

## **Evaluation of PT HM Sampoerna Tbk's Financial Health through Financial Ratio Analysis: Implications for investors (2022 – 2023)**

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### **ABSTRACT**

This research aims to evaluate the financial health of PT HM Sampoerna Tbk through financial ratio analysis for the years 2022 and 2023, and its implications for investors. The methodology includes an analysis of liquidity ratios, asset management effectiveness, funding structure, and profitability. The analysis results indicate an increase in the current ratio from 1.69 in 2022 to 1.72 in 2023, reflecting improved liquidity. The debt ratio also decreased from 0.49 to 0.46, signaling a reduced reliance on debt and enhanced financial stability. Although the accounts receivable turnover and asset turnover ratios experienced slight declines, both remain efficient and in line with good industry standards. Meanwhile, the cash turnover ratio saw a significant increase from 10.53 to 38.80, indicating greater efficiency in cash management. In terms of profitability, the profit margin, ROA, and ROE increased to 6.95%, 14.58%, and 27.00%, respectively, reflecting the company's effectiveness in managing costs and assets. Overall, this analysis demonstrates improved financial performance, providing positive signals for investors and enhancing the long-term growth prospects of PT HM Sampoerna Tbk as an attractive investment option.

**Keyword:** PT HM Sampoerna Tbk , Financial health, Financial Ratio Analysis, Implications for investors

### **Evaluasi Kesehatan Keuangan PT HM Sampoerna Tbk Melalui Analisis Rasio Keuangan: Implikasi Bagi Investor (2022 – 2023)**

#### **Abstrak**

Penelitian ini bertujuan untuk mengevaluasi kesehatan keuangan PT HM Sampoerna Tbk melalui analisis rasio keuangan tahun 2022 dan 2023, serta implikasinya bagi investor. Metodologi yang digunakan meliputi analisis rasio likuiditas, efektivitas pengelolaan aset, struktur pendanaan, dan profitabilitas. Hasil analisis menunjukkan adanya peningkatan rasio lancar dari 1,69 pada tahun 2022 menjadi 1,72 pada tahun 2023, yang mencerminkan peningkatan likuiditas. Rasio utang juga menurun dari 0,49 menjadi 0,46, yang menandakan berkurangnya ketergantungan pada utang dan peningkatan stabilitas keuangan. Meskipun rasio perputaran piutang dan perputaran aset mengalami sedikit penurunan, keduanya tetap efisien dan sejalan dengan standar industri yang baik. Sementara itu, rasio perputaran kas mengalami peningkatan signifikan dari 10,53 menjadi 38,80, yang menunjukkan efisiensi yang lebih besar dalam pengelolaan kas. Dari sisi profitabilitas, margin laba, ROA, dan ROE masing-masing meningkat menjadi 6,95%, 14,58%, dan 27,00%, yang mencerminkan efektivitas perusahaan dalam mengelola biaya dan aset. Secara keseluruhan, analisis ini

menunjukkan peningkatan kinerja keuangan, memberikan sinyal positif bagi investor, dan meningkatkan prospek pertumbuhan jangka panjang PT HM Sampoerna Tbk sebagai pilihan investasi yang menarik.

**Kata Kunci:** PT HM Sampoerna Tbk, Kesehatan Keuangan, Analisis Rasio Keuangan, Implikasi bagi Investor

## INTRODUCTION

The financial health of a company serves as a key indicator used by investors to assess the potential and risks of their investments. A deep understanding of the company's financial performance, particularly in competitive sectors such as the tobacco industry, is essential to gain a strategic perspective on the company's potential and competitiveness. PT HM Sampoerna Tbk, as one of the major players in Indonesia's tobacco industry, occupies a significant strategic position in many investors' portfolios. Amid economic changes and increasing market competition, a thorough evaluation of the financial health of this company is more important than ever, especially to identify its impact on investment decisions. Financial ratio analysis is one of the commonly used methods in evaluating a company's financial health. According to Brigham and Ehrhardt (2019), this analysis helps measure aspects such as liquidity, solvency, efficiency, and profitability, all of which play vital roles in investment decision-making. In this study, several key ratios will be analyzed, including liquidity ratios, asset management effectiveness, funding structure, and profitability, to provide a comprehensive overview of PT HM Sampoerna Tbk's financial condition in 2022 and 2023.

The problem formulation in this study focuses on the main question: "How does PT HM Sampoerna Tbk's financial performance affect investment decisions?" This question arises from the need to

explore the relationship between the company's financial performance, measured through key financial ratios, and the decisions made by investors, especially in the face of the current market uncertainty. This research aims to evaluate the financial health of PT HM Sampoerna Tbk through financial ratio analysis, which can provide important information for investors. The specific objectives of this study include: (1) Identifying the financial health trends of the company over the past two years; (2) Providing insights into the efficiency of asset management and the company's funding structure; and (3) Offering recommendations that can support investment decisions based on the analysis results.

With increasing investor expectations for transparency and accountability in financial performance, this research aims to present relevant and timely information. Thus, this study not only seeks to provide an understanding of the current financial health but also to identify the long-term growth potential of PT HM Sampoerna Tbk as an attractive investment choice. The contribution of this research is expected to have a positive impact on stakeholders and strengthen the market as a whole.

## METHOD

This research adopts a quantitative approach with a descriptive study design. This approach is chosen because it allows for the collection and analysis of numerical data related to the financial health of PT HM Sampoerna Tbk, providing a clear and

measurable overview of the company's financial performance. The subject of this research is PT HM Sampoerna Tbk, a pioneer in the tobacco industry in Indonesia. The object of this research is the company's financial data, which includes information from annual reports and financial statements published for the years 2022 and 2023. This data is crucial for evaluating the company's financial health holistically. This research focuses on the period of financial data analysis for PT HM Sampoerna Tbk from January 2022 to December 2023. Although the research is not conducted at a specific physical location, the data used is taken from official and trustworthy digital sources. The company's annual reports and financial statements, which are the primary sources for this analysis, are downloaded from PT HM Sampoerna Tbk's official website and recognized financial information platforms. Thus, this research uses publicly available data to provide an accurate picture of the company's financial health during the specified period. The main instrument in this research is the annual financial reports of PT HM Sampoerna Tbk, which consist of the balance sheet, income statement, and cash flow statement. In addition, financial ratio analysis will be conducted using appropriate formulas to assess important aspects such as liquidity, solvency, efficiency, and profitability of the company. The sampling in this research is conducted using purposive sampling technique. In this context, the sample consists of the annual financial reports of PT HM Sampoerna Tbk for the years 2022 and 2023, which are sourced from

trustworthy digital platforms. The selection of these reports is based on their relevance and availability on the company's official website and recognized financial information platforms. The purposive sampling method ensures that the data used in the analysis is the most relevant for evaluating the company's financial health, thus providing valuable insights for investors. Data collection in this research is carried out through document analysis, focusing on the financial reports of PT HM Sampoerna Tbk accessed online. This process includes downloading annual reports, income statements, balance sheets, and cash flow statements from the company's official website as well as from other trusted sources. The data obtained includes essential information such as total assets, liabilities, revenues, and net income, all necessary for calculating financial ratios. With this systematic approach, the research ensures that the information analyzed is accurate, up-to-date, and relevant, providing a comprehensive picture of the company's financial health. By collecting data from legitimate sources, this research aims to present valuable analysis for investors and other stakeholders. The collected data will be analyzed using financial ratio analysis methods. Each ratio will be calculated based on the relevant formulas, and the results of the analysis will be compared with industry standards to assess the company's performance. Data interpretation will be conducted to draw conclusions about the financial health of PT HM Sampoerna Tbk and its implications for investors in the future.

## RESULTS AND DISCUSSION

### Liquidity Ratios

**Table 1: Liquidity Ratio Analysis Results of PT HM Sampoerna Tbk**

Ratio Type	2022	2023	Manufacturing Industry Standard
Current Ratio	1.69	1.72	1 - 2
Quick Ratio	0.94	0.90	1 - 2

*Source: Processed Data (2024)*

The Current Ratio is calculated by dividing total current assets by total current liabilities. The result for PT HM Sampoerna Tbk in 2022 is 1.69, meaning for every unit of current debt, the company has 1.69 units of current assets to meet its short-term obligations. In 2023, the ratio increased to 1.72, meaning for every unit of current debt, the company has 1.72 units of current assets to meet its short-term obligations. The increase in the current ratio from 1.69 in 2022 to 1.72 in 2023 indicates an improvement in the company's ability to meet short-term obligations. With a ratio within the industry standard range, the company demonstrates healthy liquidity and good financial management. Investors are advised to consider this performance ratio in their overall company evaluation and as a basis for more strategic investment

decisions. It will be crucial to monitor further developments in financial performance and market conditions to make informed investment decisions.

The Quick Ratio is calculated by subtracting inventory from current assets and dividing by current liabilities. The results for 2022 and 2023 are 0.94 and 0.90, respectively. The stable quick ratio of PT HM Sampoerna Tbk at 0.94 in both 2022 and 2023 indicates challenges in meeting short-term obligations without relying on inventory. With a ratio below the industry standard, investors are advised to proceed cautiously and conduct a thorough analysis of the company's cash flows and liquidity management strategies. Monitoring further developments in financial performance and market conditions will be vital for making sound investment decisions.

### Solvency Ratios

**Table 2: Solvency Ratio Analysis Results of PT HM Sampoerna Tbk**

Ratio Type	2022	2023	Manufacturing Industry Standard
Debt Ratio	0.49	0.46	0.3 - 0.5
Time Interest Earned (TIE)	20.01	14.76	5 - 10 times

*Source: Processed Data (2024)*

The Debt Ratio is calculated by dividing EBIT (Earnings Before Interest and Taxes) by interest. The Debt Ratio for PT HM Sampoerna Tbk is 0.49 in 2022 and 0.46 in 2023. The decrease in the debt ratio from 0.49 in 2022 to 0.46 in 2023 indicates positive progress in financial management. With the debt ratio within the industry standard range, the company shows a

healthy financial structure and lower risk. Investors are advised to consider this debt ratio performance in their overall evaluation of the company and use it as a basis for more strategic investment decisions. Monitoring further financial performance developments and market conditions will be crucial for making appropriate investment decisions.

The Time Interest Earned (TIE) ratio is calculated by dividing total debt by total assets. The result for PT HM Sampoerna Tbk in 2022 is 20.01, meaning the company has enough operating income to cover interest expenses 20 times. In 2023, the TIE ratio decreased to 14.76, meaning operating income can only cover interest expenses 14.76 times. The decrease in the TIE ratio from 20.01 in

2022 to 14.76 in 2023 indicates a reduction in the company's ability to meet interest obligations, though still above the industry standard. Investors are advised to monitor this trend and analyze factors affecting the company's operating income. Further monitoring of financial performance and market conditions will be important for determining the appropriate investment strategy.

### Asset Management Efficiency Ratios

**Table 3: Asset Management Efficiency Ratios (Activity Ratios)**

Ratio Type	2022	2023	Manufacturing Industry Standard
Receivable Turnover	35.36	33.11	6 - 12 times
Cash Turnover Ratio	10.53	38.80	4 - 12 times
Inventory Turnover Ratio	5.20	5.17	4 - 10 times
Fixed Asset Turnover	7.62	6.99	4 - 6 times

*Source: Processed Data (2024)*

The Receivable Turnover ratio is calculated by dividing sales by the average receivables, which is derived from the balance of the current year plus the previous year's balance, divided by two. The result for PT HM Sampoerna Tbk is 35.36 in 2022 and 33.11 in 2023. The slight decrease in the receivable turnover from 35.36 in 2022 to 33.11 in 2023 indicates very good efficiency in managing receivables, despite the drop. The ratio is well above the industry standard, showing the company's strong ability to collect receivables and generate cash flow. However, the decline should be noted, and investors should analyze factors affecting receivables collection. Monitoring financial performance and market conditions will be key to making informed investment decisions.

The Cash Turnover Ratio is calculated by dividing sales by the average cash or cash equivalents, which is the sum of the current year's balance and the previous year's balance divided by two. The result for PT HM Sampoerna Tbk is

10.53 in 2022 and 38.80 in 2023. The increase in the cash turnover ratio from 10.53 in 2022 to 38.80 in 2023 demonstrates excellent cash management and the company's ability to generate high revenues. The ratio is well above the industry standard, signaling strong performance and efficient financial management. This is a positive indicator for investors regarding the company's growth potential and financial stability. However, it's important to monitor factors that could influence this ratio to ensure investors make informed and strategic decisions.

The Inventory Turnover Ratio is calculated by dividing Cost of Goods Sold (COGS) by the average inventory, derived similarly to the cash ratio. The result for PT HM Sampoerna Tbk is 5.20 in 2022 and 5.17 in 2023. The slight decrease in inventory turnover from 5.20 in 2022 to 5.17 in 2023 indicates efficient inventory management. The ratio is within the industry standard range, showing the company's solid ability to manage

inventory and generate cash flow. Despite the slight decline, investors should consider this ratio as part of their overall financial analysis. Monitoring future performance and market conditions will be important for making strategic investment decisions.

The Fixed Asset Turnover Ratio is calculated by dividing Cost of Goods Sold by average fixed assets. The result for PT HM Sampoerna Tbk is 7.62 in 2022 and

6.99 in 2023. The decrease in fixed asset turnover from 7.62 in 2022 to 6.99 in 2023 suggests a slight decline in efficiency in using fixed assets, though still above the industry standard. Investors should analyze the factors contributing to this decline and consider the company's overall performance in their investment decisions. Monitoring financial performance and market conditions will be important for assessing the company's future prospects.

## Profitability Ratios

**Table 4: Profitability Ratio Analysis Results of PT HM Sampoerna Tbk**

Ratio Type	2022	2023	Manufacturing Industry Standard
Profit Margin	5.72%	6.95%	5% - 15%
Return On Assets (ROA)	11.54%	14.58%	5% - 10%
Return On Equity (ROE)	22.57%	27.00%	10% - 15%

*Source: Processed Data (2024)*

The Profit Margin is calculated by dividing net income by sales, then multiplying by 100. The result for PT HM Sampoerna Tbk is 5.72% in 2022 and 6.95% in 2023. The increase in profit margin from 5.72% in 2022 to 6.95% in 2023 indicates improved operational efficiency and cost management. With a profit margin above the industry standard, the company demonstrates strong competitiveness. Investors are advised to consider this factor when evaluating the company's performance and future investment potential. Monitoring profitability performance and market conditions will help investors make informed investment decisions.

The Return On Assets (ROA) is calculated by dividing net income by total assets, then multiplying by 100. The result for PT HM Sampoerna Tbk is 11.54% in 2022 and 14.58% in 2023. The increase in ROA from 11.54% in 2022 to 14.58% in 2023 shows improving efficiency in using assets to generate profits. With ROA significantly above the industry standard,

the company shows strong performance and high competitiveness. Investors should factor this performance into their overall company evaluation and as a basis for strategic investment decisions. Monitoring future financial performance and market conditions will be important for making the right investment choices.

The Return On Equity (ROE) is calculated by dividing net income by shareholders' equity, then multiplying by 100. The result for PT HM Sampoerna Tbk is 22.57% in 2022 and 27.00% in 2023. The increase in ROE from 22.57% in 2022 to 27.00% in 2023 indicates improving efficiency in using equity to generate profits. With ROE well above the industry standard, the company demonstrates very strong performance and high competitiveness. Investors are advised to consider ROE performance in their overall evaluation of the company and as a basis for strategic investment decisions. Monitoring financial performance and market conditions in the future will be

crucial for making the right investment decisions.

## **CONCLUSION**

This study evaluates the financial health of PT HM Sampoerna Tbk through financial ratio analysis for the years 2022 and 2023. The results show significant improvements in liquidity, with the current ratio increasing from 1.69 to 1.72, and a decrease in the debt ratio from 0.49 to 0.46, reflecting better debt management. Efficiency ratios, such as cash turnover, which surged from 10.53 to 38.80, indicate highly efficient cash management. In terms of profitability, the improvements in profit margin, ROA, and ROE reflect the company's effectiveness in managing costs and assets, with each reaching 6.95%, 14.58%, and 27.00%, respectively. These findings provide a positive signal to investors, strengthening the long-term growth prospects of PT HM Sampoerna Tbk as an attractive investment option.

Overall, this financial ratio analysis serves as an important guide for investors in making strategic decisions. It is recommended that investors continue to monitor financial performance and market conditions to optimize investment decisions and minimize risks. This study is expected to contribute to a better

understanding of the company's financial health in the context of a dynamic market.

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