

Profitability Ratio Analysis at PKU Muhammadiyah Bantul Hospital

Mega Monica¹, Teti Anggita Safitri²
^{1,2}Aisyiyah University of Yogyakarta, Indonesia



DOI : <https://doi.org/10.61796/ijecep.v2i4.75>



Sections Info

Article history:

Submitted: January 31, 2025
Final Revised: February 26, 2025
Accepted: March 19, 2025
Published: March 31, 2025

Keywords:

Profitability ratios
NPM
ROE
ROA

ABSTRACT

Objective: The focus of this research is the profitability ratio at PKU Muhammadiyah Bantul Hospital in 2021–2023. **Method:** This research was conducted quantitative descriptively using financial ratio analysis. The data used comes from company financial reports taken from PKU Muhammadiyah Bantul Hospital. **Results:** The research results show that the profitability ratio, which consists of NPM (Net Profit Margin) fell from 0.1097 to 0.0691, ROE (Return On Equity) fell from 0.2140 to 0.0875, and ROA (Return On Assets) fell from 0.2835 to 0.0878. This decline shows that the company's performance declined during that period. **Novelty:** This condition is caused by various factors, including changes in demand patterns for health services, or increases in operational costs that are not offset by equivalent revenue growth.

INTRODUCTION

In the era of globalization, business development is taking place very rapidly, including in Indonesia. Increasingly tight competition in various sectors requires every company to continue to improve their capabilities in business management. Financial report analysis is basically the process of calculating financial ratios to evaluate a company's current financial condition and project its potential now and in the future. Through reviewing financial reports, a deeper understanding of the company's financial condition, performance and achievement of goals can be obtained. Financial ratios have an important role for companies in assessing the financial position being analyzed [1].

A hospital is an institution that provides comprehensive health services, including individual health services including inpatient, outpatient and emergency treatment [2]. The hospital is also a center for medical research and training for health workers.

A financial report must be analyzed to determine the performance of the financial report. As a hospital that is developing, The PKU Muhammadiyah Bantul Hospital is always trying to reorganize administratively and in financial management as an effort so that the hospital can operate more effectively and efficiently in providing health services to the community [3].

Financial report analysis is carried out by applying various methods and techniques to identify and measure the relationship between elements in financial reports. This process allows observing the changes in each element when compared. The results of this comparison are used to measure the level of the Company's financial ratios [4]

PKU Muhammadiyah Bantul Hospital is a Medical Center, Maternity Hospital and Service Organization in the field of public health. The autonomy of The PKU Muhammadiyah Bantul Hospital requires management to be able to provide the best

possible service that is effective and efficient. So that the effectiveness and efficiency of these services can be measured through available financial reports [5].

Financial data for The PKU Muhammadiyah Bantul Hospital for the 2021-2023 period shows developments in financial conditions with several important indicators. Capital has increased significantly from IDR 101.27 billion in 2021 to IDR 129.41 billion in 2023, an increase in capital means an increase in the number of assets owned by The PKU Muhammadiyah Bantul Hospital. Fixed Assets continue to grow significantly, from IDR 62.96 billion in 2021 to IDR 118.54 billion in 2023. On the other hand, Income experienced fluctuations, falling from IDR 162.71 billion in 2021 to IDR 144.42 billion in 2022, then increase again to Rp. 150.60 in 2023. Fluctuating income indicates inconsistent changes in the amount of income earned by the company over time. These fluctuations reflect uncertainty in the company's performance, which requires careful adjustment and management efforts to ensure financial stability and smooth company operations. Apart from that, the surplus is also stable from IDR 17.85 billion in 2021 to 10.41 billion in 2023, although there is a decline in the middle. Overall the hospital shows positive developments in asset and liability management, although it still faces challenges in stabilizing income and surplus.

To measure the level of a company's financial health, an analytical tool called financial ratio analysis can be used. To carry out financial ratio analysis, it is necessary to calculate financial ratios that reflect certain aspects. Financial ratios are usually calculated based on figures taken from the balance sheet and profit and loss report and each analysis can formulate certain ratios and describe certain aspects. There are several groups of ratios that are commonly used in analyzing a company's financial condition, namely liquidity ratios, solvency ratios, profitability ratios and asset ratios [6].

This research focuses on profitability ratios because of the importance of these ratios in evaluating the extent to which a company can use its assets efficiently to generate profits. By analyzing the profitability ratio of The PKU Muhammadiyah Bantul Hospital, the aim of this research is to provide a deeper understanding of the company's financial performance, identify areas that need attention, and uncover potential improvements in the future [7].

This analysis has important value not only for the management of PKU Muhammadiyah Bantul Hospital in assessing and planning their financial strategy, but also for investors, analysts and other stakeholders in The Indonesian Health Industry. By studying company financial performance trends, we can gain a more comprehensive understanding of the dynamics and challenges faced by the health sector in Indonesia [8].

Literature Review

The purpose of ratio analysis is to assess the extent to which the decisions taken by the company in its operations have been effective. By analyzing financial ratios, companies can measure the performance and efficiency of decisions that have been implemented in various aspects of the business. Ratio analysis also helps in evaluating a company's strengths and weaknesses, thereby allowing management to make improvements or adjust strategies. Thus, ratio analysis not only functions as a tool for

evaluating current performance, but also as a basis for formulating better policies and steps for the company's future [9].

The profitability ratio is a ratio used to measure the extent to which a company is able to generate profits. This ratio compares the profit obtained with the assets or capital required. As a measuring tool, this ratio shows the extent to which the profits generated are proportional to the capital used in the company's operations [10]. Several previous studies have analyzed the profitability ratios of companies in the health sector, especially The PKU Muhammadiyah Bantul Hospital.

Safitri conducted a profitability ratio analysis at PT Siloam Internasional Hospitals Tbk for 2013-2017 period. Analysis shows that the decline in NPM, ROE and ROA at PT. Siloam Hospitals International Tbk. between 2014-2017 reflects less than optimal financial performance. A decreasing NPM indicates low profit productivity, while a decrease in ROE and ROA indicates the company's inability to generate maximum profits from the equity and assets owned.

Febryana Ratna et.al. analyze the profitability ratios of Silom Hospital in 2021-2022. This research shows that the profitability ratio, which consists of Net Profit Margin (NPM), Return on Equity (ROE), and Return on Assets (ROA), decreased at PT Siloam International Hospitals Tbk from 2021 to 2022. ROE decreased from 0.023 to 0.0153, and ROA fell from 0.0161 to 0.0107. NPM fell from 0.0653 to 0.0459. This decline shows that the company's performance declined during that period. This condition is caused by various factors, including the ongoing impact of the COVID-19 pandemic on the health sector, changes in demand patterns for health services, or increases in operational costs that are not offset by equivalent revenue growth.

Financial ratio analysis to assess financial performance in health sector companies (hospitals) was carried out Novia Larasati shows that the results of the profitability ratio of PT. Mitra Keluarga Karyasehat Tbk shows a fairly good financial performance condition, PT. Onix Capital Tbk shows poor financial performance, PT. Prodia Widyahusada Tbk shows poor financial performance, PT. Sarana Meditama Metropolitan Tbk shows poor financial performance, PT. Siloam International Hospitals Tbk shows quite good financial performance, PT. Sejahteraraya Anugrahjaya Tbk shows a fairly good financial performance condition. With these results, it turns out that many companies whose financial performance results are not good. So in the analysis using a comparison of industry averages from bad results to better results, using industry averages is more recommended.

Nila Ayu Pratiwi analyzing financial ratios at the Sukoharjo regional hospital service agency for the 2020-2021 period. The results of this research show that the financial ratios in the presentation of the Sukoharjo Regency Regional Hospital Financial Report for the 2020-2021 Fiscal Year have increased.

Existing literature shows that profitability ratio analysis is an important tool for evaluating the financial performance of companies in the healthcare sector. Previous studies also emphasize the need to consider external factors in interpreting financial analysis results. This study, which focuses on the profitability ratio of The PKU

Muhammadiyah Bantul Hospital for 2021-2023 period, aims to provide deeper insight into the company's financial performance [11].

RESEARCH METHOD

This research method is descriptive quantitative and the financial ratios to analyze the financial reports of the PKU Muhammadiyah Bantul Hospital for the period 2021-2023 are the sample used. Secondary data from this research comes from the financial report of The PKU Muhammadiyah Bantul Hospital.

The financial ratio analysis tool used in evaluating financial performance is The Profitability Ratio. Profitability ratios are ratios used to measure the extent to which a company is able to generate profits or earnings in a certain time period [1]. Profitability ratios provide a comprehensive picture of the extent to which a company can convert sales into profits, utilize assets efficiently to generate income, and provide adequate returns for shareholders. By analyzing ratios such as Net Profit Margin (NPM), Return on Equity (ROE), and Return on Assets (ROA), stakeholders can assess management's ability to manage resources to create value. This ratio also allows comparison of performance between companies in the same industry, as well as providing insight into a company's competitive position. Therefore, profitability ratios are an important tool for investors, creditors and management in decision making [12].

$$\text{Net Profit Margin} = \frac{\text{Surplus}}{\text{Income}} \times 100\%$$

$$\text{Return On Equity} = \frac{\text{Surplus}}{\text{Capital-Surplus}} \times 100\%$$

$$\text{Return On Asset} = \frac{\text{Surplus}}{\text{Fixed Assets}} \times 100\%$$

1. *Net Profit Margin* (NPM)

The ratio that measures the percentage of net profit obtained from each rupiah of sales is called Net Profit Margin (NPM). This ratio reflects how effective a company is in controlling costs and managing its operations. NPM is calculated by dividing net profit by total sales, then multiplying it by one hundred percent. The higher the NPM value, the better the company's ability to generate profits from sales [13].

2. *Return On Equity* (ROE)

This ratio shows the efficient use of own capital. The higher the ROE, the better, meaning the capital position of the functioning unit is stronger [14].

3. *Return On Asset* (ROA)

This ROA shows the benefits of the quality of resources used in the organization. This is part of the effectiveness of the leadership of RSU PKU Muhammadiyah Bantul in managing assets [15].

These three ratios together provide a comprehensive picture of the company's profitability from various angles: sales efficiency (NPM), return to shareholders (ROE), and asset use efficiency (ROA). A combined analysis of these three ratios helps in assessing the overall financial performance of a company [16].

RESULTS AND DISCUSSION

Table 1. Financial data table.

Description	Year		
	2021	2022	2023
Capital	101.278.780.008	119.135.892.731	129.414.237.247
Fixed Assets	62.969.670.419	105.536.636.335	118.549.374.287
Income	162.717.241.314	144.422.349.440	150.604.575.424
Surplus	17.857.112.723	10.278.344.516	10.416.135.915

Data Source: Financial Report of PKU Muhammadiyah Bantul Hospital

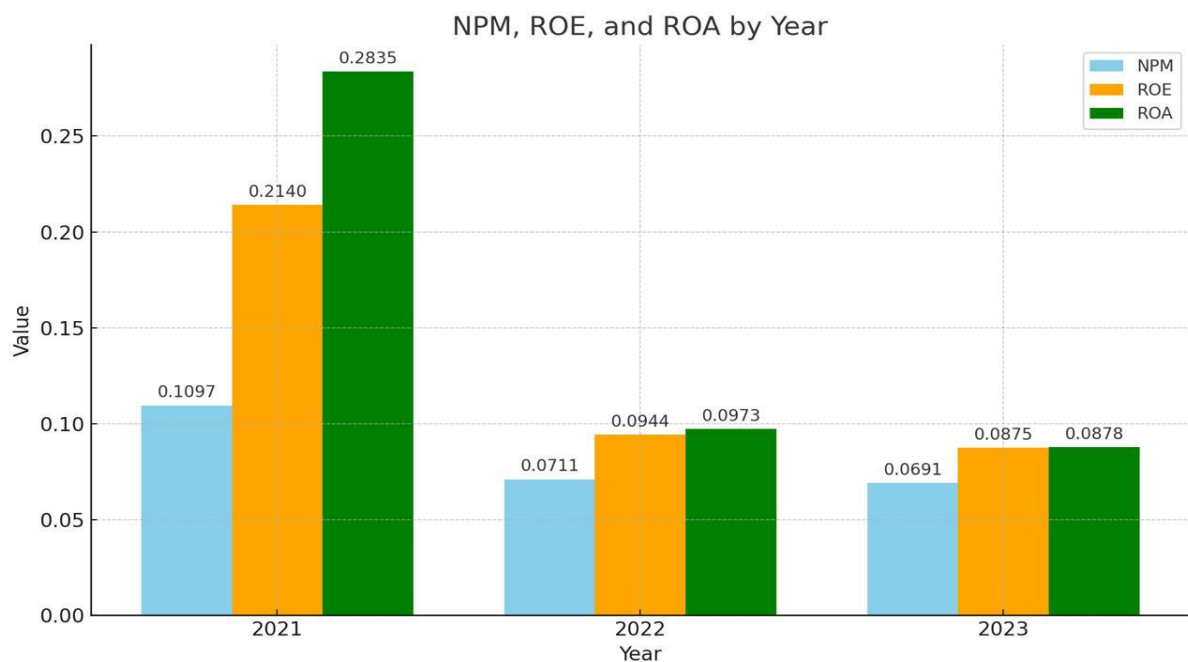


Figure 1. Profitability ratio of PKU Muhammadiyah Bantul hospital.

Year 2021

$$\text{NPM} = \frac{17.857.112.732}{162.717.241.314} \times 100\% = 0,1097$$

$$\text{ROE} = \frac{17.857.112.723}{101.278.780.008 - 17.857.112.723} \times 100\% = 0,2140$$

$$\text{ROA} = \frac{17.857.112.723}{62.969.670.419} \times 100\% = 0,2835$$

Year 2022

$$\text{NPM} = \frac{10.278.344.516}{144.422.349.440} \times 100\% = 0,0711$$

$$\text{ROE} = \frac{10.278.344.516}{119.135.892.731 - 10.278.344.516} \times 100\% = 0,0944$$

$$\text{ROA} = \frac{10.278.344.516}{105.536.636.335} \times 100\% = 0,0973$$

Year 2023

$$\text{NPM} = \frac{10.416.135.915}{150.604.575.424} \times 100\% = 0,0691$$

$$\text{ROE} = \frac{10.416.135.915}{129.414.237.247 - 10.416.135.915} \times 100\% = 0,0875$$

$$\text{ROA} = \frac{10.416.135.915}{118.549.374.287} \times 100\% = 0,0878$$

The image shows the financial data and profitability ratios of The PKU Muhammadiyah Bantul Hospital for the 2021-2023 period. The financial data table displays the value of capital, fixed assets, income and surplus from 2021-2023. It can be seen that all values experience fluctuations from 2021-2023, with capital increasing from 101.278.780.008 to 129.414.237.247. Fixed assets from 62.969.670.419 to 118.549.374.287. income from 162.717.241.314 to 150.604.575.424. And the surplus from 17.857.112.723 to 10.416.135.915.

The bar graph below the table depicts the profitability ratios of the PKU Muhammadiyah Bantul Hospital for the 2021-2023 period, using three ratios, namely NPM (Net Profit Margin), ROE (Return On Equity) and ROA (Return On Assets). From the graph, it can be seen that the profitability ratio has decreased from 2021-2023. NPM fell from 0,1097 to 0,0691. ROE fell from 0,2140 to 0,0875. And ROA fell from 0,2835 to 0,0878.

In the discussion section below, the graphic explains in detail the calculation of each ratio for three years, showing the process of obtaining the ratio based on available financial data. Overall, this graph provides an overview of the financial performance of The PKU Muhammadiyah Batul Hospital, where there are fluctuations in financial size, and profitability efficiency has decreased from 2021-2023.

The decrease in these three ratios occurred even though the value of the company's capital and fixed assets increased, which shows that the growth in company size has not been accompanied by an increase in profitability. This condition is likely caused by several factors, such as demand patterns for health services or increases in operational costs that are not commensurate with income growth.

CONCLUSION

Fundamental Finding : The profitability ratio of PKU Muhammadiyah Bantul Hospital declined significantly from 2021 to 2023, as indicated by the decrease in Net Profit Margin, Return on Equity, and Return on Assets. Despite an increase in capital and assets, the hospital's ability to generate profit has weakened, highlighting inefficiencies in profitability performance. **Implication :** This situation underscores the need for a comprehensive review of the hospital's operational and financial strategies. Improving cost efficiency, optimizing asset utilization, and diversifying revenue sources are critical steps to reverse the downward trend and enhance competitiveness in the healthcare sector. **Limitation :** This study is limited by a relatively short observation period and a

narrow set of variables, which may not fully capture the broader financial dynamics or provide generalizable insights for other healthcare institutions. **Future Research :** Future studies should consider extending the observation period and incorporating a wider range of variables. Comparative analysis with industry peers is also recommended to generate more objective and representative conclusions regarding hospital financial performance.

REFERENCES

- [1] W. Mutmainah, S. R. Noviyanti, A. J. Siregar, and A. Septiani, "Literatur Review : Analisis Rasio Profitabilitas dan Rasio Likuiditas untuk Menilai Kinerja Keuangan," *J. Disrupsi Bisnis*, vol. 7, no. 2, pp. 384–390, 2024.
- [2] Kemenkes RI, "Permenkes No 3 Tahun 2020 Tentang Klasifikasi dan Perizinan Rumah Sakit," *Tentang Klasifikasi dan Perizinan Rumah Sakit*, no. 3, pp. 1–80, 2020, [Online]. Available: <http://bppsdmk.kemkes.go.id/web/filesa/peraturan/119.pdf>
- [3] E. Damayanti, D. Amita, and M. H. Habibi, "Analisis Laporan Keuangan dalam Mengukur Kinerja Keuangan," *J. Ilm. Mhs. Manajemen, Bisnis dan Akunt.*, vol. 5, no. 1, pp. 106–112, 2023, doi: 10.32639/jimmba.v5i1.249.
- [4] Y. Orniati, "Orniati, Y. (2009). Laporan keuangan sebagai alat untuk menilai kinerja keuangan. Jurnal ekonomi bisnis, 14(3), 206–213." *J. Econ. busines*, vol. 3, no. 14, pp. 206–213, 2009, [Online]. Available: <file:///C:/Users/Administrator/Downloads/2444-5916-1-PB.pdf>
- [5] Lailatus Sa'adah and Ardila Rustafi'ah, "Kinerja Keuangan Pada PT. Telekomunikasi Indonesia (Persero) Tbk Periode 2019-2022," *Optim. J. Ekon. dan Manaj.*, vol. 4, no. 1, pp. 268–279, 2024, doi: 10.55606/optimal.v4i1.2788.
- [6] Astari Murdiana Nasution, "Analisis Rasio Rentabilitas, Likuiditas, Solvabilitas Untuk Mengetahui Kinerja Keuangan C V. T a N I N D O S E J a T I Serdang Bedagai," *J. Ekon. Dan Bisnis*, pp. 1–57, 2018, [Online]. Available: [https://repositori.uma.ac.id/jspui/bitstream/123456789/9803/1/Astari Murdiana Nasution - Fulltext.pdf](https://repositori.uma.ac.id/jspui/bitstream/123456789/9803/1/Astari%20Murdiana%20Nasution%20-%20Fulltext.pdf)
- [7] R. F. Putra, E. Z. Almufidah, and C. Anwar, "Pengukuran Kinerja Keuangan Perusahaan dengan Fokus pada Rasio Likuiditas, Profitabilitas, dan Solvabilitas," *Nusant. Entrep. Rev.*, vol. 2, no. 2, pp. 78–85, 2024.
- [8] R. Ramanda, M. Irwan, and Y. E. Yulis, "Analisis Laporan Keuangan sebagai Dasar Dalam Menilai Kinerja Keuangan RSUD Teluk Kuantan," *J. Ekon. Al-Khitmah*, vol. 4, no. 2, pp. 49–56, 2022.
- [9] Y. I. W. Tyas, "Analisis Rasio Keuangan untuk Menilai Kinerja Keuangan pada Elzatta PTyas, Y. I. W. (2020). Analisis Rasio Keuangan untuk Menilai Kinerja Keuangan pada Elzatta Probolinggo. Jurnal Ilmiah Ilmu Ekonomi Dan Bisnis, 8(1), 28–39.robolinggo," *J. Ilm. Ilmu Ekon. dan Bisnis*, vol. 8, no. 1, pp. 28–39, 2020.
- [10] T. anggita Safitri, "Analisis Rasio Profitabilitas Pada Pt. Siloam Hospitals International, Tbk.," *Media Ekon.*, vol. 18, no. 2, p. 62, 2018, doi: 10.30595/medek.v18i2.3051.
- [11] G. Rumindan and A. Mantong, "Analisis Kinerja Keuangan Berdasarkan Rasio Likuiditas Dan Rasio Profitabilitas Pada PT. Unilever Indonesia Tbk," *Manaj. dan Ekon.*, vol. 2, no. 2, pp. 39–61, 2023, doi: 10.54259/akua.v4i1.3584.
- [12] F. Ratna, Nur Amalina, Ika Firhan Dini, Irvani Faizah Nadhif, and Nevine Viara Ekovindarani, "Analisis Rasio Profitabilitas Rumah Sakit Siloam Tahun 2021 – 2022," *J. Ilmu Ekon. Manaj. dan Bisnis*, vol. 2, no. 2, pp. 78–84, 2024, doi: 10.30787/jiemb.v2i2.1571.
- [13] O. Agustin, Y. Anwar, and S. M. Bramana, "Analisis Rasio Profitabilitas Terhadap Optimalisasi Laba Pada PT Grand Titian Residence," *J. Media Wahana Ekon.*, vol. 20, no. 1, pp. 202–215, 2023, doi: 10.31851/jmwe.v20i1.9395.
- [14] D. Sunarsi, "Analisis Current Ratio, Return On Equity, Debt To Equity Ratio Dan

- Pertumbuhan Pendapatan Berpengaruh Terhadap Return Saham Pada Perusahaan Pertambangan Di Bursa Efek Indonesia 2010-2014," *J. Kreat.*, vol. 5, no. 1, pp. 112-131, 2017.
- [15] M. H. Juliansyah, L. Tripermata, and A. Munandar, "Pengaruh Rasio Profitabilitas dan Good Corporate Governance terhadap Kinerja Keuangan Perusahaan Perbankan," *J. Ilm. Akunt. dan Keuang.*, vol. 5, no. 11, pp. 898-916, 2023.
- [16] I. N. Nabela, Y. Fitriano, and N. R. Hidayah, "Pengaruh Net Profit Margin (NPM) Return On Asset (ROA), Return On Equity (ROA) Terhadap Nilai Perusahaan PT. Astra International TBK Tahun 2017-2021," *EKOMBIS Rev. J. Ilm. Ekon. dan Bisnis*, vol. 11, no. 2, pp. 1153-1168, 2023, doi: 10.37676/ekombis.v11i2.3889.

***Mega Monica (Corresponding Author)**

Aisyiyah University of Yogyakarta, Indonesia

Email: megamonica223@gmail.com

Teti Anggita Safitri

Aisyiyah University of Yogyakarta, Indonesia

Email: tetianggita@unisayogya.ac.id
