

CHAPTER III

RESULT AND CONCLUSION

3.1. Result

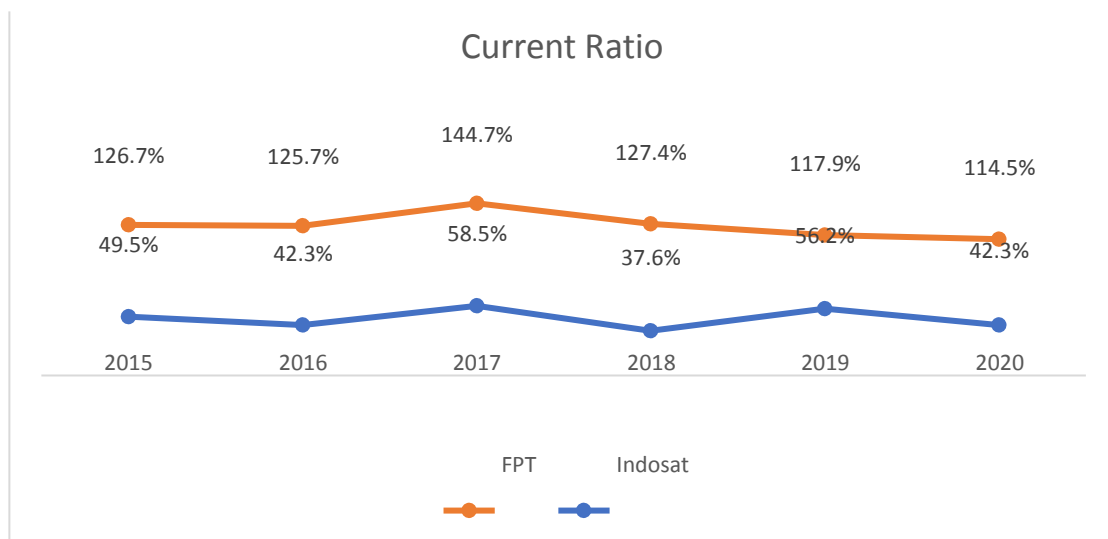
3.1.1. Liquidity Ratio

3.1.1.1. Current Ratio

Table 3.1 Current Ratio of PT Indosat Tbk and FPT Corporation

Year	PT Indosat Tbk		FPT Corporation	
	Current Assets	Current Liabilities	Current Assets	Current Liabilities
2015	VND 15.685.951.323.142	VND 31.712.304.725.968	ND 18.959.009.136.105	VND 14.967.554.324.100
2016	VND 12.767.855.024.850	VND 30.183.594.802.905	ND 21.908.662.957.423	VND 17.429.655.689.537
2017	VND 14.989.522.243.427	VND 25.620.310.038.795	ND 16.059.937.820.645	VND 11.100.344.738.740
2018	VND 12.502.547.121.578	VND 33.271.024.793.249	ND 18.406.087.226.041	VND 14.451.149.990.521
2019	VND 19.666.497.230.597	VND 34.993.169.107.054	ND 18.979.176.128.930	VND 16.102.356.902.439
2020	VND 15.156.960.975.060	VND 35.829.126.945.170	ND 25.612.489.544.931	VND 22.364.710.509.820

Chart 3.1 Current Ratio of PT Indosat Tbk and FPT Corporation



For FPT Corporation from the calculation results of the analysis of FPT's financial statements, the ratio of FPT produced 126.7% in 2015. The result obtained by FPT showed a value of more than one to one. This means that the result of this calculation shows a good result, that the FPT Corporation can has a good ability in its liabilities.

In 2016 the calculation got 125.7%, in this year it decreased slightly, but even if it decreased this calculation is still well, because the result exceeded one to one. This decrease was caused by an increase in the company's current liabilities from VND 14,967,554,324,100 in 2015 to VND 17,429,655,689,537. Although this year the company's current assets also increased from VND 18,959,009,136,105 in 2015 to VND 21,908,662,957,423.

In 2017 the calculation reached 144.7%, in this year it increased. This calculation is good. Company can fulfill its short-term liabilities. This increase was caused by a decrease in current liabilities from VND 17,429,655,689,537 in 2016 to VND 11,100,344,738,720. Although this year company's current assets also decreased from VND 21,908,662,957,423 in 2016 to VND 16,059,937,820,645.

In 2018 the calculation got 127.4%, this year decreased from the previous year. This decrease was caused by an increase in company's current liabilities from VND 11,100,344,738,720 in 2017 to VND 14,451,149,990,521. Although this year the company's current assets also increased from VND 16,059,937,820,645 to VND 18,406,087,226,041. Despite the decline, company is still able meet its current liabilities properly by using the company's current assets.

The current ratio in 2019 is 117.9%, this year decreased again from the previous year. This decrease was caused by an increase in company's current liabilities from VND 14,451,149,990,521 to VND 16,102,356,902,439. Although this year the company's current assets also increased slightly from VND 18,406,087,226,041 to VND 18,979,176,128,930. But because the result exceeded one to one, so company can still fulfill its short-term liabilities well.

The current ratio in 2020 is 114.5%, this year decreased from the previous year again. This decrease was caused by an increase in the company's current liabilities from VND 16,102,356,902,439 in 2019 to VND 22,364,710,509,820. Although this year the company's current assets also increased from VND

18,979,176,128,930 to VND 25,612,489,544,931. Despite the decline, the company is also still able to fulfill its short-term liabilities.

From the above ratio, that can be seen that the amount of current ratio of Indosat in 2015 is 49.5%. From the result obtained by PT Indosat Tbk, it shows a value of less than one to one. This calculation shows the result is not good, the company of PT Indosat Tbk short-term liabilities are greater than their current assets.

The current ratio in 2016 is 42.3%, this year decreased from the previous year. It means the company's ability is further away to fulfill its short-term liabilities. This decrease was caused by the company's current assets decreased from VND 15,685,951,323,142 in 2015 to VND 12,767,855,024,850. Although this year the company's current liabilities decreased from VND 31,712,304,725,968 to VND 30,183,594,802,905.

In 2017 the calculation reached 58.5%, this year it increased. This increase was caused by an increase in the company's current assets from VND 12,767,855,024,850 in 2016 to VND 14,989,522,243,427. And also caused by decrease in current liabilities from VND 30,183,594,802,905 to VND 25,620,310,038,795. Although this year reached increase, the company has not been able to fully meet the short-term liabilities of current assets owned by the company.

The current ratio in 2018 is 37.6%, this year decreased from the previous year. This decrease was caused by the company's current liabilities increased from VND 25,620,310,038,795 to VND 33,271,024,793,249. And also caused by current assets decreased from VND 14,989,522,243,427 to VND 12,502,547,121,578.

In 2019 the calculation reached 56.2%, increased from the previous year. This increase was caused by the company's current assets increased from VND 12,502,547,121,578 in 2018 to VND 19,666,497,230,597. Although their current liabilities also increased from VND 33,271,024,793,249 to VND 34,993,169,107,054. Although this year reached increase, but the company is still unable to fulfill its short-term liabilities.

The current ratio in 2020 is 42.3%, decreased again from the previous year. This decrease caused by an increase in company's current liabilities from VND

34,993,169,107,054 in 2019 to VND 35,829,126,945,170. And also caused by a decrease in current assets from VND 19,666,497,230,597 to VND 15,156,960,975,060. This result shows that the company has not been able to fulfill its short-term liabilities properly.

3.1.1.2. Quick Ratio

As explained in theoretical basic chapter, quick ratio is calculated by subtracting inventory from current assets and the remainder divided by current liabilities. Inventories are deducted from the calculation of current assets because inventories are basically current assets that are difficult to convert within a short period of time and there will usually also be a loss if liquidation occurs.

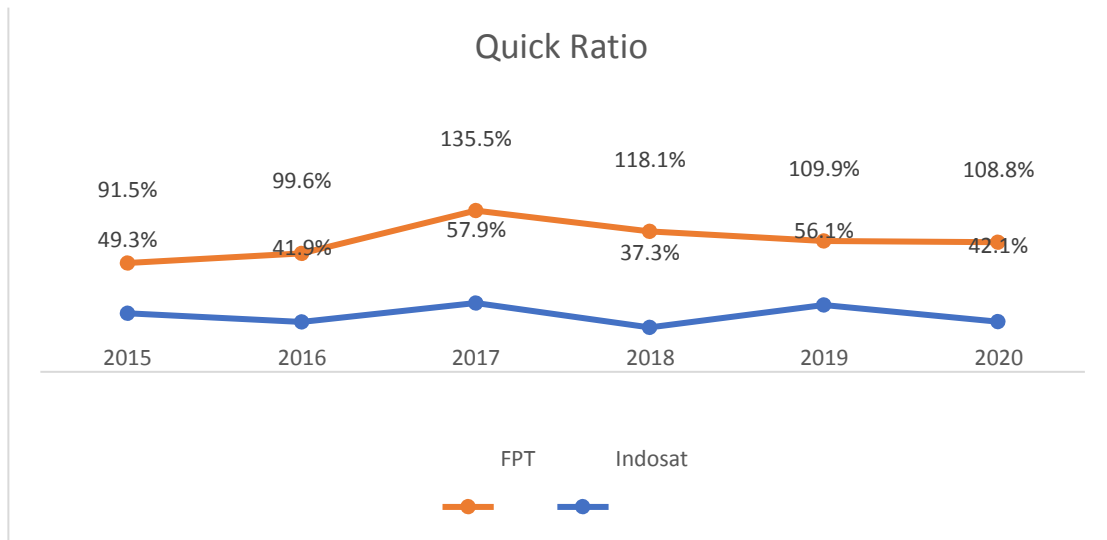
Table 3.2 Quick Ratio of PT Indosat Tbk

Year	PT Indosat Tbk		
	Current Assets	Inventory	Current Liabilities
2015	VND 15.685.951.323.142	VND 62.588.209.160	VND 31.712.304.725.968
2016	VND 12.767.855.024.850	VND 126.099.032.089	VND 30.183.594.802.905
2017	VND 14.989.522.243.427	VND 139.696.450.173	VND 25.620.310.038.795
2018	VND 12.502.547.121.578	VND 76.177.673.677	VND 33.271.024.793.249
2019	VND 19.666.497.230.597	VND 46.776.518.034	VND 34.993.169.107.054
2020	VND 15.156.960.975.060	VND 63.331.072.315	VND 35.829.126.945.170

Table 3.3 Quick Ratio of FPT Corporation

Year	FPT Corporation		
	Current Assets	Inventory	Current Liabilities
2015	VND 18.959.009.136.105	VND 5.268.099.617.220	VND 14.967.554.324.100
2016	VND 21.908.662.957.423	VND 4.553.808.475.949	VND 17.429.655.689.537
2017	VND 16.059.937.820.645	VND 1.020.212.423.590	VND 11.100.344.738.740
2018	VND 18.406.087.226.041	VND 1.340.687.216.347	VND 14.451.149.990.521
2019	VND 18.979.176.128.930	VND 1.284.200.733.943	VND 16.102.356.902.439
2020	VND 25.612.489.544.931	VND 1.290.091.524.352	VND 22.364.710.509.820

Chart 3.2 Quick Ratio of PT Indosat Tbk and FPT Corporation



For FPT Corporation from the calculation result of FPT Corporation financial statement analysis, the result of FPT's quick ratio in 2015 is 91.5%. The result obtained by FPT shows a value of less than 100%. It means that the calculation result shows unfavorable result, because when the company is good if the result is one. If the result value is below one, then the company is considered unable to fulfill or pay current liabilities.

In 2016 the result reached 99.6%, this year it has increased. It means the company's ability to fulfill its short-term liabilities is increasing. This increase caused by an increase in company current assets from VND 18,959,009,136,105 in 2015 to VND 21,908,662,957,423. Although company current liabilities also increasing from 14,967,554,324,100 to VND 17,429,655,689,537.

The quick ratio in 2017 reached 135.5%. This year the result also increased again. The result shows good result, because it is above one. It means the company can fulfill its short-term liabilities. This increase caused by a decrease in company current liabilities from VND 17,429,655,689,537 in 2016 to VND 11,100,344,738,740. Although company's current assets also decrease from VND 21,908,662,957,423 to VND 16,059,937,820,645.

In 2018 the result is 118.1%. This year the value is decreased. This decrease caused by an increase in company's current liabilities from VND

11,100,344,738,740 to VND 14,451,149,990,521. Although their current assets also increase from VND 16,059,937,820,645 to VND 18,406,087,226,041.

In 2019 the result is 109.9%. This year the value is decreased from previous year again. This decrease caused by an increase in company's current liabilities from VND 14,451,149,990,521 in 2018 to VND 16,102,356,902,439. Although company's current assets also increased slightly from VND 18,406,087,226,041 to VND 18,979,176,128,930.

The quick ratio in 2020 is 108.8%. This year also decreased from previous year. This decrease caused by an increase in current liabilities from VND 16,102,356,902,439 to VND 22,364,710,509,820. Although their current assets also increased from VND 18,979,176,128,930 to VND 25,612,489,544,931.

For PT Indosat Tbk about the result of PT Indosat Tbk financial statement analysis, the quick ratio in 2015 is 49.3%. From the result obtained by Indosat, it shows a value of less than 100%. It means the result of this calculation shows bad result, that the PT Indosat Tbk cannot fulfill the short-term liabilities.

The quick ratio in 2016 is 41.9%. This year has decreased from previous year. This decrease caused of current assets has decreased from VND 15,685,951,323,142 in 2015 to VND 12,767,855,024,850. Although their current liabilities also decreased from VND 31,712,304,725,968 to VND 30,183,594,802,905.

In 2017 the result is 57.9%. This year has increased from pervious year. This increase caused by an increase in Indosat current assets from VND 12,767,855,024,850 in 2016 to VND 14,989,522,243,427. And also caused of current liabilities has decreased from VND 30,183,594,802,905 to VND 25,620,310,038,795.

The quick ratio in 2018 is 37.3%. This year the value also has decreased from previous year. This caused by an increase in current liabilities from VND 25,620,310,038,795 to VND 33,271,024,793,249. And also caused of current assets decreased from VND 14,989,522,243,427 to VND 12,502,547,121,578.

In 2019 the result reached 56.1%. This year it has increased. This increase caused by an increase in current assets from VND 12,502,547,121,578 to VND

19,666,497,230,597. Although their current liabilities also increased from VND 33,271,024,793,249 to VND 34,993,169,107,054.

The quick ratio in 2020 is 42.1%. This year the value has decreased again from previous year. This decrease caused of current assets decreased from VND 19,666,497,230,597 in 2019 to VND 15,156,960,975,060. And also caused of the current liabilities increased from VND 34,993,169,107,054 to VND 35,829,126,945,170.

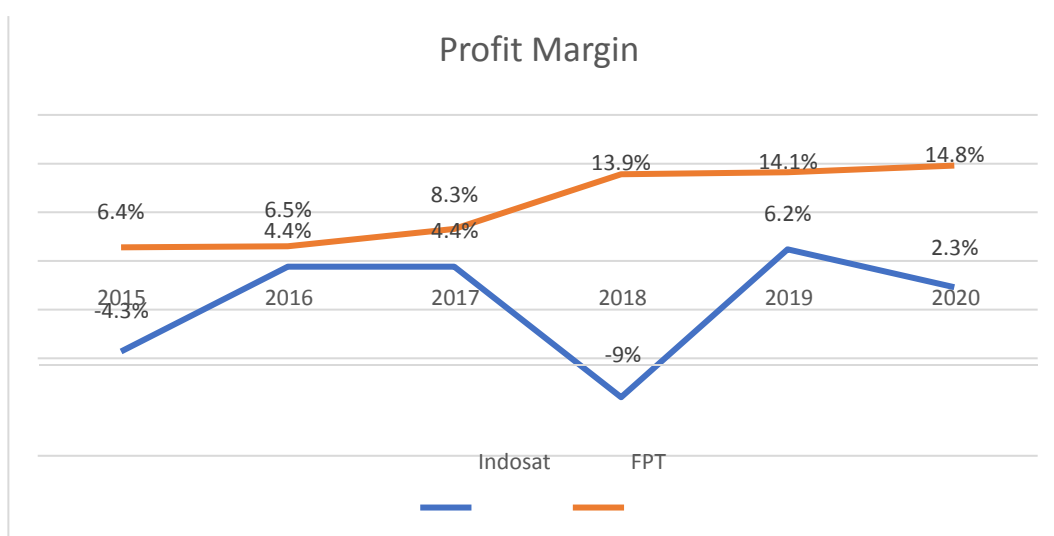
3.1.2. Profitability Ratio

3.1.2.1. Profit Margin

Table 3.4 Profit Margin of PT Indosat Tbk and FPT Corporation

Year	PT Indosat Tbk		FPT Corporation	
	Net Income	Revenue	Net Income	Revenue
2015	VND (1.844.881.313.154)	VND 42.445.797.473.791	VND 2.438.084.765.165	VND 37.959.698.756.022
2016	VND 2.022.755.970.970	VND 46.276.910.649.830	VND 2.575.690.845.279	VND 39.531.468.663.944
2017	VND 2.064.417.619.545	VND 47.452.636.814.648	VND 3.528.113.914.381	VND 42.658.610.841.354
2018	VND (3.306.196.065.524)	VND 36.691.476.104.136	VND 3.233.997.141.045	VND 23.213.536.857.725
2019	VND 2.585.216.769.281	VND 41.413.545.058.349	VND 3.911.712.166.873	VND 27.716.960.152.275
2020	VND (999.219.932.218)	VND 44.280.622.526.932	VND 4.423.745.217.598	VND 29.830.400.526.824

Chart 3.3 Profit Margin of PT Indosat Tbk and FPT Corporation



For FPT Corporation from the calculation result of FPT Corporation financial statement analysis, the result of FPT net profit margin ratio in 2015 is 6.4%. The result obtained by FPT shows that the net profit generated by the company, amounted to 6.4% of the company's revenue. Generally, net profit margin (NPM) with a percentage of more than 10% is considered very good. In 2016 is 6.5%. This year it has increased slightly. The net profit margin in 2017 is 8.3%, it has increased from previous year. In 2018 is 13.9%, this year also has increased and because it is more than 10%, this shows that the company has managed to control costs well. In 2019 is 14.1%, this year has increased. And in 2020 is 14.8%, this year has increased slightly.

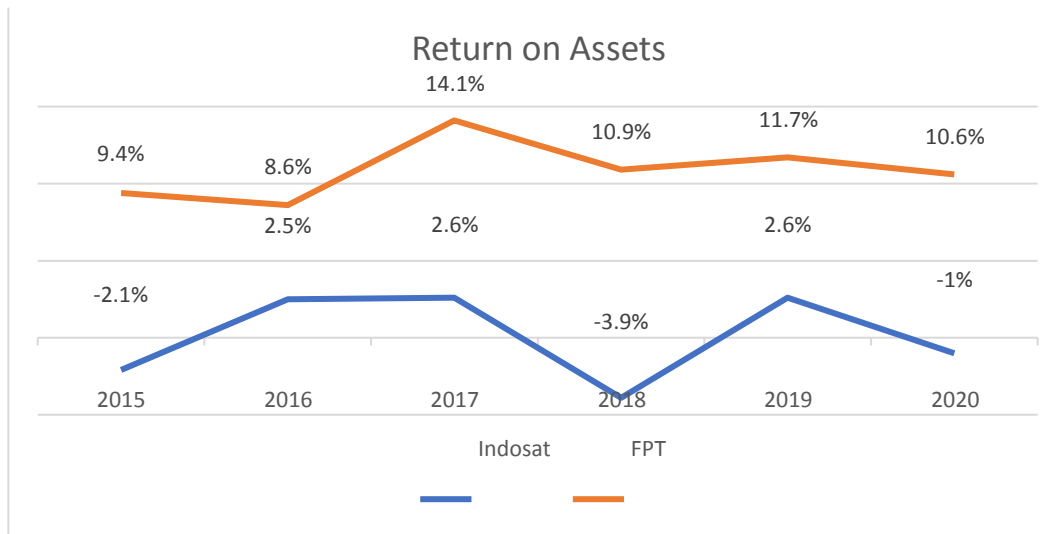
For PT Indosat Tbk from the calculation result of PT Indosat Tbk financial statement analysis, the result of Indosat net profit margin in 2015 is -4.3%. Net profit margin that is low or decreasing indicates that the company's performance is not good and the company's operations are increasingly less efficient. In 2016 is 4.4%, this year net profit margin has increased but still above 10%. The net profit margin in 2017 is 4.4%, this year the result percentage is the same with previous year. In 2018 is -9%, this year the result percentage has decreased. In 2019 is 6.2%, this year has increased. And the net profit margin in 2020 is 2.3%, this year has decreased from previous year.

3.1.2.2. Return on Assets

Table 3.5 Return on Assets of PT Indosat Tbk and FPT Corporation

Year	PT Indosat Tbk		FPT Corporation	
	Net Income	Assets	Net Income	Assets
2015	VND (1.844.881.313.154)	VND 87.827.393.364.246	VND 2.438.084.765.165	VND 26.045.588.544.428
2016	VND 2.022.755.970.970	VND 80.612.933.802.442	VND 2.575.690.845.279	VND 29.833.261.814.151
2017	VND 2.064.417.619.545	VND 80.331.218.983.924	VND 3.528.113.914.381	VND 24.999.676.895.866
2018	VND (3.306.196.065.524)	VND 84.261.353.497.920	VND 3.233.997.141.045	VND 29.757.067.149.568
2019	VND 2.585.216.769.281	VND 99.600.104.104.401	VND 3.911.712.166.873	VND 33.394.164.263.694
2020	VND (999.219.932.218)	VND 99.545.779.369.606	VND 4.423.745.217.598	VND 41.734.323.235.194

Chart 3.4 Return on Assets Ratio of PT Indosat Tbk and FPT Corporation



For FPT from the calculation result of FPT Corporation's financial statement analysis, the result of FPT return on assets (ROA) ratio in 2015 is 9.4%. The result obtained by FPT shows that the net profit generated by the company, amounting 9.4% of the efficiency of assets by the company. In 2016 is 8.6%. This year has decreased from previous year. Return on assets ratio in 2017 is 14.1%, this year has increased from previous year, this increase caused by an increase in net profit. In 2018 is 10.9%, this year has decreased from the previous year. In 2019 is 11.7%, this year has increased. And in 2020 is 10.6%, it has decreased from the previous year again.

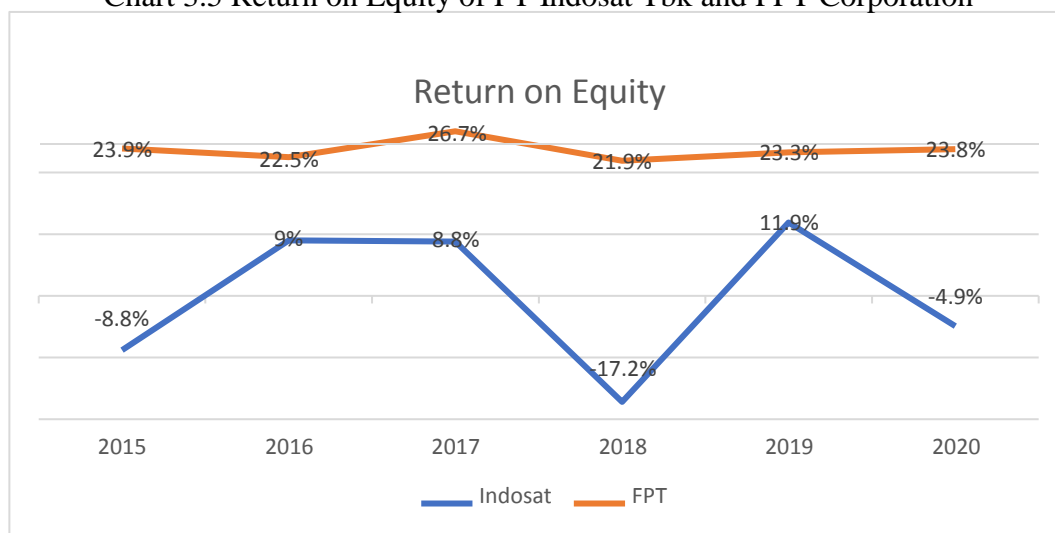
For Indosat from the calculation result of PT Indosat Tbk's financial statement analysis, the result of PT Indosat's return on assets (ROA) ratio in 2015 is -2.1%, this negative return on assets due to the company's profit in a negative or loss condition. In 2016 is 2.5%, this year their ROA has increased from previous year. Return on assets ratio in 2017 is 2.6%, this year has increased slightly. In 2018 is -3.9%, this year Indosat's return on assets has decreased from previous year. This decrease indicates that the company is increasingly ineffective in managing assets to generate profits. In 2019 is 2.6%, this year ROA has increased. And return on assets in 2020 is -1%, this year their ratio has decreased from previous year again.

3.1.2.3. Return on Equity

Table 3.6 Return on Equity of PT Indosat Tbk and FPT Corporation

Year	PT Indosat Tbk		FPT Corporation	
	Net Income	Equity	Net Income	Equity
2015	VND (1.844.881.313.154)	VND 21.031.951.099.680	VND 2.438.084.765.165	VND 10.182.285.753.023
2016	VND 2.022.755.970.970	VND 22.480.100.111.449	VND 2.575.690.845.279	VND 11.448.075.264.819
2017	VND 2.064.417.619.545	VND 23.492.409.672.556	VND 3.528.113.914.381	VND 13.238.376.233.773
2018	VND (3.306.196.065.524)	VND 19.243.969.634.259	VND 3.233.997.141.045	VND 14.774.970.765.111
2019	VND 2.585.216.769.281	VND 21.734.956.932.149	VND 3.911.712.166.873	VND 16.799.289.401.006
2020	VND (999.219.932.218)	VND 20.476.264.243.729	VND 4.423.745.217.598	VND 18.605.667.400.728

Chart 3.5 Return on Equity of PT Indosat Tbk and FPT Corporation



For FPT Corporation from the calculation result of FPT Corporation's financial statement analysis, the result of FPT's return on equity (ROE) in 2015 is 23.9%. The result obtained by FPT shows that the profit generated the company, amounting to 23.9% of the result of efficient use of capital from investing in shares by investors. In 2016 is 22.5%, this year the return on equity percentage has decreased from previous year. Return on equity in 2017 is 26.7%, this year the result has increased. In 2018 is 21.9%, this year has decreased from previous year. In 2019

is 23.3%, this year ROE has increased. And return on equity in 2020 is 23.8%, this year has increased slightly.

For PT Indosat Tbk from the calculation result of Indosat's financial statement analysis, the result of Indosat's return on equity (ROE) in 2015 is -8.8%. When a company incurs a loss, hence no net income, return on equity is negative. A negative return on equity is not necessarily bad, mainly when costs are a result of improving the business, such as through restructuring. In 2016 is 9%, this year has increased from previous year. Return on equity in 2017 is 8.8%, this year has decreased slightly. In 2018 is -17.2%, this year return on equity has decreased. In 2019 is 11.9%, this year ROE is increased from previous year. And the return on equity in 2020 is -4.9%, this year ROE has decreased from the previous year again.

3.2. Discussion

3.2.1. Current Ratio

In the calculation of six years, FPT Corporation is still in good numbers. The calculation value is not less than one to one or more than 100%. It shows the company has good ability even though it has ups and downs in fulfilling its short-term liabilities. Greater the calculation of the current ratio (above 100%) is pretty well, because these results indicate that the current assets are able to cover their liabilities.

In the calculation of six years, PT Indosat Tbk did not achieve good percentages. The calculation values are less than one, indicating the company does not have enough current assets to cover all current liabilities, the company will only be able to cover half of its current debt using current assets. The company's financial condition is not healthy.

3.2.2. Quick Ratio

In the calculation of six years, FPT Corporation in 2015 and 2016 had values under one or percentages under 100%, meaning the company may not be able to fully pay off its current liabilities in the short term. And then in 2017, 2018, 2019

and 2020, their percentages increased above 100%, those show the company's good ability to fulfill its liabilities.

In the calculation of six years, PT Indosat Tbk did not achieve good percentages. The calculation values are under one or their percentages under 100%, which means the company has no liquid assets and is considered unable to fulfill or pay current liabilities that must be met in a certain operational cycle.

3.2.3. Profit Margin

Profit margin calculations for six years, FPT Corporation percentage in 2015, 2016 and 2017 are less than 10%, those show the company's performance is not good and the company's operating activities are increasingly less efficient, company uses an ineffective cost structure and/or poor pricing strategies. But in 2018, 2019 and 2020 profit margin has increased more than 10%, which means the company is considered efficient in determining the selling price of its products.

Profit margin ratio for six years, PT Indosat Tbk percentages are less than 10% and also has negative percentages. It means that money the company makes from selling their products or services is not enough to cover the cost of making or selling those products or services.

3.2.4. Return on Assets

Return on asset ratio for six years, FPT Corporation percentages are more than 5%, return on assets values of more than 5% are considered to be pretty good ratios. In general, the higher ROA, the more efficient the company is at generating profits.

Return on assets for six years, PT Indosat Tbk percentages are less than 5% even negative, low return on assets percentages indicates that the company is not able to make maximum use of its assets for getting more profits. The negative return on assets (ROA) is due to the company's profit in negative condition or loss.

3.2.5. Return on Equity

Return on equity for six years of FPT Corporation has good percentages. FPT return on equity values are more than 20%, return on equity of 15-20% are

generally considered good. A rising return on equity suggests that the company is increasing its profit generation without needing as much capital.

Return on equity for six years, PT Indosat Tbk percentages are less than 15% even negative, that means the company incurs a loss, and hence no net income. A low or even negative return on equity will be classified as a company that is not good at generating its income.

3.3. Conclusion

This study aims to determine and measure company financial performance as measured by liquidity and profitability ratios at FPT Corporation in Vietnam and PT Indosat Tbk (Indosat Ooredoo) in Indonesia. Valuation and measurement using the two companies' financial statements from 2015 to 2020.

The assessment and measurement of the liquidity ratios for FPT Corporation had showed good values, even in 2015, 2016 and 2017, their results showed not really good values or under percentage, but in the next year their percentages had increased and until show the good results. Which mean the company was able to fulfill its short-term liabilities well. While the assessment and measurement for PT Indosat Tbk had showed bad results, their results are under the percentage, which mean the company unable to fulfill its short-term liabilities.

The assessment and measurement of profitability ratios for FPT Corporation had showed good results, even their percentage in 2015, 2016 and 2017 for profit margin is not really good, which mean the company's performance is not really good and the company's operating activities are increasingly less efficient, but FPT can improve so in the next year their percentage had increased. And FPT got good results for other ratios, which means the company to generate profits using assets and equity owned are good. While the assessment and measurement for PT Indosat Tbk (Indosat Ooredoo) showed bad results, which means the company ability is less to generate their profits using assets and equity owned.

Comparison of assessment and measurement results using liquidity and profitability ratios between PT Indosat Tbk (Indosat Ooredoo) and FPT Corporation from 2015 to 2020, shows FPT Corporation obtained better results than PT Indosat Tbk (Indosat Ooredoo).

