

Analysis Gross Profit Margin and Net Profit Margin at Healthcare Companies Listed in Indonesian Stock Exchange During and Before Covid-19

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ABSTRACT

This study aims to analyze profit level which is projected by Gross Profit Margin and Net Profit Margin and obtained during covid-19 and before covid 19 in 18 healthcare companies listed on the Indonesia Stock Exchange (IDX). The data used in this study are data in 2019 and 2020 (third quarter of each year) on Indonesia Stock Exchange. Data analysis used in this study is descriptive analysis to determine the level of profit projected by Gross Profit Margin and Net Profit Margin incurred from 18 healthcare companies. The results show that there is an increase in Gross Profit Margin and Net Profit Margin during Covid-19 pandemic. This happens because demand for needs related to health for preventing infection of Covid-19 increase.

keyword : Gross Profit Margin, Net Profit Margin, sales.

INTRODUCTION

A company is established to achieve the goals set by the shareholders. According to Siagian (2005), the company was founded to have two goals to achieve, namely commercial goals and social goals. The form of the commercial goal is to get the maximum possible profit. This opinion was also expressed by Sartono (2012) that the main objective of the company being established is to get maximum profit. Maximum profit is obtained by increasing sales and also managing costs associated with business activities effectively and efficiently so that the margins obtained will be greater. The financial report is a structured presentation of the financial position and performance of an entity. Based on the Statement of Financial Accounting Standards 1, the purpose of financial statements is to provide information about the financial position, financial performance and cash flow of an entity that is useful for most users of the report in making economic decisions. In addition, financial reports also show the results of the management's accountability for the resources entrusted to them. The performance of a company can be measured by analyzing published financial reports. One form of financial statement analysis that can be done to measure company performance is ratio analysis. Harahap (2011) states that financial statement analysis is carried out by breaking down the items

in the financial statements into smaller units and having a relationship both quantitatively and qualitatively so that they can be used in the decision-making process to produce the right decisions for the company. Financial statement analysis is divided into several types, including the profitability ratio. The profitability ratio is a measurement of how well a company is able to generate returns on its resources. Some examples of profitability ratios are Gross Profit Margin (GPM) and also Net Profit Margin (NPM).

According to Brigham, E.F. and Houston (2011), Gross Profit Margin is used to measure the percentage margin between the sales value that has been deducted from the cost of goods sold (gross profit) compared to the sales value itself. The higher the Gross Profit Margin of a company, the better it means because the company can manage the cost of goods sold well. Meanwhile, Net Profit Margin is used to measure the percentage between the company's net income and the sales value in one year (Gitman, 2012). The higher the Net Profit Margin of a company, the better the company's performance. In early 2020, around the first quarter, the world was experiencing an extraordinary new phenomenon, including Indonesia. This phenomenon is the Covid-19 pandemic. The Covid-19 disease pandemic is a disease caused by a virus (2019-nCoV). This virus is a new virus found in China. The World Health Organization (WHO) has declared that Covid-19 is a pandemic, so people are required to anticipate its very rapid spread through droplets. Efforts to socialize how this virus can spread and how to deal with it are intensively carried out. One of the ways that have proven effective in controlling the spread of this virus is by carrying out the 3M movement, namely wearing a mask, washing hands, and maintaining distance.

The impact of the Covid-19 pandemic caused countries to experience economic contraction. The existence of regional quarantine and restrictions on large-scale activities also contributed to the decline in community economic activities. Based on data released by BPS, Indonesia's economic growth has decreased compared to before the Covid-19. In the fourth quarter of 2019, Indonesia's economic growth was at 4.97%. However, since the pandemic, Indonesia's economic growth has contracted for three consecutive quarters, namely at 2.97%, -5.32%, and -3.49%. Several sectors that experienced contraction included construction, trade, mining and others.

At the time of the Covid-19 pandemic, the need for medical equipment, laboratories, hospitals and medicines tended to increase along with the number of people who were confirmed positive. Even recently the need for vaccines has also increased. On this basis, the authors are

interested in examining the effect of the Covid-19 pandemic on company performance in the health sector as measured by Gross Profit Margin and also Net Profit Margin. Does the increasing public need for things related to health have a positive impact on the performance of companies in that sector.

METHOD

This research was conducted on 18 health sector companies in 2019 and 2020 which are listed on the Indonesia Stock Exchange. Analysis using quantitative descriptive. According to Ghazali (2013), descriptive research is research that provides an overview or description of data. The sample selection used in this research is purposive sampling technique. The criteria used in this research are:

- a. Health companies listed on the IDX;
- b. Financial reports are available in 2019 before covid and 2020 at the time of covid during the third quarter of each year.

Based on these criteria, the research data amounted to 21 companies but there were companies whose data was incomplete and outliers, namely CARE, DGNS, and SAME, so the number of companies selected was 18 companies. Company code and name can be seen in table 1.

Table 1. Names of Companies in the Health Sector

No	Kode Emiten	Nama Perusahaan
1	IRRA	Itama Ranoraya
2	MERK	Merck
3	PRIM	Royal Prima
4	PYFA	Pyridam Farma
5	SCPI	Organon Pharma Indonesia
6	DVLA	Darya-Varia Laboratoria
7	HEAL	Medikaloka Hermina
8	INAF	Indofarma
9	KAEF	Kimia Farma
10	KLBF	Kalbe Farma
11	MIKA	Mitra Keluarga Karyasehat
12	PEHA	Phapros
13	PRDA	Prodia Widyahusada
14	SIDO	Industri Jamu dan Farmasi Sido
15	SILO	Siloam International Hospital

16	SOHO	Soho Global Health
17	SRAJ	Sejahtera Anugerah Jaya
18	TSPC	Tempo Scan Pacific

The analysis technique used is to describe the ratio of Gross Profit Margin and Net Profit Margin of health sector companies during the Covid-19 pandemic in 2020 and before the Covid-19 pandemic in 2019. The data used are quarterly financial report data iii for each year.

RESULTS AND DISCUSSION

a. Gross Profit Margin

Based on the collection of data on sales and gross profit, and net income from data on the Stock Exchange, below is the Gross Profit Margin ratio in the third quarter of 2019 and 2020, which can be seen in table 2.

Table 2. Gross Profit Margin of Health Sector Companies

Nama PT	GPM 2020	GPM 2019	SELISIH
DVLA	51.52%	54.41%	-2.89%
HEAL	45.36%	44.69%	0.67%
INAF	24.49%	28.42%	-3.93%
KAEF	37.40%	36.59%	0.81%
KLBF	45.46%	46.14%	-0.68%
MIKA	47.26%	47.74%	-0.48%
PEHA	52.96%	53.99%	-1.03%
PRDA	54.45%	58.30%	-3.85%
SIDO	53.92%	54.42%	-0.50%
SILO	31.53%	32.58%	-1.05%
SOHO	22.89%	20.80%	2.09%
SRAJ	30.32%	30.21%	0.11%
TSPC	34.95%	38.06%	-3.11%
IRRA	17.85%	17.05%	0.80%
MERK	45.38%	35.08%	10.30%
PRIM	39.42%	35.34%	4.09%
PYFA	60.22%	56.94%	3.27%
SCPI	16.10%	14.39%	1.71%
Jumlah			6.34%

Source: compiled from Financial Statements

Based on table 2, the Gross Profit Margin value has a fairly diverse range. In 2019, the largest Gross Profit Margin was at 58.30% at the Prodia Widyahusada (PRDA) company and the smallest was at 14.39% at the Organon Pharma Indonesia (SCPI) company. The average Gross Profit Margin in 2019 was 39.18%. In 2020, the largest Gross Profit Margin is found in the Pyridam Farma (PYFA) company with a value of 60.22% and the smallest is in the Organon Pharma Indonesia (SCPI)

company at 14.29%. The company's average Gross Profit Margin in 2020 is 39.53% or an increase of about 0.35% on average per company. Overall, health sector companies have an increase of 6.34% in Gross Profit Margin. This is due to the increasing demand for vitamins, medicines, and other health support tools during the Covid-19 Pandemic. Health products such as hand sanitizers and masks have also been excellent during the Covid-19 Pandemic. So that with the increase in these demands, it has a direct positive impact on the sales value of the company. In total, there was an increase of 1.8 trillion rupiah in health sector companies from the period before the Covid-19 pandemic to the time of the pandemic. This can be seen in Table 3.

Table 3. Sales Value of Health Sector Companies

Nama	Sales 2020	Sales 2019	Selisih
DVLA	1,280,438,587	1,413,046,708	- 132,608,121
HEAL	2,882,809,000	2,687,719,000	195,090,000
INAF	749,255,138	583,537,509	165,717,629
KAEF	7,045,688,686	6,878,905,058	166,783,628
KLBF	17,095,837,856	16,826,807,706	269,030,150
MIKA	2,315,865,971	2,382,901,945	- 67,035,974
PEHA	700,273,951	791,935,731	- 91,661,780
PRDA	1,202,078,000	1,238,893,000	- 36,815,000
SIDO	2,257,274,000	2,128,606,000	128,668,000
SILO	5,001,302,000	5,215,696,000	- 214,394,000
SOHO	4,475,241,000	3,718,243,000	756,998,000
SRAJ	811,748,104	769,635,295	42,112,809
TSPC	8,091,631,000	8,172,037,000	- 80,406,000
IRRA	141,056,593	128,952,865	12,103,728
MERK	439,820,984	497,978,345	- 58,157,361
PRIM	156,252,425	125,419,438	30,832,987
PYFA	195,276,547	184,717,119	10,559,428
SCPI	2,140,918,115	1,435,739,873	705,178,242
Jumlah			1,801,996,365

Source: compiled from Financial Statements (in thousands)

b. Net Profit Margin

Based on the collection of data on sales and gross profit, and net income from data on the Stock Exchange, below is the Net Profit Margin ratio in the third quarter of 2019 and 2020, which can be seen in table 4.

Table 4. Net Profit Margin of Health Sector Companies

Nama PT	NPM 2020	NPM 2019	SELISIH
DVLA	11.50%	12.57%	-1.06%
HEAL	12.11%	9.84%	2.27%
INAF	-2.52%	-5.97%	3.45%
KAEF	0.64%	0.89%	-0.24%
KLBF	12.12%	11.56%	0.56%
MIKA	24.62%	24.65%	-0.03%
PEHA	7.18%	7.59%	-0.40%
PRDA	10.17%	9.76%	0.41%
SIDO	28.39%	27.17%	1.21%
SILO	-0.86%	1.03%	-1.89%
SOHO	3.35%	1.99%	1.35%
SRAJ	-6.70%	-0.32%	-6.38%
TSPC	6.61%	5.40%	1.20%
IRRA	6.40%	4.78%	1.62%
MERK	12.52%	3.43%	9.09%
PRIM	11.30%	1.55%	9.75%
PYFA	8.26%	2.67%	5.59%
SCPI	8.98%	6.74%	2.24%
Jumlah			28.73%

Based on table 4, the Net Profit Margin value has a fairly diverse range. In 2019, the largest Net Profit Margin was at 27.17% in the Sido Herbal and Pharmaceutical Industry company (SIDO) and the smallest was at -5.39% at the Indofarma company (INAF). The average Net Profit Margin in 2019 was 6.96%. In 2020, the largest Net Profit Margin is in the Herbal Medicine and Pharmaceutical Industry company SIDO (SIDO) with a value of 27.17% and the smallest is in the Prosperous Anugerah Jaya (SRAJ) company at -6.70%.

Table 5. Value of Net Profit for Health Sector Companies

Nama PT	Lab Bersih 2020	Lab Bersih 2019	Selisih
DVLA	147,293,809	177,577,092	- 30,283,283
HEAL	349,026,000	264,484,000	84,542,000
INAF	-18,883,369	-34,842,540	15,959,171
KAEF	45,327,415	60,996,258	- 15,668,843
KLBF	2,072,224,136	1,945,830,734	126,393,402
MIKA	570,134,156	587,325,411	- 17,191,255
PEHA	50,285,256	60,068,427	- 9,783,171
PRDA	122,278,000	120,970,000	1,308,000
SIDO	640,805,000	578,445,000	62,360,000
SILO	-43,013,000	53,815,000	- 96,828,000
SOHO	149,729,000	74,132,000	75,597,000
SRAJ	-54,358,484	2,449,106	- 51,909,378
TSPC	534,636,151	441,640,854	92,995,297
IRRA	9,028,738	6,165,520	2,863,218
MERK	55,067,669	17,068,444	37,999,225
PRIM	17,658,433	1,942,233	15,716,200
PYFA	16,120,890	4,924,909	11,195,981
SCPI	192,270,302	96,820,727	95,449,575
Jumlah			400,715,139

Source: compiled from Financial Statements

The company's average Net Profit Margin in 2020 is 8.56% or an increase of 1.60% on average per company. If in total, health sector companies have an increase of 28.73%, there is a Net Profit Margin or around 400 billion rupiah which can be seen in table 5. The increase in Gross Profit Margin and Net Profit Margin can prove that the performance of health sector companies during the Covid-19 pandemic was quite good and had little impact on company performance. On the contrary, the Covid-19 pandemic has made companies in the health sector get additional sources of income due to the increasing demand for things related to health such as multivitamins, medicines, and others.

CONCLUSION

The Covid-19 pandemic has had quite a positive impact on companies in the health sector. Gross Profit Margin and Net Profit Margin in 2020 experienced an increase during the Covid-19 pandemic when compared to the previous year in the period before Covid-19 which occurred because the demand for things related to the health sector increased which can also be seen from the increase in sales in that year.

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