

**DETERMINANTS OF FINANCIAL PERFORMANCE IN COAL
MINING INDUSTRY COMPANIES LISTED ON THE
BEI IN 2021-2022**

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Abstract

The reason for this research is to test the effects of financial ratios such as Current Ratio, Debt to Equity Ratio, SIZE, and Return on Equity on the financial work of companies listed on the IDX in 2021-2022. Current Ratio, Debt to Equity Ratio, Return on Equity and SIZE as independent variables are used in this study, with ROA as the dependent variable. The population in this study is coal companies listed on the IDX in 2021-2022 using participants as many as 60 companies. The technique used in this study is known as purposive sampling (the process of determining the sample based on certain conditions). The type of information utilized in his research is secondary information obtained on the Indonesia Stock Exchange (IDX) for 2021-2022. The results of this study show that the Current Ratio has a positive insignificant impact on financial performance, the Debt to Equity Ratio variable has a negative insignificant impact on financial performance, the Return On Equity variable has a significant positive impact on financial performance and the SIZE variable has a positive insignificant impact on financial performance.

Keywords: *Financial Performance, Financial Ratios, Company Size*

1. INTRODUCTION

The success of a company can be reviewed by looking at how well the company manages its financial position. Financial position is a fundamental consideration to understand the financial position of a company and evaluate its performance. Financial performance serves as a guide to determine the company's ability to carry out each financial activity adequately. It is said by (Irham Fahmi, 2018), financial performance is an analysis whose purpose is to understand how far a company is able to implement its financial management rules properly and accurately. The proper financial performance of a company means that the rules it applies are enforced with discipline and obedience.

Financial performance is the output or achievement achieved from company management in the management of company goods correctly within a specified period of time (Atma Hayat, 2018). Evaluation of financial performance is carried out to determine how effective the company's operations are in achieving its goals (Marginingsih, 2017). The financial statements submitted by the management of a community can be used to evaluate the company's financial performance. Financial reporting is the language of business. Financial reporting can contain data about a company's financial condition for users of financial results (Murhadi et al., 2023).

Basically, a company's financial performance can be applied in assessing the potential of a community's economic resources. Whether the company's performance is good, good, or not good. With an overview of the company's performance, the company

can control its business in the future. An investment or step that the company must take to maintain its stability or improve its business results.

Financial ratios are the activity of comparing numbers in financial reporting through the step of sharing one value over another (Mansyur, 2022 ; (Lestari et al., 2021). These values can be compared as a result of a period or a number of periods (Suhendro, 2018). Said by Barus et al (2017), financial comparison is a measuring tool to explore the performance and financial position of a company by calculating comparisons based on the company's financial statements.

In general, financial ratios are divided into five categories: liquidity ratio, activity ratio, debt ratio, profitability ratio, and market value ratio (Amna, 2020 ; Kosim & Safira, 2020; Muktiadji & Pamungkas, 2022). Liquidity ratios are composed of current ratios and short-term ratios (Benu E. D, 2023; Manullang et al., 2019). Solvency/debt ratios are composed of total debt ratios (debt-to-equity ratios) and total debt ratios. Profitability ratios are composed of return on assets, return on equity, activity ratios, as well as valuation ratios (Sutrisno, 2009).

A metric called "firm size" (SIZE) can be used to determine the size of a firm based on factors including sales, stock market value, and total assets. The size of a company increases with its total assets, market value, and sales (Brigham & Houston, 2006). As companies increase in size, the demands placed on them when processing information also increase. This allows companies to realize the importance of the financial statements provided, especially information about the company's financial performance.

Mining in Indonesia, especially in the coal industry, is still one of the largest providers and exporters in the world. The significant position of this industry includes the export of medium and low quality coal types. Indonesia's existing coal reserves are estimated to be exhausted within the next 79 years, if current production levels continue. According to data from Indonesia's Ministry of Mineral Resources, since coal mining was opened to foreign investment in the early 1990s, production, exports and sales in Indonesia have increased. Domestic use of coal energy is still low, as indicated by the level of coal production that is exported abroad. In the last decade around 70% to 80% of the total coal production was exported to other parts of the world and the rest was utilized in the domestic market, especially as a steam power plant or PLTU. (Source: www.kompas.id).

The mining industry is expected to remain a mainstay for Indonesia's economic growth until 2023. This is because coal energy commodity is still the most popular commodity in the world. According to the Central Statistics Agency (BPS), the contribution of the mining industry to national economic growth in 2022 was 12.22%, higher than the contribution of the mining industry to economic growth in 2021 of 8.98% and the growth contribution rate in 2020 was 6.44%. (Source: national.kontan.co.id). Based on data collected by the Ministry of Energy and Mineral Resources (ESDM) Minerba One Data Indonesia (MODI) as of December 30, 2022, non-tax state revenue (PNBP) from the mineral and coal mining sector amounted to Rp. 173.51 trillion or 170.38% of 2022. 101. Rp 84 trillion. (Source: www.idxchannel.com).

Therefore, the author uses coal mining companies as objects in this study. In his research, the author reviews and analyzes the performance of coal mining companies listed on the Indonesia Stock Exchange (IDX) through liquidity ratios, solvency ratios, profitability ratios, as well as company size, and provides data on the company's financial performance in detail (Digdowiseiso & Santika, 2022; Puspitarini, 2019; Rojulmubin et

al., 2023). This serves to analyze the effectiveness of the company's activities for the management of all assets owned, by examining the ability of the company when generating profits.

2. LITERATURE REVIEW

2.1. Agency Concept

The agency concept is a concept based on the business practices of a company and is applied today. This theory mainly explains the existence of a work correlation between the authorizer / authority (investor) and the recipient of the power / authority (manager). Elaborated by Supriyono (2018), agency theory is the relationship between principals and agents. According to Scott et al (2017), agency theory is a contract between the principal and the agent, the duty of the principal is the party who gives the obligation to others (agents) to carry out responsibilities for the needs of the principal.

2.2. Stakeholder Theory

Stakeholder Theory is a concept that describes how the company's management team works to perfect or respond to the wishes of stakeholders. The stakeholder concept explains that all layers of parties affected by company activities are the responsibility of the company (Safitri & Muid, 2020). Stakeholder theory also states that company performance can be influenced by all company stakeholders. Therefore, it is the responsibility of management to provide benefits to stakeholders that can affect company performance.

2.3. Financial Report

Said by Murhadi et al (2023), financial reporting is the language of the industry. This financial reporting contains user data about the financial situation of a company. (Raymond Budiman, 2020) believes that this report is a document that can be used to explain the company's financial position and performance in a certain period of time. Delving into a company's financial report allows all interested parties to understand the financial health of a company.

2.4. Conceptual Framework

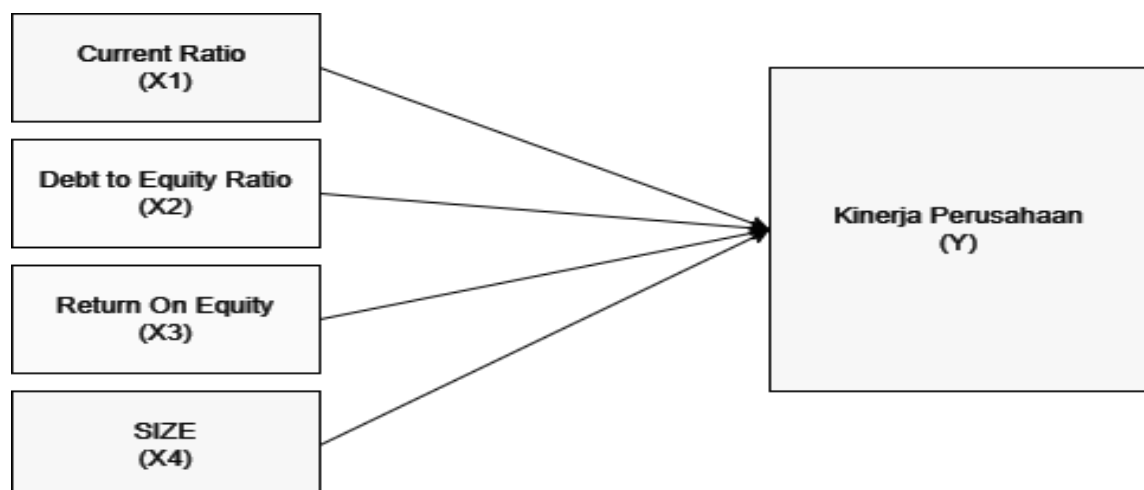


Figure 1. Conceptual Framework

2.5. Financial Statement Analysis

Financial reporting analysis is a thorough review of a company's money management and can be used to describe the health status of a company (Muizudin & Utiyati, 2015; Trianto, 2017). Financial ratios are divided into five categories: liquidity ratio, activity ratio, debt ratio, profitability ratio, and market value ratio (Amna, 2020) (Fiah Setyawan, 2023; Tampubolon, 2015).

2.6. Liquidity Ratio

Liquidity ratio is an indicator of a company's ability to fulfill its financial responsibilities. Liquidity is valuable because the more liquid a company is, the less likely it is to experience a financial recession (Hamilah, 2023). In this study, the authors used the current ratio as a benchmark (Esthirahayu et al., 2014). This is because this ratio shows the company's ability to complete its tasks in a short period of time. This is because investors can understand the company's ability to complete its responsibilities in a short time when the time has to be completed.

H₁: Current Ratio has a positive effect on financial performance

2.7. Solvency Ratio / Leverage Ratio

According to Cashmere (2014: 151), the solvency ratio is an important number that shows how much a company's assets are financed from debt and credit. This comparison assesses the ability of a company to complete its responsibilities for a long time (Hanafi, 2014). The author chose DER as a benchmark because this comparison shows how well the company can carry out its long-term obligations.

H₂: Debt to Equity Ratio has a negative effect on financial performance.

2.8. Profitability Ratio

Profitability comparison is a measure that is used to determine the ability of a company to make a profit. Profitability is an indicator that measures the company's ability to generate profits at an acceptable level (Anggara et al., 2021). In this study, the authors used return on equity (ROE) as a benchmark. ROE is a way to find out how efficiently a company uses its shareholders' capital. The reason for choosing ROE as an indicator is to evaluate the effectiveness of a company when making profits through the utilization of available equity capital.

H₃: Return On Equity has a positive effect on financial performance Company Size

2.9. Company Size

According to Ni Luh Ayu (2016), the larger the size of the company, the easier it will be for the company to obtain external financing in the form of capital and equity. Suryana & Rahayu (2018) state that company size can show how big or how small a company is indicated by sales and total assets. Meanwhile, Machfoedz (1994) states that company size is a size that can be classified through various methods depending on the size of the company, such as total assets, log size, and stock market value.

H₄: Company size has a positive effect on financial performance

2.10. Financial Performance

According to Irham Fahmi (2018), company performance determines the extent to which a company complies with established financial utilization rules, such as preparing reports in accordance with the references and rules in the Financial Accounting Standards (SAK) or General Accepted Accounting Principle (GAAP). From Atma Hayat (2018) financial performance is defined as the results or output achieved by the company's team to process the company's assets correctly within a specified period of time.

So it can be concluded that financial performance is the achievement that has been achieved from the company in a certain period of time and produces effective and efficient profits and its development can be reviewed through the processing of information recorded in financial reporting (Leiwakabessy, 2017). The financial statements issued by the company describe the company's financial achievements.

3. RESEARCH METHODS

This research is quantitative descriptive research. Namely research that collects, compiles, interprets, and analyzes data to reach objective conclusions about the problem at hand. The object of this research is companies in the coal mining sector listed on the Indonesia Stock Exchange (IDX). The population of this study consists of 43 coal mining companies that have gone public. The sample used by researchers amounted to 30 companies from 2021 to 2022. The sampling method in this study applies purposive sampling, namely sampling based on certain conditions, such as:

- 1) The sample is a company that has gone public during the research period conducted in the 2021-2022 period;
- 2) The sample is a company that has made annual financial reporting and published in the 2021-2022 period;
- 3) Companies that have positive profits in the 2021-2022 period.

3.1. Data Collection Technique

Defined by Sugiyono (2018), the information collection method is the first and most important research method, because the priority is to get information. This study uses the documentation method to obtain information by looking at data consisting of information, charts, images, and so on (Sugiyono, 2018). The information collection method is carried out using the reporting data of coal mining companies listed on the Indonesia Stock Exchange (IDX) which are available on the official IDX website from 2021 to 2022.

3.2. Data analysis techniques (Panel data)

Descriptive statistics serve to illustrate or describe an information through the use of average (mean), standard deviation, maximum, and minimum numbers. Statistical tests for determining panel data model parameters, including: Common Effect, Fixed Effect and Random Effect by conducting the Chow Test and Hausman Test.

The Chow test is carried out to determine the right type of research from 2 approaches: Common Effect or Fixed Effect. From the Chow Test results obtained, decision making is known through the cross-section Chi-square probability number:

- 1) If the f number > 0.05 , then the model used is the common effect model.
- 2) If the number $f < 0.05$, then the model used is the fixed effect model.

The Hausman test is used to find the most suitable type of research to be used for panel data regression. From the Hausman Test results obtained, decision making is known through the random cross-section probability number:

- 1) If the random cross-section probability number < 0.05 , then the variation used is the fixed effect model.
- 2) If the random cross-section probability number > 0.05 , then the variation used is the random effect model.

3.3. Inference Test

- 1) Classical Assumption Test
 - a. Normality Test
 - b. Multicollinearity Test
 - c. Autocorrelation Test
 - d. Heteroscedasticity Test

- 2) Model Feasibility Test
 - a. Coefficient of Determination (R^2)
To test the high level of independent variables in influencing the dependent variable.
 - b. F test
In order to test these presumptions, statistics are applied through the comparison of the F_{count} of the results of the analysis through the F_{table} number through the conditions:
 - a) If $F_{count} > F_{table}$ then H_0 is rejected and H_a is accepted.
 - b) If $F_{count} < F_{table}$ then H_0 is accepted and H_a is rejected.

3) Panel Data Regression

This research data analysis uses panel data regression analysis method to determine the impact of Current Ratio, Debt to Equity Ratio, Return on Equity, and Size on the Financial Performance of Coal Mining Companies listed on the Indonesia Stock Exchange (IDX). The panel data regression model used is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Notes:

- Y : Financial Performance is the dependent variable
 α : Constant
 $\beta_1; \beta_2; \beta_3; \beta_4$: Regression coefficient
 X_1 : Current Ratio, being an independent variable
 X_2 : Debt to Equity Ratio, being an independent variable
 X_3 : Return On Equity, being an independent variable
 X_4 : SIZE, being an independent variable
e : Error

4) Partial T Test

This test is carried out in order to partially understand whether the independent variable has a positive or negative impact on the dependent variable. This test is carried out through the use of a 2-way test through the hypothesis, among others:

- a. $H_0: \beta \neq 0$, meaning that there is no significant effect of the independent variable on the dependent variable.
- b. $H_0: \beta \neq 0$, means that there is a significant effect of the independent variable on the dependent variable.

The basis for decision making based on the tcount and ttable values are:

- a. H_0 is accepted and H_a is rejected if $T_{count} < T_{table}$.

This means that the independent variable has no significant impact on the dependent variable.

- a. H_0 is rejected and H_a is accepted if $T_{count} > T_{table}$.

This means that the independent variable has a significant impact on the dependent variable. According to the significance number of Eviews output:

- a. If the Sig. < 0.05 then the independent variable has a significant impact on the dependent variable
- b. If the Sig. > 0.05 then the independent variable has no significant impact on the dependent variable

The following financial ratios are used in this study:

- 1) Return on asset (ROA)

Return on Asset (ROA) value is a measure of the company's ability to generate pre-tax profits from all of its assets. The ROA value can be calculated using the formula below:

$$ROA = \frac{EBIT}{Total\ Asset}$$

- 2) Current Ratio (CR)

Current Ratio (CR) is the ratio of the value between current assets and current liabilities. CR shows the company's ability to fulfill its responsibilities in a short period of time. Current Ratio (CR) can be analyzed with the formula below:

$$CR = \frac{Current\ asset}{Current\ Liabilities}$$

- 3) Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) is the ratio of all debt to the issuer's equity. This comparison is used to analyze the capital capacity of a company and is used as a guarantee of a company's debt. DER can be assessed by the formula below:

$$DER = \frac{Total\ dept}{Total\ Shareholder\ Equity}$$

- 4) Return On Equity (ROE)

Return On Equity is the company's ability to get net profit or profit after tax. ROE can be calculated using the formula below:

$$ROE = \frac{EAT}{Total\ Equity}$$

5) Company Size

In this study, company size is expressed through the company's total assets. Therefore, the more total assets the company has, the greater its size.

$$SIZE = \ln(\text{Total Assets})$$

4. RESULTS AND DISCUSSION

4.1. Descriptive Statistics

Table 1. Descriptive Statistics

Date: 12/09/23 Time: 18:50
Sample: 2021 2022

	Y	X1	X2	X3	X4
Mean	0.192883	2.384800	1.293100	0.333417	19.57402
Median	0.141500	1.790500	0.580500	0.253000	19.27950
Maximum	0.616000	14.46900	9.030000	1.246000	23.10100
Minimum	0.002000	0.270000	0.027000	0.007000	14.31700
Std. Dev.	0.176365	2.182228	1.992543	0.303894	1.888412
Skewness	0.969256	3.320127	2.760061	1.303421	-0.317550
Kurtosis	2.881324	17.35835	9.909146	4.277356	3.128041
Jarque-Bera	9.429786	625.6382	195.5201	21.06815	1.049364
Probability	0.008961	0.000000	0.000000	0.000027	0.591743
Sum	11.57300	143.0880	77.58600	20.00500	1174.441
Sum Sq. Dev.	1.835162	280.9650	234.2435	5.448741	210.3998
Observations	60	60	60	60	60

From the Descriptive Statistical Test conducted, the maximum value obtained by variable X1 is 14.46900, the minimum value is 0.270000 through a standard deviation of 2.182228. The maximum number obtained by the X2 variable is 9.030000, the minimum value is 0.027000 through a standard deviation of 1.992543. The maximum number obtained by variable X3 is 1.246000, the minimum value is 0.007000 through a standard deviation of 0.303894. The maximum value obtained by variable X4 is 23.10100, the minimum value is 14.31700 through a standard deviation of 1.888412. The number of observations in each variable shows that there are 60 data from 30 coal mining companies listed on the IDX in 2021-2022.

4.2. Chow Test

The Chow test is conducted to determine which Common Effect or Fixed Effect model is suitable for use when estimating panel data.

Table 2. The Chow Test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	2.910445	(29,26)	0.0037
Cross-section Chi-square	86.762390	29	0.0000

From the Chow Test table above, it shows that the probability value is 0.0000, this figure is below 0.05, which indicates that in this model test, the most effective one to use is the Fixed Effect Model.

4.3. Hausman Test

This test is carried out to choose whether the Fixed Effect model or Random Effect Model is suitable for application.

Table 3. Hausman Test

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	16.223981	4	0.0027

From the Hausman Test table above, the probability number is 0.0027, this number is below 0.05, which indicates that in this model test, the most effective method to apply is the Fixed Effect Model.

4.4. Normality Test

In the Normality Test carried out, a probability value of 0.372445 was obtained, which means greater than 0.05. This matter indicates that in the Normality Test, the data is normally distributed

4.5. Multicollinearity Test

In the Multicollinearity Test carried out, the VIF Probability value of all variables is below 10 or <10 . This indicates that there is no relationship between the independent variables. It can be concluded that there is no multicollinearity between the independent variables.

4.6. Autocorrelation Test

In the Autocorrelation Test carried out, the Probability Obs * R-Squared number is 0.0769. This indicates that the Autocorrelation Test has been fulfilled.

4.7. Heteroscedasticity test

In the Heteroscedasticity Test carried out, the probability value of X1 is 0.9004, X2 is 0.7657, X3 is 0.0176 and X4 is 0.0000. Heteroscedasticity can occur if the probability value is more than 0.05, but in this test the probability value >0.05 only occurs in variables X1 and X2, for values X3 and X4 the value is <0.05 , which means it does not pass the heteroscedasticity test. For this reason, another alternative is carried out, namely residual heteroscedasticity.

In the Residual Heteroscedasticity Test, a residual graph is obtained, with a value that is at (6 and -6) the value does not cross the value limit (500 and -500), which means

that the residual variance is the same. Therefore, Heteroscedasticity does not occur or pass the Heteroscedasticity Test.

4.8. Model Feasibility Test

a. Test Coefficient of Determination (R2)

R-squared	0.969853
Adjusted R-squared	0.931588
S.E. of regression	0.046129
Sum squared resid	0.055325
Log likelihood	124.5297
F-statistic	25.34629
Prob(F-statistic)	0.000000

Figure 2. Test Coefficient of Determination (R2)

Testing the coefficient of determination obtained an adjusted R-squared value of 0.931 or 93.1%. The coefficient of determination shows that the independent variables composed of Current Ratio, Debt to Equity Ratio, Return on Equity, and SIZE can explain financial performance in the coal mining business sector listed on the Indonesia Stock Exchange (IDX) by 93.1%. The remaining 6.9% can be explained through other variables that are not inputted in this research variation.

b. F Test

R-squared	0.969853
Adjusted R-squared	0.931588
S.E. of regression	0.046129
Sum squared resid	0.055325
Log likelihood	124.5297
F-statistic	25.34629
Prob(F-statistic)	0.000000

Figure 3. F Test

In the F test, the fcount value is 25,346 > ftable which is 2,759, and a sig number of 0.000 is obtained. The sig value. smaller find 0.05, it can be concluded that H0 is rejected and Ha is accepted. It can be concluded that the variables X1 (Current Ratio), X2 (Debt to Equity Ratio), X3 (Return on Equity) and X4 (SIZE) have an impact on Financial Performance.

Panel data regression equation:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$Y = -1.580 + 0.008 * X_1 - 0.015 * X_2 + 0.268 * X_3 + 0.086 * X_4 + e$$

The explanation of the regression above is as below:

1. The constant probability number is -1.58, which illustrates that if there is no variable CR (X1), DER (X2), ROE (X3) and SIZE (X4), then variable Y (financial performance) will face a decrease of -1.580.
2. The beta coefficient number of variable X1 is 0.008, which indicates that if the other variables are constant and variable X1 faces a 1% increase in value, then variable

Y (financial performance) will increase in value by 0.8%. Likewise, if there is a 1% decrease in value in variable X1 (Current Ratio), variable Y (Financial Performance) will decrease in value by 0.8%.

3. The beta coefficient number of variable X2 is -0.015, which indicates that if the other variables are constant and variable X2 increases in value by 1%, then variable Y (Financial Performance) will decrease in value by 1.5%. Likewise, if there is a 1% decrease in value to X2 (Debt to Equity Ratio) so that variable Y (Financial Performance) will increase in value by 1.5%.
4. The beta coefficient number of variable X3 is 0.268, which indicates that if the other variables are constant and variable X3 faces a 1% increase in value, then variable Y (Financial Performance) will experience an increase in value of 26.8%. Likewise, if there is a 1% decrease in value in X3 (Return On Equity) so that variable Y (Financial Performance) will experience a decrease in value of 26.8%.
5. The beta coefficient value of variable X4 (SIZE) is 0.086, which indicates that if the other variables are constant and variable X4 increases in value by 1%, then variable Y (Financial Performance) will increase in value by 8.6%. Likewise, if there is a 1% decrease in value in variable X4 (SIZE), variable Y (Financial Performance) will decrease in value by 8.6%.

c. T test

Dependent Variable: Y
 Method: Panel Least Squares
 Date: 12/10/23 Time: 09:32
 Sample: 2021 2022
 Periods included: 2
 Cross-sections included: 30
 Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.579825	0.899914	-1.755528	0.0909
X1	0.008311	0.006617	1.256103	0.2202
X2	-0.014650	0.009638	-1.520007	0.1406
X3	0.267820	0.064720	4.138150	0.0003
X4	0.085958	0.046554	1.846424	0.0762

Table 4. F Test

The effect of the independent variables on the dependent variable partially is interpreted as follows:

1. H1 Current Ratio (CR) has a positive effect and does not significantly affect financial performance. In the t test for variable X1 (Current Ratio), the tcount is 1.256, which is lower than the ttable value of 2.048, or tcount < ttable, and the sig. number is 0.2202, which is higher than 0.05. Therefore, it can be said that H0 is accepted and Ha is rejected. This shows that the variable X1, or Current Ratio, does not have a significant impact on financial performance.
2. H2 Debt to Equity Ratio (DER) has a negative effect and does not significantly affect financial performance. In the t test of variable X2 (Debt to Equity Ratio), the tcount is -1.520, which is lower than the ttable value of 2.048, or the tcount value < ttable, and the sig. value is 0.1406, this value is greater than 0.05. Therefore, it can be said that H0 is accepted and Ha is rejected. This shows that the variable X2, or Debt to Equity Ratio, does not have a significant impact on financial performance.
3. H3 Return on Equity (ROE) has a positive impact and significantly affects financial performance. In the t test for variable X3 (Return on Equity), the tcount is 4.139,

which is greater than the t table number of 2.048, or the $t_{count} > t_{table}$, and the sig. number is 0.0003, this value is smaller than 0.05. Therefore, it can be said that H_0 is rejected and H_a is accepted. This shows that variable X3, or Return On Equity, has a significant impact on financial performance.

4. H_4 Company Size (SIZE) has a positive impact and does not significantly affect financial performance. In the t test of variable X4 (SIZE), the t_{count} value is 1.846, which is lower than the t_{table} number of 2.048, or $t_{count} < t_{table}$, and the sig. number is 0.0762, that number is greater than 0.05. Therefore, it can be said that H_0 is accepted and H_a is rejected. This indicates that variable X4, or SIZE, has no significant impact on financial performance.

4.9. Discussion

Based on the results of the above analysis, the discussion is obtained, among others:

- a. Current Ratio shows that the output of the analysis has a positive impact, and is not significant on financial performance. The results of this study are in line with previous research conducted (Fia Setyawan, 2023). The matter shows that the impact of a higher Current Ratio is very small on financial performance. If the company's Current Ratio is too high, it indicates that the company has excess current assets that cannot be used properly to generate optimal profits. A too high Current Ratio also shows that the company's performance will be worse because it can be assumed that the company is unable to pay off its responsibilities appropriately and cannot maximize its assets owned to meet its obligations.
- b. Debt to Equity Ratio shows the results of the analysis have a negative impact, and are not significant on financial performance. The output of this study is in line with previous research conducted (Sudaryo & Sari, 2015). The matter shows that the high debt ratio has a negative impact on financial performance. Financial performance is negatively affected by high interest rates. This is because the amount of debt owned by a company means that the company's interest costs will increase and the company's profits can decrease. The results show that the company's ability to generate profits is not only influenced by management's ability to process resources, but also other reasons.
- c. Return On Equity shows that the results of the analysis have a positive and significant impact on financial performance. Financial performance is strongly influenced by Return on Equity, which shows that the higher the value, the better the company's ability to earn profits for stakeholders, which in turn increases the company's numbers. The research conducted is not in line with previous research conducted by Fia Setyawan (2023). Return On Equity is a measure of how well a business can generate profits from its capital. An increase in Return on Equity can show how well the management processes the available resources so that the business can generate profits.
- d. Company size (SIZE) shows that the results of the analysis have a positive impact, and are not significant on financial performance. This matter is in line with previous research conducted (Jumantari, 2022). The matter shows that the larger the size of the company, the better its financial performance. The large size of the company also shows that more assets belong to the company, which shows that the company is more aware of controlling its assets effectively.

5. CONCLUSION

Based on the test results and also the discussion regarding the analysis of financial ratios as well as company size on the performance of companies in the coal mining industry listed on the Indonesia Stock Exchange (IDX) in 2021-2022 with the variables Current Ratio, Debt to Equity Ratio, Return On Equity and SIZE. The results obtained in this study are, Current Ratio (CR) has a positive and insignificant impact on financial performance. Debt to Equity Ratio has a negative and insignificant impact on financial performance. Return on Equity (ROE) has a positive and significant impact on financial performance. Company Size (SIZE) has a positive and insignificant impact on financial performance.

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