

## ANALYSIS OF PRE AND POST MERGER FINANCIAL RATIO AT PT INDOSAT OOREDOO HUTCHISON TBK

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### ABSTRACT

This study aims to determine the company's financial performance before the merger in 2020-2021 and after the merger in 2022-2023. This study uses quantitative data. The data source used is secondary data. The secondary data used is the Financial Report from the official website of PT Indosat Ooredoo Hutchison Tbk. The results of the analysis in this study based on the liquidity ratio, Solvability ratio, profitability ratio, and activity ratio are the company's financial performance before and after the merger is in the poor criteria because the average ratio calculation is below the industry standard.

**Keywords:** Liquidity Ratio, Solvability Ratio, Profitability Ratio, Activity Ratio and Merger.

### 1. INTRODUCTION

Business dependence on digital technology is increasing and business competition between companies is getting tighter. One of them is the growing competition in the telecommunications industry. However, economic instability in the era of globalization is a challenge for companies in taking advantage of existing opportunities. In facing these challenges, a strategy is needed to increase the efficiency of the company that allows the company to compete with other companies. One business strategy to increase company efficiency is to merge (Advanced corporate financial management, 2023).

The merger activity was carried out by one of the telecommunications companies in Indonesia, namely PT Indosat Ooredoo Hutchison Tbk. PT Indosat Ooredoo Tbk and PT Hutchison 3 Indonesia Tbk merged on January 4, 2022 and changed their names to PT Indosat Ooredoo Hutchison Tbk. This merger activity is considered a strategic step to strengthen the company's position in facing challenges and opportunities in the digital era. President Director and CEO of PT Indosat Ooredoo Hutchison Tbk, Vikram Sinha, emphasized that the Indosat merger was one of the most successful and had become a major driver in the telecommunications industry and Indonesia's Gross Domestic Growth (Indonesian News Agency, 2023).

One of the tools used to conduct this evaluation is an analysis of the company's financial statements. Financial statements are important not only for parties within the company, but also for external parties. Through this analysis, it can be seen whether the financial condition of a company is good or bad, which reflects work performance in one period. Companies must analyze financial statements because financial statements can be used to provide a current and historical picture of the company's finances, which they can use to make decisions about how to make better progress. Financial statement analysis can be measured using financial ratios. Financial ratios consist of several types of ratios such as Liquidity Ratio, Solvability Ratio, Profitability Ratio, and Activity Ratio. Each type of financial ratio has a different use (Angga Prasetyo et al., 2024).

### 2. LITERATURE REVIEW

#### 2.1 Financial Statements

According to Hery (2020), financial statements are the final product of a series of processes of recording and summarizing business transaction data. Financial statements are basically the result of an accounting process that can be used as a tool to communicate financial data or company activities to interested parties. It can be concluded that financial statements are the final result of an accounting process that describes the company's financial condition in a certain period and functions as a means of communicating financial data to interested parties.

#### 2.2 Types of Financial Reports

According to Kasmir (2019), in general there are five types of financial reports that are usually prepared, namely:

1. Balance Sheet

Balance sheet is a report that shows the financial position of a company on a certain date. That is, the financial position refers to the type and amount of assets as well as debts and capital owned by a company.

2. Income statement  
Income statement is a financial report that describes the results of a company's business in a certain period. In the income statement, you can see the total income and the sources of income obtained as well as the amount of costs and types incurred during a certain period.
3. Statement of changes in capital  
The statement of changes in equity is a report that contains the amount and type of capital currently owned. Then, this report also explains changes in capital and the reasons for changes in capital in the company. In addition, changes in capital can be caused by retained earnings, dividends paid, or other transactions that affect capital.
4. Cash Flow Statement  
Cash flow report is a report that shows all aspects related to the company's activities, both those that have a direct or indirect effect on cash. The cash flow report will record all cash inflows and cash outflows of the company during a certain period of time, so that the net increase or decrease in cash from all activities during the current period can be seen as well as the cash balance owned by the company until the end of the period.
5. Notes to Financial Statements Report  
The notes to the financial statements report is a report that provides information if there is a financial report that requires a certain explanation. Sometimes there are parts or values in the financial statements that need to be explained to make them clear. This must be done so that the parties involved do not misinterpret it.

### 2.3 Financial Statement Analysis

According to Sari and Hidayat (2022:1), financial statement analysis is the breakdown of financial statement items involving balance sheets and profit and loss to obtain deeper information on a company's financial condition which is very important in the process of making the right decisions. So, it can be concluded that financial statement analysis is a process that involves the breakdown and in-depth study of the items listed in the financial statements to gain a deeper understanding of the company's financial condition, so that the information obtained is used to make decisions related to the company.

### 2.4 Financial Performance

According to Hutabarat (2020:2) Financial performance is an analysis carried out to see how far a company has carried out using financial implementation rules properly and correctly. It can be concluded that financial performance is an assessment or evaluation of the extent to which a company has carried out its financial activities in accordance with applicable accounting rules and principles.

### 2.5 Benefits of Financial Performance

There are several objectives of research into company financial performance, which can be shown as follows:

1. To determine the level of profitability or profit  
By knowing this, it can show the company's ability to generate profits during a certain period.
2. To find out the level of liquidity  
Knowing this can show the company's ability to meet its financial obligations that must be met immediately or the company's ability to meet its finances when billed.
3. To determine the level of Solvability  
Knowing this can show the company's ability to meet financial obligations if the company is liquidated, both short-term and long-term financial obligations.
4. To determine the level of business stability  
By knowing this, it can show the company's ability to conduct its business stably, which is measured by considering the company's ability to repay the principal debt on time and the ability to pay dividends regularly to shareholders without experiencing obstacles or financial crises. Hutabarat (2020).

### 2.6 Financial Ratios

Financial ratio according to Hutabarat (2020:20) is a ratio calculation using a company's financial statements which function as a measuring tool in assessing the financial condition and performance of a company. Based on the definition above, it can be concluded that the financial ratio is an important way to analyze and assess performance in a company's finances, using financial statements as a source of data that functions to monitor the company's performance over time.

## 2.7 Financial Ratio Analysis

According to Hery (2020:113) Financial statement analysis is a process of dissecting financial statements into their elements and examining each of these elements with the aim of obtaining a good and accurate understanding of the financial statements themselves. It can be concluded that financial ratio analysis is a way to understand financial statements by dividing and comparing the numbers in them, thus helping to assess the Company's performance position and development.

## 2.8 Types of Financial Ratios

### 1. Liquidity Ratio

According to Kasmir (2019: 130), the liquidity ratio or often referred to as the working capital ratio is a ratio that describes the company's ability to meet short-term obligations (Fred Weston).

### 2. Solvability Ratio

According to Kasmir (2019:153), the Solvability ratio or leverage ratio is a ratio used to measure the extent to which a company's assets are financed by debt.

### 3. Activity Ratio

According to Kasmir (2019:174), the activity ratio is a ratio used to measure the effectiveness of a company in using its assets. The activity ratio is used to assess the company's ability to carry out daily activities.

### 4. Profitability Ratio

According to Kasmir (2019:198), the profitability ratio is a ratio to assess a company's ability to seek profits.

### 5. Growth Ratio

According to Kasmir (2019:114), the growth ratio is a ratio that describes the company's ability to maintain its economic position amidst economic growth and its business sector. In the growth ratio that is analyzed is sales growth, net profit, earnings per share, and dividends per share.

### 6. Valuation Ratio

According to Kasmir (2019:115), the valuation ratio is a ratio that provides a measure of management's ability to create market value for its business above investment costs, such as the ratio of stock price to earnings and the ratio of stock market value to book value.

## 2.9 Merger

A merger is the combination of two or more companies into one company, where the acquiring company retains its identity, while the acquired company ceases its business activities and merges its legal entity (Tampubolon, 2013).

According to Hariyani et al (2011), a merger is a legal act carried out by one or more companies to merge with another existing company and then the merging companies are dissolved.

A merger is a process of combining businesses, by taking over one or more other companies. After the takeover, the company that was taken over is dissolved or liquidated, so that its existence as a legal entity disappears, thus its business activities are continued by the company that took over.

## 3. RESEARCH METHOD

The object of the research used is a company engaged in the telecommunications sector listed on the Indonesia Stock Exchange (IDX), namely PT Indosat Ooredoo Hutchison Tbk. On January 4, 2022, PT Indosat Ooredoo Tbk merged with PT Hutchison 3 Indonesia. On September 9, 2022, PT Indosat Ooredoo Hutchison successfully launched an internet service with fiber optic technology under the Indosat HiFi brand which is capable of providing speeds of up to 100 Mbps (Indosat Ooredoo Hutchison, 2024).

The type of data used in this study is quantitative data. The data used is the annual financial report of PT Indosat Ooredoo Tbk for 2020-2021 and the financial report of PT Indosat Ooredoo Hutchison Tbk after the merger in 2022-2023. The data source used in this study is secondary data. Secondary data comes from the official website of the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)) and the official website of PT Indosat Ooredoo Hutchison Tbk ([www.ioh.co.id](http://www.ioh.co.id))

The analysis technique used by the author in this study to determine the company's financial performance is by using financial ratio analysis tools, which consist of:

### 1. Liquidity Ratio

a. Current Ratio

The ratio that compares the current assets owned by the company with short-term debt. Current Ratio is one of the most frequently used ratios to assess liquidity or the ability to meet short-term obligations without experiencing difficulties.

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

b. Quick Ratio

The ratio of comparison between current assets minus inventory with short-term debt.

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

c. Cash Ratio

The ratio used to measure how much cash is available to pay debts.

$$\text{Cash Ratio} = \frac{\text{Cash and Cash Equivalent}}{\text{Current Liabilities}}$$

**2. Solvability Ratio**

a. Debt to Assets Ratio

This ratio is a debt ratio used to measure the comparison between total debt and total assets.

$$\text{Debt to Assets Ratio} = \frac{\text{Total Debt}}{\text{Total Assets}}$$

b. Debt to Equity Ratio

This ratio is the ratio used to assess debt with equity..

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Equity}}$$

**3. Activity Ratio**

a. Fixed Asset Turnover

The ratio used to measure how many times funds invested in fixed assets turn over in one period.

$$\text{Fixed Asset Turnover} = \frac{\text{Sales}}{\text{Total Fixed Assets}}$$

b. Total Asset Turnover

The ratio used to measure the turnover of all assets owned by the company and how much sales are obtained from each rupiah of assets..

$$\text{Total Assets Turnover} = \frac{\text{Sales}}{\text{Total Assets}}$$

**4. Profitability Ratio**

a. Net Profit Margin

The ratio that compares profit after interest and taxes compared to sales.

$$\text{Net Profit Margin} = \frac{\text{Earnings After Interest and Tax}}{\text{Sales}}$$

b. Return On Assets

The ratio that compares the total profit owned by the company with the total assets of the company.

$$\text{Return On Assets} = \frac{\text{Earnings After Interest and Tax}}{\text{Total Assets}}$$

c. Return On Equity

This ratio is used to measure net profit after tax with equity.

$$\text{Return On Equity} = \frac{\text{Earnings After Interest and Tax}}{\text{Total Equity}}$$

**4. RESULTS AND DISCUSSION**

PT Indosat Tbk is a leading telecommunications company in Indonesia founded in 1967. Initially operating as a foreign company, Indosat was later nationalized and became a State-Owned Enterprise. Since then, the company has continued to grow and transform, especially after entering the cellular market through the acquisition of Satelindo and the establishment of IM3.

On January 4, 2022, PT Indosat Ooredoo Tbk merged with PT Hutchison 3 Indonesia to become PT Indosat Ooredoo Hutchison Tbk. PT Indosat Ooredoo Hutchison Tbk offers complete telecommunications solutions. Starting from international roaming services covering various countries, flexible data and telephone packages, to comprehensive business solutions such as connectivity, cloud services, and cyber security. PT Indosat Ooredoo Hutchison Tbk provides fixed broadband services through Indosat HiFi which offers fast and stable fiber-to-the-home internet connections. PT Indosat Ooredoo Hutchison Tbk innovates by presenting digital platforms such as myIM3 and Bima+ to provide a better user experience. With a broad service portfolio and strong network, Indosat Ooredoo Hutchison (IOH) is committed to being a trusted partner in meeting customer communication needs in the digital era

**4.1 Research Result Data**

**Table 4.1**  
**Financial Report of PT Indosat Ooredoo Hutchison Tbk**

ACCOUNT (in millions of rupiah)	YEAR			
	2020	2021	2022	2023
Cash and cash equivalents	1,782,246	3,789,006	9,507,880	5,189,573
Supply	39,813	18.110	73,277	226,428
Total current assets	9,594,951	11,499,439	18,683,115	15,479,659
Total fixed assets	46,522,054	45,515,184	69,070,496	72,860,819
Total assets	62,778,740	63,397,148	113,880,230	114,722,249

Current debt	22,658,094	28,658,152	35,874,074	34.134.343
Total debt to assets	49,865,344	53,094,346	82.265.242	81,013,457
Total debt to equity	16,030,050	16,906,050	21,323,259	14,803,000
Total equity	12,913,396	10,302,802	31,614,988	33,708,792
Sale	27,925,661	31,388,311	46,752,319	51,228,782
Net profit	(630,160)	6,860,121	5,370,203	4,775,741

Source: financial report of PT Indosat Ooredoo Hutchison Tbk

## 4.2 DISCUSSION

### 4.2.1 Liquidity Ratio Calculation

#### a. Current Ratio

**Table 4.2**  
**Current Ratio Calculation of PT Indosat Ooredoo Hutchison Tbk**  
**Period 2020-2023 (In Million Rupiah)**

Year	Current Assets	Current Liabilities	Current Ratio (%)
2020	9,594,951	22,658,094	40%
2021	11,499,439	28,658,152	40%
2022	18,683,115	35,874,074	50%
2023	15,479,659	34.134.343	50%
<b>Average</b>			<b>45%</b>

Source: Data processed by the author, 2025

Based on table 4.2, the results of the current ratio calculation PT Indosat Ooredoo Hutchison Tbk shows that in 2020 and 2021 the company obtained a ratio of 40%. This result shows that the company has current assets 0.4 times greater than its current liabilities. So that every Rp. 1 of current liabilities is only guaranteed by Rp. 0.4 of current assets. There was an increase in the current ratio of 10% in 2022 and 2023, although this value is still below the industry standard, but the merger activities carried out in that year indicate that the company's ability to improve over time in overcoming its current liabilities by using current assets.

#### b. Quick Ratio

**Table 4.3**  
**Quick Ratio Calculation of PT Indosat Ooredoo Hutchison Tbk**  
**Period 2020-2023 (In Million Rupiah)**

Year	Current Assets	Inventory	Current Liabilities	Quick Ratio
2020	9,594,951	39,813	22,658,094	40%
2021	11,499,439	18.110	28,658,152	40%
2022	18,683,115	73,277	35,874,074	50%
2023	15,479,659	226,428	34.134.343	45%
<b>Average</b>				<b>88%</b>

Source: Data processed by the author, 2025

Based on table 4.3, the results of the quick ratio calculation of PT Indosat Ooredoo Hutchison Tbk show that in 2022 there was an increase to a value of 50%, the increase was due to merger activities which had an impact on increasing the number of current assets, current liabilities, and inventory. However, in 2023, the company again experienced a decrease to a value of 45%, which was due to a decrease in current assets of IDR 2,933.4 billion but an increase in inventory of IDR 153.1 million and only a decrease in debt of IDR 1,739.7 billion.

**c. Cash Ratio**

**Table 4.4**  
**Cash Ratio Calculation PT Indosat Ooredoo Hutchison Tbk**  
**Period 2020-2023 (In Million Rupiah)**

Year	Cash or Cash Equivalent	Current Liabilities	Cash Ratio
2020	1,782,246	22,658,094	8%
2021	3,789,006	28,658,152	13%
2022	9,507,880	35,874,074	26%
2023	5,189,573	34.134.343	15%
<b>Average</b>			<b>15.5%</b>

Source: Data processed by the author, 2025

Based on table 4.4, the results of the cash ratio calculation PT Indosat Ooredoo Hutchison Tbk shows that in 2020 and 2021 the company's cash ratio increased by 5%, although this value has not exceeded the industry standard limit. After the merger in 2022, the cash ratio increased 2x more than in 2021, this was because Current Assets increased by 62.5% to IDR18,683.1 billion, mainly due to an increase in Cash and Cash Equivalents. Short-term liabilities increased by 25.2% to IDR35,874.0 billion, mainly due to an increase in the short-term portion of lease liabilities due to the reclassification of long-term debt to the short-term debt portion, the payment of which was made in 2022.

In 2023, the cash ratio decreased again by 1.7x smaller than in 2022. This was due to Current Assets decreasing by 17.1% to IDR15,479.7 billion, mainly due to a decrease in cash and cash equivalents offset by an increase in accounts receivable and inventory, although Short-term liabilities decreased by 4.8% to IDR34,134.3 billion which was mainly due to a decrease in the short-term portion of long-term loans.

It can be concluded that the cash ratio increased significantly in 2022, mainly driven by an increase in current assets dominated by cash and cash equivalents. This indicates an increase in the company's liquidity post-merger. In 2023, there was a decrease in the cash ratio. Although short-term liabilities also decreased, a larger decrease in current assets, especially cash and cash equivalents, was the main factor causing it. This indicates that from a company cash perspective after the merger, PT Indosat Ooredoo Hutchison Tbk still faces challenges in meeting its short-term obligations. This can be seen from the decrease in the cash ratio in 2023 and the increase in accounts receivable and inventory which can hinder the conversion of assets to cash.

**4.2.2 Solvability Ratio Calculation**

**a. Debt to Assets Ratio**

**Table 4.5**  
**Debt to Assets Ratio Calculation of PT Indosat Ooredoo Hutchison Tbk**  
**Period 2020-2023 (In Million Rupiah)**

Year	Total Debt	Total Assets	DAR
2020	49,865,344	62,778,740	80%
2021	53,094,346	63,397,148	80%
2022	82.265.242	113,880,230	70%
2023	81,013,457	114,722,249	70%
<b>Average</b>			<b>75%</b>

Source: Data processed by the author, 2025

Based on table 4.5, the results of the debt to assets ratio calculation PT Indosat Ooredoo Hutchison Tbk shows that 2022 and 2023 are the company's conditions after the merger, PT Indosat Ooredoo Hutchison Tbk has a smaller Current Debt Ratio to Assets than 2020 and 2021. This indicates that the company has experienced a decrease in the debt ratio used to assets by 10% from the previous year.

Thus, the merger activities carried out by PT Indosat Ooredoo and Hutchison 3 Indonesia can be said to have a

good impact, the decrease in the debt to asset ratio indicates that the company's funding sources are more from equity of 30% and debt of 70%, compared to 2020 and 2021 where the company's funding sources were more from equity of 20% and debt of 80%. The lower the debt to asset ratio, the lower the risk the company will have. Thus, the condition of the debt to asset ratio of PT Indosat Ooredoo Hutchison Tbk can be said to be improving over time.

**b. Debt to Equity Ratio**

**Table 4.6**  
**Debt to Equity Ratio Calculation of PT Indosat Ooredoo Hutchison Tbk Period 2020-2023 (In Millions of Rupiah)**

Year	Total Debt	Equity	DER
2020	16,030,050	12,913,396	120%
2021	16,906,050	10,302,802	160%
2022	21,323,259	31,614,988	67%
2023	14,803,000	33,708,792	44%
<b>Average</b>			<b>97.75%</b>

Source: Data processed by the author, 2025

Based on table 4.6, the calculation results of the debt to equity ratio of PT Indosat Ooredoo Hutchison Tbk show that the average value of the debt to asset ratio from 2020 to 2023 is 97.75%, the value is above the industry standard. The lower the debt to equity ratio, the lower the company's risk.

However, in 2022 the company experienced a very significant increase due to the low percentage generated reaching less than 90%, which was 67%. The cause of the decrease in the ratio was due to the merger activities carried out, there was an increase in the amount of debt of IDR 4,417.2 billion followed by an increase in the amount of equity of IDR 21,312.1 billion. The increase in the amount of equity that is greater than the amount of debt illustrates that PT Indosat Ooredoo Hutchison can meet its long-term obligations.

In 2023, the amount of debt decreased by Rp 6,520.2 billion followed by an increase in the amount of equity of Rp 2,093.8 billion, it can be concluded that the merger activity was as expected. PT Indosat Ooredoo Hutchison Tbk has been able to manage its finances better and shows that the company has succeeded in strengthening its position.

**4.2.3 Activity Ratio Calculation**

**a. Fixed Asset Turnover**

**Table 4.7**  
**Fixed Assets Turnover Calculation of PT Indosat Ooredoo Hutchison Tbk Period 2020-2023 (In Millions of Rupiah)**

Year	Sales	Total Fixed Assets	FATH
2020	27,925,661	46,522,054	0.6 times
2021	31,388,311	45,515,184	0.6 times
2022	46,752,319	69,070,496	0.6 times
2023	51,228,782	72,860,819	0.7 times
<b>Average</b>			<b>0.6 times</b>

Source: Data processed by the author, 2025

Based on table 4.7, the results of the calculation of fixed assets turnover of PT Indosat Ooredoo Hutchison Tbk show that the fixed asset turnover ratio from 2020 to 2022 has the same ratio, namely the total asset turnover is around 60% or 0.6 times.

In 2023 or one year after the merger activity was carried out, it could produce a fixed asset turnover ratio of 0.7 times. This shows that the company's merger activities have changed the fixed asset turnover ratio. This ratio measures the company's ability to generate sales from the fixed assets owned by the company. The higher the fixed asset turnover, the better the company's survival.



The average total asset turnover from 2020 to 2023 is 0.6 times. The condition of the fixed asset turnover ratio for the period before and after the merger can be said to be not good, but it can be believed that over time the company will continue to improve the company's operations which can produce a fixed asset turnover ratio above the industry standard, this is evidenced by the increase in the fixed asset turnover ratio in 2023.

**b. Total Asset Turnover**

**Table 4.8**  
**Calculation of Total Assets Turnover of PT Indosat Ooredoo Hutchison Tbk for the**  
**Period 2020-2023 (In Millions of Rupiah)**

Year	Sales	Total Assets	TATTOO
2020	27,925,661	62,778,740	0.4 times
2021	31,388,311	63,397,148	0.49 times
2022	46,752,319	113,880,230	0.41 times
2023	51,228,782	114,722,249	0.44 times
<b>Average</b>			<b>0.43 Times</b>

Source: Data processed by the author, 2025

Based on table 4.8, the results of the calculation of total assets turnover of PT Indosat Ooredoo Hutchison Tbk show that the total asset turnover ratio from 2020 to 2023 has the same ratio, namely total asset turnover of around 40% or 0.4 times. This ratio measures the company's ability to generate sales from the total assets owned by the company. The higher the asset turnover, the better the company's survival.

Total asset turnover of 0.4 times indicates that the company is only able to generate sales of Rp 0.4 from Rp 1 total assets owned by the company. Based on industry standards, the total asset turnover ratio is said to be good if the total asset turnover reaches 5 times. The average total asset turnover from 2020 to 2023 is 0.43 times. The condition of the total asset turnover ratio for the period before and after the merger can be said to be not good, because the results are below the industry standard for the total asset turnover ratio and the merger activities carried out do not have an impact on changes in the total asset turnover ratio.

**4.2.4 Profitability Ratio Calculation**

**a. Net Profit Margin**

**Table 4.9**  
**Calculation of Net Profit Margin of PT Indosat Ooredoo Hutchison Tbk**  
**Period 2020-2023 (In Million Rupiah)**

Year	EAIT	Sales	Net Profit Margin
2020	(630,160)	27,925,661	-2.6%
2021	6,860,121	31,388,311	21.5%
2022	5,370,203	46,752,319	10.1%
2023	4,775,741	51,228,782	8.8%
<b>Average</b>			<b>8.8%</b>

Source: Data processed by the author, 2025

Based on table 4.9, the results of the calculation of the net profit margin of PT Indosat Ooredoo Hutchison Tbk show that in 2020, the company experienced a loss which resulted in a profitability ratio of net profit margin of -2.6%, but in 2021 it managed to achieve a net profit margin exceeding the industry standard of 21.5%, this is due to the number of customers and usage levels, Total operating revenue increased from IDR 27,925.7 billion in 2020 to IDR 31,388.3 billion in 2021 or an increase of 12.4%, which was mainly due to an increase in operating revenue from cellular, MIDI and fixed telecommunications services.

In 2022, net profit margin decreased to 10.1%, far below the figure achieved in 2021 before the merger and in 2023 it decreased again to 8.8% from the previous year. The decrease in margin in 2022 was due to an increase in service delivery expenses of IDR7,569.2 billion or 55.7% from IDR13,580.1 billion in 2021 to IDR21,149.4 billion in 2022, in line with the increase in the number of sites and increased revenue as a result of the merger

which resulted in increased expenses. The decrease in net profit margin in 2023 was due to Marketing Expenses increasing by IDR279.6 billion or 20.0%, from IDR1,397.0 billion in 2022 to IDR1,676.6 billion in 2023, mainly due to an increase in customer acquisition costs with the expansion of rural distribution, and promotions as a result of increased activities to support revenue growth. The merger activity carried out by PT Indosat Ooredoo Hutchison Tbk can be said to be in a bad ratio because it is still in the adjustment stage.

**b. Return On Assets**

**Table 4.10**  
**Calculation of Return On Assets of PT Indosat Ooredoo Hutchison Tbk for the Period 2020-2023 (In Millions of Rupiah)**

Year	EAIT	Total Assets	ROA
2020	(630,160)	62,778,740	-10%
2021	6,860,121	63,397,148	10%
2022	5,370,203	113,880,230	4.1%
2023	4,775,741	114,722,249	3.9%
<b>Average</b>			<b>2%</b>

Source: Data processed by the author, 2025

Based on table 4.10, the calculation results of return on assets of PT Indosat Ooredoo Hutchison Tbk show that in 2020 the company's operations were unable to generate profits and instead caused losses. Based on industry standards, the condition of the return on assets ratio is said to be in good condition if its value reaches 20%. In 2021, the company was able to make a profit with a return on assets ratio of 10%, although this value is still below the industry standard, but this indicates that the company has improved its operational activities.

2022 is the year when the company merges, the return on assets ratio this year has decreased quite sharply to 4.1%, which means that every Rp 1 of total assets is only able to generate Rp 0.041 of net profit. Likewise in 2023, the return on assets ratio this year has decreased even more from the previous year to 3.9%. The average return on assets ratio from 2020 to 2023 is 2%, this shows that the company's profitability conditions reviewed from the return on assets ratio before and after the merger can be concluded as not good.

**c. Return On Equity**

**Table 4.11**  
**Calculation of Return On Equity of PT Indosat Ooredoo Hutchison Tbk for the Period 2020-2023 (In Millions of Rupiah)**

Year	EAIT	Total Equity	ROE
2020	(630,160)	12,913,396	-60%
2021	6,860,121	10,302,802	73.5%
2022	5,370,203	31,614,988	16.7%
2023	4,775,741	33,708,792	14.7%
<b>Average</b>			<b>44.9%</b>

Source: Data processed by the author, 2025

Based on table 4.11, the calculation results of return on equity of PT Indosat Ooredoo Hutchison Tbk show that in 2020 the company failed to utilize the equity invested by shareholders to generate profits. Based on industry standards, the condition of the return on equity ratio is said to be in good condition if its value reaches 40%, in 2021 the company was able to make a profit with a return on equity ratio of 73.5%, this indicates that the company was able to generate a profit of IDR 73.5 for every IDR 100 invested by shareholders.

The years 2022 and 2023 are the company's periods after the merger activity, which is expected to provide a return on equity ratio exceeding the ratio from the previous year, it turns out that the company has not been able to do this and has resulted in a decline again to 16.7% and 14.1%. The average return on equity ratio from 2020 to 2023 is 44.9%, this shows that the company's profitability conditions in terms of the return on equity ratio for the period before and after the merger can be said to be not good.

## 5. CONCLUSIONS AND RECOMMENDATIONS

### 5.1 Conclusion

In the Current Ratio for the results of the financial report analysis of PT Indosat Ooredoo Hutchison TBK in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average current ratio for 4 years is 45%. In the quick ratio of the results of the financial report analysis of PT Indosat Ooredoo Hutchison Tbk in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average quick ratio for 4 years is 43.75%. In the cash ratio of the results of the financial report analysis of PT Indosat Ooredoo Hutchison Tbk in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average cash ratio for 4 years is 15.5%.

In the debt to asset ratio of the results of the analysis of the financial statements of PT Indosat Ooredoo Hutchison Tbk in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average debt to asset ratio for 4 years was 75%. In the debt to equity ratio of the results of the analysis of the financial statements of PT Indosat Ooredoo Hutchison Tbk in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average debt to equity ratio for 4 years was 97.75%.

In the return on assets ratio from the analysis of PT Indosat Ooredoo Hutchison Tbk's financial statements in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average return on assets ratio for 4 years is 2%. In the return on equity ratio from the analysis of PT Indosat Ooredoo Hutchison Tbk's financial statements in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average return on equity ratio for 4 years is 44.9%. In the net profit margin from the analysis of PT Indosat Ooredoo Hutchison Tbk's financial statements in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average net profit margin for 4 years is 8.8%.

In the total asset turnover ratio of the results of the financial report analysis of PT Indosat Ooredoo Hutchison Tbk in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average total asset turnover ratio for 4 years was 0.43 times. In the fixed asset turnover ratio of the results of the financial report analysis of PT Indosat Ooredoo Hutchison Tbk in the period before the merger (2020-2021) and the period after the merger (2022-2023), it can be concluded "Not good" because the average fixed asset turnover ratio for 4 years was 0.6 times.

### 5.2 Suggestion

Based on the results of the research that has been done, the researcher provides suggestions that this research can be used as a reference for further researchers. For further researchers, they can improve the analysis of financial reports in more depth, use the latest period, and add financial performance measurement methods that have not been used in this study so that they can be used as comparative material in similar writing.

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