Nomico Journal
E-ISSN : 3046-6318
https://ejournal-nawalaedu.com/index.php/nj
Vol.3.No.5 May 2026
DOI : https://doi.org/10.62872/d7xv1g08

Analysis of Liquidity, Solvability, and Profitability Levels as a Tool for Assessing the Financial Performance of PT. Megapower Makmur TBK

Ainur Rahmah Julista[1], Apriliana[2],Dian Pratika Sari[3], Herlin Febrian[4], Jini Liana[5], Windi[6], Herayati[7]
Bina Sarana Informatika University, Indonesia[1,2,3,4,5,6,7]

Entered : May 04, 2026 Revised : May 26, 2026
Accepted : June 12, 2026 Published : June 30, 2026

ABSTRACT

This study aims to evaluate the financial performance of PT Megapower Makmur Tbk. (MPOW) in the 2022–2024 period using Liquidity ratio analysis (Current Ratio and Quick Ratio), Solvency (Debt to Asset Ratio and Debt to Equity Ratio), and Profitability (Return on Assets and Return on Equity). The method applied is descriptive quantitative, utilizing secondary data from the IDX Financial Report. The results show that the company's liquidity level is in poor condition, because current assets are insufficient to meet its short-term liabilities (CR and QR are far below the industry standard of 200% and 100%). In terms of solvency, the company shows a continuous improvement trend with a decrease in DAR and DER values, indicating that dependence on debt is decreasing. Meanwhile, profitability performance continues to show poor results, with net income remaining negative from 2022 to 2024. Therefore, management is advised to restructure short-term debt and evaluate operational cost efficiency to restore profitability.

Keywords: *Financial Performance, Liquidity, Solvency, Profitability, MPOW*

INTRODUCTION

The energy supply industry and its supporting infrastructure are vital sectors driving the national economy. In Indonesia, regulatory dynamics, currency fluctuations, and high initial investment costs present structural challenges that businesses in this sector must address. To survive and grow sustainably, energy providers are required not only to possess operational excellence but also to maintain robust financial governance that adapts to macroeconomic changes.

A Financial Performance Report is a summary of a company's financial performance, reporting on the company's financial health to help various investors and stakeholders make investment decisions. A company with healthy financial performance is considered a good company, thus its high value attracts investors (Jihadi et al., 2021). Financial performance is measured based on financial reports presented by company management, which provide information that shows the company's financial position, performance, and changes in financial position over a specific period (Hutabarat, 2020).

A company's financial performance reflects management's effectiveness in managing resources, executing business strategies, and mitigating risks. One of the primary instruments used by management, investors, and creditors to evaluate this performance is financial ratio analysis through audited annual financial statements. According to Kasmir (2019), financial ratios can provide a comprehensive overview of a business entity's level of liquidity (ability to meet short-term obligations), solvency (ability to meet all obligations), and profitability (ability to generate profits) over a given period.

Energy sector companies are those whose operations trade products related to energy extraction, such as oil, coal, and natural gas mining, as well as companies that provide services to support these industries. Indonesia is a country that not only has a large employment potential but is also rich in energy resources, particularly renewable energy sources.

Financial Statement Analysis and Financial Ratiosn

According to Kasmir (2019), financial ratios are the process of comparing figures contained in financial reports by dividing one number by another, so that it can provide a clear and logical picture.

1. Liquidity Ratio: Assesses the company's ability to meet short-term obligations that will soon fall due using its current assets.(Qomariyah & Citradewi, 2022)
   a) Current Ratio
   Shows the amount of current liabilities covered by current assets. The higher the ratio of current assets to current liabilities, the greater the company's ability to cover its short-term obligations.
   Current Ratio =$\frac{aktiva\ lancar}{utang\ lancar}\ x\ 100\%$
   b) Quick Ratio
   Measuring whether a company has current assets to cover its short-term, the better the company is at meeting its current liabilities.
   Quick Ratio =$\frac{aktiva\ lancar - persediaan}{utang\ lancar}\ x\ 100\%$
2. Solvency Ratio: Assesses the extent to which a company's assets are financed by debt, or what proportion of debt the company carries compared to its equity.(Juli et al., 2024)
   a) Debt to Asset Ratio (DAR)
   The ratio looks at the comparison of a company's debt to assets.
   Debt Ratio =$\frac{total\ liabilitas}{total\ asset}\ x\ 100\%$
   b) Debt to Equity Ratio
   The ratio used to show the amount of collateral available to creditors.
   Debt to Equity Ratio =$\frac{total\ liabilitas}{total\ equity}\ x\ 100\%$
3. Profitability Ratios: Measures how effective management is in generating profits from sales and investments made in assets or equity owned.(Lase et al., 2022)
   a) Return on Assets
   The ratio that shows the company's ability to generate profits from assets.
   Return On Assets =$\frac{laba\ bersih}{total\ asset}\ x\ 100\%$
   b) Return on Equity
   The ratio that shows the rate of return that a business owner obtains from the capital that has been invested.
   Return on Equity =$\frac{Laba\ bersih}{ekuitas}\ x\ 100\%$

METHODS

This research adopts a quantitative descriptive approach. The object of study is PT Megapower Makmur Tbk. (MPOW). The data used is secondary data in the form of nominal figures from the balance sheet and income statement, obtained directly from the IDX Financial Report documents. Data analysis techniques are carried out by calculating, organizing the data into a time series table, and interpreting trends in liquidity, solvency, and profitability ratios for the periods of 2022, 2023, and 2024.(Profitability, 2022).

RESULTS AND DISCUSSION

Financial Ratio Analysis Results

Based on secondary data obtained from the 2022 to 2024 financial statements of PT Megapower Makmur Tbk. (MPOW), calculations were performed for three main ratio categories: liquidity, solvency, and profitability. The compiled data are presented in the tables below:

SOLVABILITY

Code	Year	Total Liabilities	Total Assets	Total Equity	DAR	DER
MPOW	2022	76,707,067	201,067,409	124,360,342	38%	62%
MPOW	2023	59,105,847	179,973,451	120,867,604	33%	49%
MPOW	2024	43,359,153	160,603,601	117,244,448	27%	37%

Table 1 Solvency

PROFITABILITY

Code	Year	Net profit	Total Assets	Total Equity	Return on Assets (ROA)	Return on Equity (ROE)
MPOW	2022	-10,912,508	201,067,409	124,360,342	-5%	-9%
MPOW	2023	-3,349,542	179,973,451	120,867,604	-2%	-3%
MPOW	2024	-3,361,044	160,603,601	117,244,448	-2%	-3%

Table 2 Profitability

LIQUIDITY

Code	Year	Current asset	Current Liabilities	Supply	CR	QR
MPOW	2022	14,071,254	58,423,982	565,959	24%	23%
MPOW	2023	11,995,019	52,137,788	529,184	23%	22%
MPOW	2024	11,686,065	41,637,795	621,982	28%	27%

Table 3 Liquidity

FINANCIAL PERFORMANCE DISCUSSION

Company Liquidity Performance Analysis

Based on the calculation results shown in Table 4.1, PT Megapower Makmur Tbk.'s liquidity is in poor condition and poses high risk. This is evident from the Current Ratio (CR) and Quick Ratio (QR) values, which are far below the industry average (the ideal industry standard CR is ≥ 200% and QR ≥ 100%).

a. 2022 & 2023: The company faces very tight liquidity pressures, with CR values reaching only 24% and 23%, respectively, while QR values are also at 23% and 22%. This indicates that for every Rp1 of current liabilities due, the company only has around Rp0.23 to Rp0.24 of current assets to cover them.

b. 2024: There was a slight increase, with CR rising to 28% and QR to 27%. However, this slight improvement was not due to an increase in current assets (which actually decreased from Rp11.99 million to Rp11.68 million), but rather because management successfully reduced and paid off part of its current liabilities from Rp52.13 million to Rp41.63 million.

Low Current Ratio (CR) and Quick Ratio (QR) values below 30% indicate a company in a state of low liquidity (illiquidity). This risk is further exacerbated by the decline in current liabilities in 2024, from IDR 52.13 million to IDR 41.63 million, not driven by an increase in the company's revenue, but rather by limited cash usage for the repayment of short-term liabilities. This condition indicates that net cash flow from operating activities (operating cash flow) is likely to be at a low or even negative level, so the company does not have adequate cash reserves to support daily operations. If this condition is not immediately addressed, the company has the potential to face technical insolvency, namely the inability to meet short-term obligations even though the company's assets still have economic value.

Analysis of Company Solvency Performance

In contrast to the liquidity condition, the capital structure and solvency level of PT Megapower Makmur Tbk. showed a consistent and sustainable improvement trend throughout the observation period.

a. Decrease in DAR: The Debt-to-Asset Ratio (DAR) continues to decline gradually, from 38% in 2022 to 33% in 2023, and reaching 27% in 2024. This decline indicates a decreasing proportion of the company's assets financed by debt. By 2024, only 27% of the company's total assets will come from debt.
b. DER Decrease: The Debt to Equity Ratio (DER) also experienced a significant decline, from 62% in 2022 to 49% in 2023, and again to 37% in 2024. This decline in the ratio provides a positive signal for creditors, as the debt-to-equity ratio is lower, meaning the investment risk borne by creditors due to the possibility of business failure is also smaller.

This improvement in solvency performance indicates that MPOW management is actively working to reduce dependence on external financing (debt) and has successfully deleveraged, which theoretically strengthens their long-term financial resilience position.

Company Profitability Performance Analysis

In terms of profit-generating capacity, PT Megapower Makmur Tbk.'s financial performance is considered very poor. The company consistently recorded losses or negative net profit from 2022 to 2024.

a. In 2022, the company recorded its largest net loss of -Rp10,912,508, resulting in a ROA of -5% and ROE of -9%. This reflects significant inefficiencies in asset optimization and shareholder equity utilization.
b. 2023 & 2024: Although the loss rate was successfully reduced to -Rp3,349,542 (2023) and -Rp3,361,044 (2024), the company's profit margin remained in the negative zone. ROA and ROE remained static at -2% and -3% for two consecutive years.

Consistently negative Return on Assets (ROA) and Return on Equity (ROE), despite the company's success in reducing its losses, indicate fundamental issues related to cost efficiency and product competitiveness. To improve profitability and overcome this situation, the company needs to increase its Gross Profit Margin (GPM) by controlling its Cost of Goods Sold (COGS) and/or adjusting its selling prices. Furthermore, the company needs to reduce its Operating Expense Ratio (OER) to manage operational costs more efficiently. Failure to take these measures could result in continued losses that could further reduce the company's equity. This decline in equity could ultimately lead to an increase in the Debt to Equity Ratio (DER) in future periods, even though the company's debt has decreased in nominal terms.

Implications of Research Results and Management Recommendations

The integration of the three financial ratios reveals anomalies in the company's performance. On the one hand, the company has successfully improved its solvency by reducing debt and clearing its balance sheet of long-term liabilities. However, on the other hand, the company's operational activities continue to incur losses, reflected in low profitability, while current assets and cash continue to decline due to being used to meet existing obligations, further deteriorating its liquidity.

The results of this study indicate a trade-off between solvency and liquidity, where improved solvency is achieved at the expense of the company's ability to meet short-term obligations. According to trade-off theory, companies should be able to maintain a balance between their debt structure and liquidity levels. However, the conditions encountered at MPOW indicate that improved solvency is not accompanied by increased profitability or liquidity. This situation has the potential to create a vicious cycle, where operational losses reduce the company's ability to generate cash flow, decreased cash flow worsens liquidity, and weakened liquidity ultimately limits the company's ability to improve its operational performance and financial structure sustainably.

If this situation persists without adequate corrective action, it could potentially lead to the company's bankruptcy. Therefore, debt restructuring efforts are crucial to break the cycle of financial problems facing the company and create space for financial recovery. To restore the financial health of PT Megapower Makmur Tbk., management is advised to take strategic steps focused on improving its capital structure, increasing liquidity, and optimizing operational performance on a sustainable basis, as follows:

1) Short-Term Debt Restructuring: Given the high current debt burden relative to current assets, management needs to negotiate with creditors to convert some short-term debt into long-term debt to reduce daily liquidity pressures.
2) Operational Cost Efficiency Evaluation: Consistent year-over-year losses indicate an operating cost structure that is too high relative to revenue. Management should review budget allocations, reduce waste, and optimize existing energy assets to move toward a positive ROA.

.

CONCLUSIONS

Based on the results of the study "Analysis of Liquidity, Solvency, and Profitability Levels as a Tool for Assessing the Financial Performance of PT Megapower Makmur Tbk.docx", it can be concluded that the company's financial performance during the 2022–2024 period shows significant anomalies. On the one hand, the company has successfully demonstrated an excellent commitment to improving its capital structure through a consistent deleveraging strategy, where the Debt to Asset Ratio (DAR) value has been successfully reduced to 27% and the Debt to Equity Ratio (DER) has decreased to 37% in 2024. This indicates that dependence on long-term debt is decreasing and the risk for creditors is getting smaller. However, on the other hand, these debt repayment efforts have a negative impact on the company's liquidity, where cash and current assets are depleted so that the Current Ratio (CR) and Quick Ratio (QR) values remain at 28%

and 27% in 2024, this position is far below the ideal industry standard and places the company at a high risk of short-term default. This condition is further exacerbated by very poor profitability performance, where the company continuously recorded negative net profit with ROA -2% and ROE -3% until the end of the observation period, caused by an operating cost structure that is too high compared to the income earned. Therefore, to maintain business continuity (going concern) and increase attractiveness in the eyes of investors, MPOW management must immediately take strategic steps in the form of short-term debt restructuring to improve liquidity and carry out total efficiency of operating costs so that the company's profitability can immediately recover to the positive zone.

REFERENCES

Ambarwati, D., Anggraini, D., & Pratiwi, P. D. (2024). Analisis Performa Keuangan Perusahan pada PT Indofood Sukses Makmur, Tbk Periode 2018-2023. *Economic Reviews Journal*. https://doi.org/10.56709/mrj.v3i4.603

Asiani, N. T., & Rahayu, N. P. W. (2024). ANALYSIS OF LIQUIDITY RATIOS AND PROFITABILITY RATIOS TO ASSESS FINANCIAL PERFORMANCE. *International Journal of Accounting, Management, Economics and Social Sciences (IJAMESC)*. https://doi.org/10.61990/ijamesc.v2i4.312

Hardiyono, H., & Halik, M. (2024). Analysis of Financial Performance at PT. Indofood Sukses Makmur Tbk In Makassar. *Journal of Marketing Management and Innovative Business Review*. https://doi.org/10.63416/mrb.v2i1.225

Hebber, Y. C. T., Nasution, M., & Dwilita, H. (2026). Analysis of Liquidity, Solvency, and Profitability Ratios to Assess Financial Performance at PT. Garuda Indonesia (Persero), Tbk. *Jurnal Akuntansi, Manajemen dan Bisnis Digital*. https://doi.org/10.37676/jambd.v5i2.10963

Herliza, H., Yulianti, O., & Ferina, Z. (2021). Analysis of Financial Statements for Assessing Performance at PT. Enseval Putera Megatrading Tbk.. *Journal of Indonesian Management (JIM)*. https://doi.org/10.53697/jim.v1i3.160

Hutabarat, F. (2020). Corporate Financial Performance Analysis. Desanta Publisher.

Ikasanti, P. W., & Alwi, A. (2022). Profitability, Liquidity, Solvency and Activity Analysis to Assess Financial Performance of PT. Visi Media Asia Tbk.. INVOICE : JURNAL ILMU AKUNTANSI. https://doi.org/10.26618/inv.v4i2.9001

Indah, S., Lestari, E., Sasono, A. D., & Indrihastuti, P. (2024). Liquidity, Solvency, and Profitability Ratio Analysis as a Financial Performance Measurement Tool at PT Telkom Indonesia (Persero) Tbk for the Period 2020-2022 (Case Study of Companies Listed on the Indonesia Stock Exchange). Journal of Economics and Business Letters. https://doi.org/10.55942/jebl.v4i2.308

Ismah, I., Arsal, M., & Nasrullah, N. (2024). FINANCIAL PERFORMANCE ANALYSIS OF PT. INDORITEL MAKMUR INTERNATIONAL TBK, ON THE INDONESIAN STOCK EXCHANGE Ismah1), Muryani Arsal 2) Nasrullah3). International Journal of Economic Research and Financial Accounting (IJERFA). https://doi.org/10.55227/ijerfa.v2i4.152

Jihadi, M., Vilantika, E., Hasibuan, SW, Arifin, Z., & Aliyah, L. (2021). The Influence of Financial Performance on Firm Value. Journal of Management and Business, 18(2), 189-199.

Juli, N., Permatasari, AD, & Tasmiatun, NE (2024). Solvency Analysis of Financial Performance at Bank Mandiri in 2016-2019, National Development University “Veteran” East Java. 1(3), 393–401.

Kasmir. (2019). Financial Statement Analysis (Revised Edition). PT Raja Grafindo Persada.

Lase, LPD, Telaumbanua, A., & Harefa, AR (2022). Financial Performance Analysis Using a Profitability Ratio Approach. 1(2), 254–260.

N., Purnama, A. M. R., N., B., & Hadidu, A. (2025). Analysis of Liquidity Ratios and Profitability Ratios as Assessment Tools to Measure Financial Performance at PT Indofood Sukses Makmur Tbk. *Journal of Digital Business and Global Economy*. https://doi.org/10.64243/jodigbi.01.3.07

Nainggolan, D. E., Manalu, E., Sihaloho, Y., & Siallagan, H. (2025). ANALISIS RASIO KEUANGAN UNTUK MENILAI KINERJA KEUANGAN PERUSAHAAN: STUDI PADA PT INDOFOOD SUKSES MAKMUR TBK (INDF) / ICBP. Didaktik : Jurnal Ilmiah PGSD STKIP Subang. https://doi.org/10.36989/didaktik.v11i04.10224

Nurwita, N., & Rodhiah, R. A. (2022). LIQUIDITY RATIO AND PROFITABILITY ANALYSIS TO MEASURE FINANCIAL PERFORMANCE IN PT. ULTRAJAYA MILK INDUSTRY & TRADING COMPANY TBK. International Journal of Economy, Education and Entrepreneurship (IJE3). https://doi.org/10.53067/ije3.v2i1.50

Profitability, AND (2022). No Title. 4(2), 1–15.

Putri, V., & Sari, M. M. (2024). Analysis of Liquidity Ratio, Profitability Ratio and Solvency Ratio as a Tool in Measuring Financial Performance in PT Bank Mandiri (Persero) Tbk. Journal of Community Research and Service. https://doi.org/10.24114/jcrs.v8i2.63057

Qomariyah, SN, & Citradewi, A. (2022). Liquidity Ratio Analysis to Assess the Financial Performance of PT Kimia Farma (Persero) Tbk Period. 2, 1–13.

Wardani, E. D., Kelana, F., & Latiefah, N. (2025). COMPARATIVE ANALYSIS OF FINANCIAL RATIO AND ECONOMIC VALUE-ADDED METHODS TO ASSESS COMPANY FINANCIAL PERFORMANCE. Proceedings of Economics Business Innovation & Creativity. https://doi.org/10.32493/ebic.v2i1.51318