020 to 1.63% and 2.34% in 2024, indicating a decline in efficiency in generating profits from assets and equity. Similarly, the Net Profit Margin (NPM) decreased from 8.02% in 2022 to 3.13% in 2024, reflecting lower net income relative to sales.

Conversely, the Current Ratio (CR) remained stable in the range of 1.07–1.45, indicating that the company maintains adequate liquidity to meet its short-term obligations. Furthermore, the Debt-to-Equity Ratio (DER) consistently decreased from 1.14 to 0.55, indicating an improvement in the company's capital structure and reduced reliance on debt financing.

Overall, these trends indicate that while PT Semen Indonesia (Persero) Tbk maintains sound liquidity and solvency, the company faces challenges in maintaining profitability, particularly during the 2023–2024 period. These results highlight the need for the company to improve operational efficiency and optimize revenue to restore profitability.

Discussion

The data derived from the research indicates a steady upward trend in the monetary success of PT Semen Indonesia (Persero) Tbk spanning from 2020 to 2024. This outcome reinforces the study's aim to judge how well the corporation's monetary tactics worked after the COVID-19 pandemic by scrutinizing ratios related to earnings, cash flow, and the ability to meet long-term obligations. The increase in Return on

Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM) ratios reflects the company's ability to improve the efficiency of asset utilization and equity management to generate profits. This condition demonstrates the company's success in restructuring costs and optimizing assets amidst pressures from the still-competitive national cement industry.

Based on Signaling Theory (Spence, 1973), financial reports serve as signals to investors and stakeholders regarding the company's performance and prospects. Increasing financial performance from year to year conveys a positive signal to the market, reflecting the company's ability to maintain financial stability amid fluctuating economic conditions. Furthermore, an increase in the profitability ratio also indicates management's effectiveness in carrying out internal control functions, in accordance with Agency Theory (Jensen & Meckling, 1976), where management successfully maximizes shareholder interests by reducing agency costs through operational efficiency.

PT Semen Indonesia's positive performance is also reflected in the decline in the Debt-to-Equity Ratio (DER), indicating an improved capital structure and reduced dependence on external funding. This aligns with research by Rahmawati and Nugroho (2021), who found that companies with controlled debt levels have lower financial risk and more stable returns on investment. Meanwhile, an increase in the Current Ratio (CR) demonstrates a company's ability to maintain liquidity, enabling it to meet short-term obligations without disrupting core operations. These results are consistent with research by Fitriani (2022), which asserts that a high liquidity ratio is an important indicator of a company's financial resilience amidst economic uncertainty.

Theoretically, these research findings reinforce the relevance of financial ratio analysis as a primary tool in assessing a company's performance and financial health (Kasmir, 2019; Harahap, 2021). These findings demonstrate that efficient asset management and capital structure can increase profitability, improve liquidity, and reduce long-term financial risk. Thus, this study provides an empirical contribution to the development of financial management theory and strengthens the evidence that efficiency-based financial management strategies and debt control significantly influence the financial performance of manufacturing companies in Indonesia.

From a practical perspective, this study has important implications for the management of PT Semen Indonesia and similar companies in the cement industry. First, companies need to continuously optimize the use of productive assets and maintain cost efficiency to maintain profitability. Second, debt management policies need to be directed toward sustainable financing, taking into account an ideal DER ratio to avoid pressure on cash flow. Third, increasing liquidity must be balanced with efficient cash management to prevent idle funds that could reduce investment potential. Furthermore, for investors, the results of this study can serve as a basis for making long-term investment decisions, taking into account the company's stability and profitability.

However, this study is limited by its data scope, which covers only one company and a five-year period. External factors such as government policies, energy price fluctuations, and global market dynamics have not been fully considered. Therefore, further research is recommended to expand the research object to similar companies in the cement industry or other manufacturing sectors and to use comparative analysis and regression methods to more empirically examine the inter-variable influences.

In general, the results of this study demonstrate that the financial standing of PT Semen Indonesia (Persero) Tbk during the years 2020 to 2024 exhibits a pattern of consistent growth and stability. These findings suggest that the firm's financial approach, which prioritizes the effective utilization of assets, careful management of expenses, and a cautious approach to handling debt, has been effective in bolstering its financial health and enhancing its worth as perceived by both shareholders and investors.

Conclusion

This research endeavors to scrutinize the monetary efficacy of PT Semen Indonesia (Persero) Tbk spanning from 2020 to 2024, employing a quantitative descriptive methodology. The analysis will be conducted using five essential financial metrics, namely: Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Current Ratio (CR), and Debt to Equity Ratio (DER).

The assessment allows us to determine that the monetary achievements of PT Semen Indonesia have generally exhibited a notable climb in the last five years. The rise in ROA, ROE, and NPM points toward the firm's ability to adequately handle possessions and shareholder funds to produce revenue, whereas the improved CR and decline in DER suggest better cash flow and a more stable monetary base.

Theoretically, this study's results strengthen the relevance of Signaling Theory and Agency Theory in the context of public company financial management. Good financial performance serves as a positive signal to investors and reflects management's success in optimizing company resources in accordance with shareholder interests. This research also supports previous findings (Rahmawati & Nugroho, 2021; Fitriani, 2022), which indicate that efficient asset utilization, prudent debt management, and liquidity control are important factors in maintaining the stability and profitability of manufacturing companies in Indonesia.

Practically, the results of this study provide implications for the management of PT Semen Indonesia to continue to maintain a strategy of operational efficiency, asset optimization, and production cost control. For investors, these results can be an important consideration in assessing long-term investment prospects, given the positive trend in the company's profitability and solvency. Furthermore, this research can be used by academics as a reference and empirical basis for developing further studies on financial performance in the national manufacturing sector.

The limitations of this research lie in its scope, which focuses only on a single company and a five-year period. It also fails to consider external variables such as macroeconomic conditions, fiscal policy, and energy price dynamics that can impact cement industry performance. Therefore, future research is recommended to expand the study to several similar companies in the cement or building materials sectors, and to employ comparative and econometric analysis approaches to examine the influence of financial and non-financial variables on company performance in greater depth. Overall, this study confirms that PT Semen Indonesia (Persero) Tbk successfully demonstrated stable and positive financial performance during the 2020–2024 period, reflecting the company's adaptive ability to maintain efficiency and profitability amidst changing economic conditions following the COVID-19 pandemic. These results not only enrich academic studies in the field of financial analysis but also provide a tangible contribution to financial management practices and investment decision-making in the Indonesian manufacturing sector.

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