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Comparative Analysis of the Financial Performance of Companies in The Cosmetics Sub Sector and Household Needs During and After the Covid-19 Pandemic in Indonesia and Thailand

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ABSTRACT

This study aims to analyze the comparative financial performance of cosmetics and household needs sub-sector companies during and after the covid-19 pandemic on the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET) in 2020 and 2023. Financial ratio variables are proxied by ROA, CR, TATO and DER. The object of research on the Stock Exchange of Thailand (SET) is a novelty in this research. The sampling technique in this study used purposive sampling method. The final sample obtained was 12 companies in the household cosmetics sub-sector on the Indonesia Stock Exchange (IDX) and the Stock Exchange of Thailand (SET) in 2020 and 2023. This study uses secondary data obtained through the official websites of the IDX and SET and related companies. This research is a comparative study with the Paired Sample T-Test and Wilcoxon Signed Ranks Test data analysis methods using SPSS version 25. The results showed that in Indonesia there were differences in TATO during and after the covid-19 pandemic, but ROA, CR, and DER had no differences. In Thailand, ROA, CR, TATO and DER did not experience differences during and after the covid-19 pandemic. Indonesia shows better financial performance compared to Thailand.

Keywords: *ROA, CR, TATO, DER, Covid-19 Pandemic, Cosmetics and Household Supplies*

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INTRODUCTION

The industrial sector has contributed significantly to Indonesia's economic growth especially the manufacturing sector which has developed into a major sector in Indonesia's economic structure. One of the sub-sectors in the manufacturing industry is cosmetics and household goods companies. Cosmetics and household goods are a segment of the consumer goods industry listed on the Indonesia Stock Exchange. This industry includes the production of cosmetics, hair care, perfumes, body care products, food and beverages, and home care products. Cosmetics and household products show great potential in the Indonesian cosmetics market. This fact is supported by research which shows that the Indonesian cosmetics market continues to grow Endah (2014). The

cosmetics industry in Indonesia is even recognized by the government, as stated in the National Industrial Development Master Plan 2015-2035 as a mainstay sector (Saniati & Wilujeng 2020).

The Covid-19 pandemic has had a significant impact on the lives of people in every country in the world. Indonesia is no exception, drastic changes have occurred in many areas of life. This virus outbreak has a significant impact on the order of social life and affects the performance of all sectors of the global economy. In order to prevent the rapid spread of Covid-19, the government has implemented several measures, including Large-scale social restrictions (PSBB), closure of schools, workplaces, and places of worship, as well as the application of physical distancing and the use of masks (Siahaan 2020). In general, PSBB limits people's activities but does not eliminate them completely.

Based on Ahmad & Saqib`s (2020) research, the economic decline experienced by Thailand is also an indication that the economies of various countries in the Asian region have been affected by Covid-19. Thailand experienced a -0.9% decline in market value between 2019-2020 (MPG 2022). This could be due to many factors, including multiple lockdowns and tourism at an all-time low. However, like the previous market downturn in Thailand, the cosmetics market has shown great resilience thanks to the power of e-commerce and social media. In order to improve product quality and build a good reputation, companies in the cosmetics and household goods sub-sector must first achieve financial performance stability.

In order to achieve good financial performance, a company needs to analyze financial statements. Through this analysis, companies can get an overview of their financial performance. This information is a guide for companies to evaluate financial performance and identify existing financial conditions. This analysis is also important to measure the company's financial efficiency and effectiveness over a period of time.

Financial ratios that are commonly used to analyze the financial performance of a company are profitability, liquidity, activity and solvency ratios. According to Hery (2016), profitability ratio is a measure that shows the company's ability to generate profits by calculating how much profit can be generated in relation to the level of sales, assets and capital owned. This ratio reflects the effectiveness of the company's management. According to Kasmir (2019), the liquidity ratio is a measure of a company's ability to meet its short-term obligations as they fall due. A company is considered liquid if it is able to meet its obligations on time. According to Kasmir (2016), the activity ratio is a measure used to evaluate how effectively a company uses its assets. By analyzing the activity ratio, it is possible to determine how efficient and effective the company is in managing its assets. According to Kasmir (2019), the solvency ratio is a measure used to assess the extent to which the company's assets are financed by debt, namely the ratio between the company's debt burden and the total value of its assets. More specifically, the solvency ratio reflects the company's ability to pay all of its obligations, both those that must be paid immediately and those that must be paid in the long term if the company must be dissolved or liquidated.

In this study, the profitability ratio used is Return On Asset (ROA), the liquidity ratio used is Current Ratio (CR), the activity ratio used is Total Asset Turnover (TATO), and the solvency ratio used is Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER). The results of previous research conducted by Fujianti (2022) showed no significant difference in financial performance between liquidity (current ratio) and leverage (debt to total assets ratio) ratios in three industrial sub-sectors. However, in terms of profitability (return on assets), the results show significant differences. Contrary to Ryanda (2021), there are significant differences in liquidity ratios in telecommunications companies, but there are no significant differences in solvency ratios and profitability ratios. Meanwhile, according to the research of Pramesty & Dwiarti (2023), it shows that there are no differences in the financial performance of food and beverage companies measured by total asset turnover ratio (TATO), current ratio (CR), debt to equity ratio (DER), return on assets (ROA) listed on the Indonesia Stock Exchange (IDX). Contrary to the findings of Rachmawati'S (2022), the results of this study indicate that there is no significant difference in current ratio (CR). However, there are significant differences in Return on Assets (ROA) and Debt to Equity Ratio (DER).

This study extends the research of Pramesty & Dwiarti (2023). The existing studies still have various and inconsistent differences and the time period used is relatively short. Existing research has not provided clear evidence of how the company's performance during the Covid-19 pandemic in 2020 and after the Covid-19 pandemic in 2023, where the beginning of the end of the Covid-19 pandemic was marked by the World Health Organization (WHO) officially lifting the "global health emergency" status for Covid-19. Covid-19 is now a common disease (WHO 2023).

METHOD

The research method used is a type of comparative research. According to Dr.Sugiyono (2013), comparative research is research that compares the state of one or more variables in two or more samples or at two different times. The scope of this research is the calculation of financial performance using financial ratio measurements in the form of profitability ratios (ROA), liquidity ratios (CR), activity ratios (TATO), and solvency ratios (DER) calculated using financial statement data for the period 2020 during the Covid-19 pandemic and after the Covid-19 pandemic in 2023 in the cosmetics and household goods subsectors on the IDX and SET, which obtained a sample of 12 companies consisting of 6 companies in Indonesia and 6 companies in Thailand. The data collection technique used in this research is the documentation technique. The hypothesis of this study is :

H1 : There are significant differences in financial performance during and after the Covid-19 pandemic in Indonesia based on ROA.

H2 : There are significant differences in financial performance during and after the Covid-19 pandemic in Indonesia based on CR.

H3 : there are significant differences in financial performance during and after the Covid-19 pandemic in Indonesia based on TATO.

H4 : there are significant differences in financial performance during and after the Covid-19 pandemic in Indonesia based on DER.
H5 : there are significant differences in financial performance during and after the Covid-19 pandemic in Thailand based on ROA.
H6 : there are significant differences in financial performance during and after the Covid-19 pandemic in Thailand based on CR.
H7 : there are significant differences in financial performance during and after the Covid-19 pandemic in Thailand based on TATO.
H8 : there is a significant difference in financial performance during and after the Covid-19 pandemic in Thailand based on DER.

This research uses quantitative descriptive analysis which is used to collect data, classify and analyze data so that it can provide a clear picture of the problem under study. The stages in drawing conclusions in this study are as follows:

1) Normality test, which aims to determine whether the data distribution follows or approaches the normal distribution. The normality test was carried out with the Saphiro Wilk test. If the significance value is> 0.05, the data is said to be normally distributed, but if the significance is <0.05, the data is said to be not normally distributed.
2) Paired Sample T-Test, one of the testing methods used to analyze the effectiveness of treatment which is characterized by a difference in average before and after treatment. Significance value above 0.05 indicates acceptance of Ho or Rejection of Ha. A significance value below 0.05 indicates rejection of Ho or Rejection of Ha, which indicates that there is no significant difference in performance. Conversely, if the significance value is below 0.05, it indicates Ho rejection or Ha rejection.
3) Wilcoxon Signed Ranks Test, this Wilcoxon test can be used as an alternative to the paired sample t-test when the data are not normally distributed. The basis for the decision to use the Wilcoxon Signed Ranks Test is that if the probability value of Asymp.sig 2 is <0.05, then there is a mean difference. However, if the probability value of Asymp.sig 2 failed >0.05, then there is no difference in the mean.

FINDING AND DISCUSSION

Calculatiom of Financial Performance Variables

The following are examples and result of calculating financial performance variables in the currency of each country :

No.	Variabel	Calculation
1.	Profitability Ratio (ROA)	$Return\ On\ Asset = \frac{Net\ Income}{Total\ Asset}$
	KINO	$\frac{113.665.219.638}{5.255.359.155.031} = 0{,}02$
2.	Liquidity Ratio (CR)	$Current\ Ratio = \frac{Current\ Assets}{Current\ Liabilities}$
	KINO	$\frac{2.562.184.889.015}{2.146.338.161.363} = 1{,}19$
3.	Activity Ratio (TATO)	Total Asset Turnover = $\frac{Sales}{Total\ Assets} =$
	KINO	$\frac{4.024.971.042.139}{5.255.359.155.031} = 0{,}77$
4.	Solvency Ratio (DER)	$Debt\ to\ Equity\ Ratio = \frac{Liability}{Equity}$
	KINO	$\frac{2.678.123.608.810}{2.577.235.546.221} = 1{,}04$

Normality Test

The Normality test is performed to determine whether or not the data used are normally distributed. One method used to test normality is the Shapiro-Wilk test, which is often used for small sample sizes, especially less than 30. The results of the Shapiro-Wilk test are shown in the following table:

Table 1 : Normality Test During and after the Pandemic in Indonesia

	Shapiro-Wilk		
	Statistic	**Df**	**Sig.**
ROA_DURING	.980	6	.950
ROA_AFTER	.886	6	.297
CR_DURING	.712	6	.008
CR_AFTER	.817	6	.083

TATO_DURING	.873	6	.238
TATO_AFTER	.763	6	.027
DER_DURING	.723	6	.011
DER_AFTER	.777	6	.036

Based on the results of the Shapiro-Wilk normality test, all variables that have a significance value of more than 0.05, which means that the data is normally distributed, only ROA. Thus, data from a sample of companies in the cosmetics and household goods subsectors during and after the pandemic in Indonesia meet the assumption of normality only ROA. And the hypothesis test used is the paired sample t-test.

Tabel 2 : Normality Test During and After the Pandemic in Thailand

	Shapiro-Wilk		
	Statistic	**Df**	**Sig.**
ROA_DURING	.876	6	.251
ROA_AFTER	.912	6	.448
CR_DURING	.688	6	.005
CR_AFTER	.842	6	.136
TATO_DURING	.927	6	.559
TATO_AFTER	.937	6	.631
DER_DURING	.806	6	.067
DER_AFTER	.598	6	.000

Based on the results of the Shapiro-Wilk normality test, for the ROA and TATO variables during and after the Covid-19 pandemic in Thailand, the significance value indicates that the data are normally distributed because the value is greater than 0.05. Therefore, the hypothesis test used for both variables is the paired sample t-test.

Paired Sample T-Test

The paired sample T-Test is used for normally distributed data. This test can be used to determine whether or not there is a significant difference between conditions during and after the Covid-19 pandemic in the Cosmetics and Household Products subsector.

Tabel 3 : Paired Sample T-Test Test During and After the Pandemic in Indonesia

		Paired Differences			
		Mean	Std. Deviation	Std. Error Mean	Sig. (2-tailed)
Pair 1	ROA_DURING – ROA_AFTER	-.01000	.11764	.04803	.843

Based on the Paired Sample T-Test, it can be seen that the significance value (2-tailed) is 0.843, which means that the value is greater than 0.05. Therefore, it can be concluded that there is no significant difference in return on assets during and after the Covid-19 pandemic in Indonesia.

Tabel 4 : Paired Sample T-Test Test During and After the Pandemic in Thailand

		Paired Differences			
		Mean	Std. Deviation	Std. Error Mean	Sig. (2-tailed)
Pair 1	ROA_DURING – ROA_AFTER	-.15833	.27396	.11185	.216
Pair 2	TATO DURING – TATO_AFTER	.56500	.85149	.34762	.165

Based on the results of the Paired Sample t-test, the significance value (2-tailed) for ROA during and after the pandemic is 0.216 and for TATO during and after the pandemic is 0.165. Both values are greater than 0.05. Therefore, it can be concluded that there is no significant difference in ROA and TATO during and after the Covid-19 pandemic in Thailand.

Wilcoxon Signed Rank Test

The Wilcoxon Signed Rank test is used as an alternative when the data are not normally distributed. The following are the results of the Wilcoxon signed rank test :

Tabel 5 : Wilcoxon Signed Rank Test During and After the Pandemic in Indonesia

Test Statistics[a]

	CR_AFTER-CR_DURING	TATO_AFTER-TATO_DURING	DER_AFTER - DER_DURING
Z	-.405[b]	-2.023[b]	-.734[b]
Asymp. Sig. (2-tailed)	.686	.043	.463

Based on the results of the Wilcoxon Signed Rank Test, it can be seen that the Asymp. Sig. (2-tailed) value for CR during and after the pandemic is 0.686, which means

that the value is greater than 0.05. Therefore, there is no significant difference in the current ratio during and after the Covid-19 pandemic in Indonesia. Meanwhile, the value of Asymp. Sig. (2-tailed) value for TATO during and after the pandemic is 0.043, which means that the value is less than 0.05. This indicates that there is a significant difference in total asset turnover during and after the Covid-19 pandemic in Indonesia. For the DER variable, the Asymp. Sig. (2-tailed) value during and after the pandemic is 0.463, which means that the value is greater than 0.05. Thus, there is no significant difference in the debt to equity ratio during and after the Covid-19 pandemic in Indonesia.

Tabel : 6 Wilcoxon Signed Rank Test During and After the Pandemic in Thailand

Test Statistics[a]

	CR_AFTER - CR_DURING	DER_AFTER - DER_DURING
Z	-1.153[b]	-.135[b]
Asymp. Sig. (2-tailed)	.249	.893

Based on the results of the Wilcoxon Signed Rank Test, it can be seen that the Asymp. Sig. (2-tailed) value for CR during and after the pandemic is 0.249, which means that the value is greater than 0.05. Therefore, there is no significant difference in the current ratio during and after the Covid-19 pandemic in Thailand. Meanwhile, for the DER variable, the Asymp. Sig. (2-tailed) value during and after the pandemic is 0.893, which means that the value is also greater than 0.05. Thus, there is no significant difference in the debt to equity ratio during and after the Covid-19 pandemic in Thailand.

DISCUSSION

Based on the results of Paired Sample T-Test and Wilcoxon Signed Rank hypothesis obtained, H1, H2, H4, H5, H6, H7 and H8 are rejected because the significance value is more than 0.05. However, H3 is accepted because the significance value is less than 0.05. This means that during and after the Covid-19 pandemic, companies in the cosmetics and household goods subsectors in Indonesia experienced significant differences. The results from each country in Indonesia and Thailand show that in Indonesia, ROA increased after the pandemic, although not significantly, while in Thailand, it decreased after the pandemic. This may be due to an increase in net profit caused by an increase in net sales in that year in Indonesia. Meanwhile, the decrease in Thailand may occur because net profit decreases due to the lack of ability to optimize sales and the use of company assets that have not been maximized. Indonesia experienced a decrease in CR, while Thailand experienced an increase after the pandemic. A decrease in CR can be caused by a decrease in current assets and an increase in current liabilities. A decrease in current assets can be caused by the use or purchase of raw materials, as well as a decrease in the amount of inventory in the warehouse. Meanwhile, an increase in CR can

be caused by an increase in current assets, either from the addition of cash from cash sales or from an increase in inventory. In addition, this increase can also be caused by a reduction in the company's current liabilities.

The increase in TATO in Indonesia after the pandemic was due to the efficient use of assets to increase sales. The company was able to utilize resources more effectively, which had a positive impact on sales. When TATO in Thailand has decreased due to an increase in sales and assets. The company did not optimize the use of all its assets to increase sales and generate profits. DER in Indonesia and Thailand both experienced an increase after the pandemic because the amount of debt or company liabilities was greater than the capital owned. As a result, the company's burden to external parties also increases. If the DER decreases, it may be because the company has paid off its debts; the DER ratio will decrease because the debt is reduced. It can also be because additional capital or retained earnings increase equity, which can reduce the DER ratio because higher equity makes the debt ratio lower.

CONCLUSION

This study was conducted to compare the financial performance of cosmetics and household goods sub-sector companies during and after the Covid-19 pandemic in Indonesia and Thailand in 2020 and 2023. The conclusion that can be drawn from the results of the previously discussed research is that the Covid-19 pandemic makes a difference to the financial performance of cosmetics and household goods sub-sector companies during and after the pandemic, in Indonesia the most significant difference can be seen in Total Asset Turnover (TATO) where TATO has increased significantly after the Covid-19 pandemic although it has decreased during the pandemic. Meanwhile, in Thailand, there is no significant difference both during and after the pandemic. Meanwhile, in Thailand, there is no significant difference both during and after the pandemic. Indonesia shows better financial performance than Thailand after the Covid-19 pandemic. Both Indonesia and Thailand experienced a decrease during the pandemic, but also an increase after the pandemic, but the increase in Indonesia was the most significant.

This study has several limitations, such as the focus on the research object, which is limited to the cosmetics and household needs sub-sectors in Indonesia and Thailand, and the variables studied. For further research, it is better to expand the research object and add research variables to gain more insight into the financial performance of the company.

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