Analyzing financial performance of resort and hotel subsector: A case study at Saung Dolken

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ABSTRACT

The COVID-19 pandemic has significantly disrupted the stability of global economic flows and threatened the business of companies in the world. The purpose of this study is to analyze the existing condition of the financial performance of Saung Dolken Resort and Hotel for the period 2018 to 2022 and benchmarking with the hotel sub-sector industry, analyze the level of potential bankruptcy (financial distress) of SDO in Indonesia during the Covid-19 period, and formulate a financial performance model. This study aims to find out what factors affect SDO's financial performance which is proxied with return on equity (ROE) based on independent variables from the Dupont analysis components, namely: ATO: asset turnover ratio, LEV: financial leverage, TaxB: tax burden, IntB: interest burden, OPM: operating profit margin, and EM: Equity Multiplier (EM) Adjustment. The study examines Saung Dolken Resort and Hotel's financial performance from 2018-2022 using descriptive analysis and Du Pont Analysis, identifying strengths and weaknesses for investors. The results show that the period before and during the co-incidence period showed a significant decrease in ROE caused by a decrease in ATO, Asset Turnover, and LEV, followed by an increase in TaxB and intB. The strategy includes profit margin optimization, asset turnover improvement, and equity multiplier adjustment.

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INTRODUCTION

The tourism sector is a significant part of Indonesia's economy. Based on data from the Organization for Economic Co-Operation and Development (OECD) in the Tourism Trends and Policies 2022 report, the tourism sector contributes 5.0% to gross domestic product (GDP). In addition, based on data released at the World Economy Forum in 2022, Indonesia's ranking in the Travel and Tourism Competitiveness Index (TTCI) has increased from the original rank of 44 to rank 32 out of a total of 117 countries. This condition shows a significant improvement in the tourism sector in Indonesia when compared to the period during the Covid-19 pandemic.

The Covid-19 pandemic has forced the government to implement strict measures, including lockdowns and social restrictions, which have had a devastating impact on the economy (Kuckertz et al., 2020). According to Syaifullah et al. (2021), the Covid-19 pandemic poses various challenges for companies. Among them due to disruptions and restrictions on movement, around 64% of companies experience a shortage of raw materials. In addition, about 66% of companies have difficulty in shipping finished goods, about 35% of companies make efforts to market and sell them by venturing into online platforms on a global scale. Conversely, during the Covid-19 pandemic, organizational performance and complexity were influenced by various factors such as company size, debt level, profitability, level of internationalization, number of employees, age, and leverage, as highlighted by Pereira et al. (2021). The impact of the Covid-19 pandemic and the highly competitive business landscape have had a major adverse impact on the company's financial performance (Giantari et al., 2022).

During the Covid-19 pandemic, the tourism industry is one of the industries that has experienced great pressure. Based on a summary of data released by the Ministry of Tourism and Creative Economy in the 2021 Tourism Trends book, the decline in international tourists during the pandemic period was 58% to 78% or 847
million people to 1139 million people. This significant decrease is as a result of the implementation of large-scale social restrictions (PSBB, Pembatasan Sosial Berskala Besar) in several regions, as well as the closure of international access from various countries.

The decline in the number of international tourists has an impact on the decrease in hotel occupancy in Indonesia. The comparison of the occupancy rate of star-rated hotels in Indonesia in the period July 2019 and July 2020 decreased from 64.15% to 41.03%. Meanwhile, non-star hotels decreased from 58.78% to 28.01%.

The conditions experienced by the hotel industry are also experienced by Saung Dolken Syariah. Saung Dolken Syariah is a resort that welcomes the principles of Syar'i Resort with natural dolken wood nuances. Established in North Bogor, Bogor City, West Java on an area of 39,500 M2. Saung Dolken provides lodging in the form of hotels and villas consisting of 45 rooms with a total capacity of 150-200 people and provides 5 types of meeting rooms. In addition, Saung Dolken also offers a rural tourism concept, with various facilities such as swimming pools, fishing, large fields, gazebos, and outbound. The number of facilities provided by Saung Dolken demands the availability of sufficient resources to operate and maintain its facilities, currently Saung Dolken has 51 permanent employees and 9 part-time employees.

In 2019, the total visitors to Saung Dolken Syariah reached 19,255 people. A fairly drastic decrease occurred during 2020, where the number of visitors was 12,250 as seen in figure 1. This condition is in line with the situation of declining tourists that occurs in the Bogor City area as a whole.

The hospitality industry, in particular, has a higher level of capital intensity, and the lion's share of sales is services, while the smallest part of sales is the sale of other goods and its own products, followed by additional services (Perčić & Spasić, 2021). Hotel companies have capital-intensive characteristics on fixed assets and have high leverage so they depend on creditors (Vujić et al., 2020).

Saung Dolken’s financial statements also show pressure during the Covid-19 period. Throughout 2020, Saung Dolken’s monthly net profit was always negative, with a percentage of -65%. This also happened in 2021, although slightly improved compared to 2020, Saung Dolken’s net profit was still negative with a percentage of -30% after deducting the company’s total expenses (Saung Dolken’s financial statements: processed).

Pressure on financial liquidity as a result of the decline in the number of visits, is a reason to review the financial performance of Saung Dolken Resort and Hotel during the Covid-19 period. In addition, the potential bankruptcy of Saung Dolken Resort and Hotel during the Covid-19 pandemic period was also observed. In the end, from this study, it can be known the financial performance model of Saung Dolken Resort and Hotel.

Analyzing potential crises is very important for companies. If the crisis status is real, then the company can prepare for a potential crisis and mitigate it. Companies can use leading indicators that provide signals that help businesses have sufficient time to develop, evaluate and choose the right strategy to resolve these situations if they occur (Kasik & Snapka, 2020).

Soliman (2008) found that DuPont analysis is the most common way of analysis through a company's financial statements, specifically in analyzing its profitability and solvency. Sometimes, it can also be used in risk analysis. DuPont analysis outlines its return on assets (ROA). Ahmed (2020) points out that DuPont's financial analysis system can play an important role in analyzing a company's profitability. DuPont's analytical methods can compare and analyze historical data and current data of a company, and can also make effective predictions for the company's operational conditions in future periods conducive to the implementation of targeted measures by the company to increase its profitability. Wright (2016) believes that DuPont's analytical methods are relatively unique methods, and at the core of DuPont's analytical methods is management decision making.

Return on equity (ROE) is the most important and comprehensive indicator in DuPont's analysis system, which reflects a company's ability to earn net income through its own capital situation. This can be obtained based on the comparison of total net income (net income) to the company's shareholders' equity (Hickson et al., 2011). The size of this indicator can directly reflect the company's overall sales revenue level, comprehensive profit level, and financial status (Qin et al., 2022).

Predictive models of bankruptcy have existed since the time of the first half of the twentieth century. First, the bankruptcy model uses univariate analysis. Then using the Discriminant Analysis approach and emerging Altman analysis model is considered one of the analysis models that become the key to bankruptcy prediction (Harrison, 2005).

The Altman Z-Score is used in financial analysis to assess the risk of possible financial distress and corporate bankruptcy. This model is widely used primarily by auditors and credit analysts in commercial banks and other financial institutions to assess the financial health of their clients. In the initial application of the Z-score model, the auditor saw the potential use of the Z-score model as a credit assessment to help the accounting audit function to assess business continuity conditions and qualifications (Altman, 2018).
The original Z-score model was developed for manufacturing companies whose shares are exchange-traded and have assets listed on the balance sheet of more than USD 1 million. Altman developed a revised version of financial health assessment models for private and non-manufacturing companies, as well as companies operating in emerging markets (Radivojac et al., 2021).

Before the Covid-19 pandemic, Saung Dolken's financial performance was in prime condition and continued to develop its business, in developing its business Saung Dolken invested a total of Rp 2,509 billion in 2018 to 2019. The investment made is in the form of additional room units owned to date amounting to 45 rooms and the addition of several assets. Meanwhile, in 2020 the situation is inversely proportional to the desired expectations, effective and efficient strategies continue to be carried out in order to be sustainable in getting through the Covid-19 pandemic.

The COVID-19 pandemic has significantly disrupted the stability of global economic flows and threatened the business of companies in the world. Companies whose activities depend on the mobility of people and capital feel the most significant decline in financial performance indicators, one of which is ROE. However, for companies that have grown and implemented effective crisis management policies, as well as financial policies, it has proven to be able to survive financially and become more resilient (Šabotić & Lekpek, 2022).

To achieve long-term goals, an enterprise must succeed in the short term. The company must have a profitable year, generate sufficient cash flow to pay debts and interest payments and investments in fixed assets, and finally manage its operating activities and with risk management such as; short-term debt, bankruptcy risk, working capital, operational, fluctuations in financial structure (short-term) in preparing strategic planning.

The financial distress model is an important conceptual element in financial management, especially when businesses are facing financial difficulties for various reasons and to develop the necessary early warning and follow-up systems. These developments ultimately forced the concept of financial distress, its theoretical framework, and its application to measure its dimensions of financial failure to become an integrated part of business management practice. For business people, the risk of financial failure arises due to a process of implementing wrong financial policies. Based on this fact, it is necessary to detect financial problems appropriately, namely timely and appropriate application of models to solve problems. In general, factors such as the ability to create high profitability ratios, avoid high-cost loan structures, and ensure adequate levels of liquidity are considered important elements for a company's financial health (Ayvaz & Erkan, 2023).

The purpose of this study is to analyze the existing condition of the financial performance of Saung Dolken Resort and Hotel for the period 2018 to 2022 and benchmarking with the hotel subsector industry, analyze the level of potential bankruptcy (financial distress) of Saung Dolken Resort and Hotel during the Covid-19 period, and formulate a financial performance model of Saung Dolken Resort and Hotel. For academics, this research is expected to enrich the review of financial literature, especially in terms of financial performance of non-public companies.

METHOD

To answer the objectives of the first study, namely analyzing the existing condition of the financial performance of Saung Dolken Resort and Hotel for the period 2018 to 2022 and benchmarking with the hotel subsector industry, carried out with descriptive analysis and Du Pont Analysis method. Descriptive analysis aims to look at the statistics of Saung Dolken's financial ratios for 2018 – 2022. DuPont Analysis is a framework for analyzing fundamental performance popularized by the DuPont Corporation. DuPont analysis is a useful technique used to decompose various drivers of return on equity (ROE). ROE decomposition allows investors to focus on key metrics of financial performance individually to identify strengths and weaknesses. Figure 1 shows ROE can be deciphered from various financial ratios of a company.
RESULTS AND DISCUSSION
Analysis of Saung Dolken's Financial Ratios for 2018-2019

In the business world, financial statements are windows that provide deep insight into the performance and financial stability of a company. One commonly used method for evaluating financial statements is ratio analysis. Financial ratios provide a more detailed picture of a company's financial condition, helping investors, management, and analysts make informed decisions.

Table 1 presents Saung Dolken's financial ratios from 2018-2022, where the financial ratios used are related to research objective one, namely Dupont analysis. In general, it can be seen that the value of return on equity (ROE), net profit margin (NPM), operating profit margin (OPM) has a negative value in the Covid-19 period. The asset turnover ratio (ATO) decreased during the Covid-19 period. Tax burden and interest burden have increased during the Covid-19 period. Financial leverage also decreased during the Covid-19 period.

Table 1. Saung Dolken Financial Ratio 2018-2022

<table>
<thead>
<tr>
<th>Year</th>
<th>ROE</th>
<th>NPM</th>
<th>ACT</th>
<th>LEV</th>
<th>TaxB</th>
<th>IntB</th>
<th>OPM</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.0008</td>
<td>0.033</td>
<td>0.019</td>
<td>1.245</td>
<td>0.68</td>
<td>0.55</td>
<td>0.09</td>
</tr>
<tr>
<td>2019</td>
<td>0.0002</td>
<td>0.009</td>
<td>0.021</td>
<td>1.236</td>
<td>0.68</td>
<td>0.97</td>
<td>0.01</td>
</tr>
<tr>
<td>2020</td>
<td>-0.0068</td>
<td>-0.615</td>
<td>0.010</td>
<td>1.10</td>
<td>0.84</td>
<td>1.30</td>
<td>-0.56</td>
</tr>
<tr>
<td>2021</td>
<td>-0.0077</td>
<td>-0.819</td>
<td>0.008</td>
<td>1.12</td>
<td>0.76</td>
<td>1.00</td>
<td>-1.08</td>
</tr>
<tr>
<td>2022</td>
<td>-0.0027</td>
<td>-0.178</td>
<td>0.014</td>
<td>1.07</td>
<td>0.91</td>
<td>0.54</td>
<td>-0.36</td>
</tr>
</tbody>
</table>


Dupont Method Analysis

To answer the first research objective, analyzing the existing condition of Saung Dolken Resort and Hotel financial performance for the period 2018 to 2022 and benchmarking with the hotel sub-sector industry. Using analysts with the Dupont method. The data used is secondary data from Saung Dolken’s financial statements from 2018 until 2022.

DuPont analysis, a proven approach in the financial world, provides an in-depth look at the factors that make up Return on Equity (ROE). ROE is an important indicator of financial performance, and through Dupont’s approach, we can decompose it into more granular components (Ross et al 2019). The Dupont method
identifies three main factors that contribute to a company's ROE: Profit Margin, Asset Turnover, and Equity Multiplier. Each of these factors reflects how efficient the company is at managing its own profits, assets, and capital.

The advantages of Dupont analysis used in this study include:

1) Deep understanding of ROE: Dupont analysis provides a deep understanding of the factors that contribute to Return on Equity (ROE). By breaking down ROE into components such as Profit Margin, Asset Turnover, and Equity Multiplier, this analysis helps management and investors to understand the sources of ROE growth or decline.

2) Identify areas of improvement: By focusing on key components, Dupont analysis helps companies identify areas where improvements may be needed. For example, if the profit margin is low, the company can focus on cost management or pricing strategies.

3) Flexibility in Use: Dupont analysis can be applied to a wide range of sectors and types of companies. It provides high flexibility in analyzing financial performance, both for manufacturing companies and service companies.

4) Strong comparators: This method allows strong comparisons between companies of different sectors or companies within the same industry. This provides a solid foundation for evaluating the company's performance.

Return on Equity

Figure 2. Saung Dolken's ROE Growth in 2018-2022

Figure 2 presents the development of Saung Dolken's ROE from 2018-2022. Saung Dolken's Return on Equity (ROE) from 2018-2022 (Figure 2) was never above 1%, in 2018 ROE was 0.08%, in 2019 it fell to 0.02%. The first year of Covid-19 (2020) ROE became negative at -0.77%. Although in 2022 it began to rise, it was negative at -0.27%

ROE measures the level of profit generated by a company for every dollar of equity invested by shareholders, a high ROE indicates that a company is efficient in generating profits relative to its shareholders' capital (Ross et al., 2017). ROE is an important indicator that provides insight into management's efficiency in utilizing funds provided by shareholders to generate low ROE may signal efficiency problems in capital management, low profitability, or excess equity (Penman, 2013). In the context of Saung Dolken, the low ROE is due to the very large use of equity by shareholders compared to other funding sources.

Asset Turnover Ratio

Figure 3 presents the development of Saung Dolken's asset turnover ratio (ATO) from 2018-2022. From 2018 to 2019, there was an increase in ATO of 1.9% to 2.1%, then fell in 2020 (early Covid-19) to 1%, and fell back to 0.8% in 2021. The ATO increased in 2022 to 1.4% but is still below the pre-Covid-19 period.
Asset Turnover Ratio (ATO) is a financial ratio that measures the efficiency of utilizing company assets in generating revenue (Gibson 2013). This ratio gives an idea of the extent to which a company can convert its assets into sales, which is a critical factor in assessing the operational efficiency of a business. An ATO helps identify the extent to which a company can optimize its assets to support efficient operations. Investors can use the ATO as an important factor in investment decision making, as it provides insight into potential investment returns (Brigham & Houston, 2013).

Financial Leverage

Figure 4 shows a development of financial leverage which in DuPont's analysis is a ratio that reflects the equity multiplier. Equity Multiplier is a financial ratio that measures the extent to which a company leverages its shareholders' equity to support assets. This ratio provides a significant view of how much a company relies on equity capital in financing its assets.

In Figure 4, Saung Dolken's financial leverage in 2018 was 1.24% then decreased in 2019 to 1.23. In 2020 it fell by 1.1 and rose back to 1.12 in 2021. Then it fell back in 2022 to 1.07. Equity Multiplier is an important indicator to measure the leverage level of a company.

A high level of leverage, as reflected in a high Equity Multiplier, can provide higher profit potential, but also increase financial risk. Saung Dolken based on the company's financial statement data uses a low level of leverage, this is reflected in the relatively low equity multiplier, more than 70% of its total assets are supported by shareholders' equity. This will have an impact on low ROE, but will also reduce the risk of financial distress. Johnson et al. (2017) show that the Equity Multiplier has a significant impact on ROE. An increase in the Equity Multiplier can increase ROE if the company can generate profits that exceed the interest costs that may be associated with leverage.
Figure 5 clarifies how total assets compare and equity as a number former equity multiplier. From 2018-2022 there was a decrease in distance (GAB) between total assets and equity, this causes leverage The company shrinks which will have implications for decreasing ROE and on the other hand will reduce financial risk due to the use of large debt as a source of financing for company investment.

![Figure 5. Development of Equity and Total Assets of Saung Dolken 2018-2022](image-url)

**Tax Burden**

In figure 6 is the development of Saung Dolken's tax burden from 2018-2019. Tax Burden reflects how much the tax affects a company's net profit. This ratio provides an idea of the extent to which pre-tax profit is successfully converted into net profit after accounting for tax expense. This ratio describes the proportion of income remaining as net profit after deducting tax payments.

From Figure 6, Saung Dolken's tax burden increased sharply from 2019 to 2020. This is consistent with a significant decrease in net profit. The tax burden has a direct impact on net income and, therefore, on ROE. High tax burden can lower ROE, as lower net income is available to shareholders' equity. This ratio helps identify the percentage of income used to pay taxes, affecting the extent to which pretax profits can generate net income.

**Interest Burden**

Figure 7 presents Saung Dolken's interest burden from 2018 to 2022. Interest Expense reflects how much interest expense affects a company's net income. This ratio provides an indication of the extent to which earnings before interest are successfully converted into net income after accounting for interest expenses (Ross et al., 2017). Interest expense has a significant impact on a company's ROE. High interest burden can reduce the net income available to shareholders, thereby lowering ROE.
In Figure 7, Saung Dolken's interest expense in 2018 was 0.53 and increased in 2019 by 0.97. A sharp increase occurred in the first year of Covid-19, which rose to 1.3, due to net income which also fell sharply in 2020 due to the Covid-19 pandemic. In corporate financial analysis, the concept of Interest burden plays a critical role in providing an understanding of how interest expense can affect an entity's net income and Return on Equity (ROE). Interest burden itself provides an idea of how efficient companies are in managing interest expenses arising from the debt they have.

**Operating Profit Margin**

Figure 8 is the development of Saung Dolken's operating profit margin from 2018-2022. Operating Profit Margin is a ratio that shows the percentage of net profit generated by a company's operations, before considering interest costs and taxes. In the Dupont context, this ratio plays an important role as one of the main factors that make up ROE. Operating Profit Margin directly affects ROE. The high Operating Profit Margin indicates that the company is able to generate significant net profit from its operations, increasing the value of ROE (Ross et al 2019). A high Operating Profit Margin can reflect the company's operational efficiency.

In figure 8, the OPM position of Saung Dolken is 9% and decreased in 2019 to 1%, but in 2020 it fell to a negative value of -56%. And it reached minus 108% in 2021, in 2022 it started to improve but it was still minus 36%. When compared between the period before Covid-19 and during Covid-19 as shown in Table 5, Dupont's analysis shows a decrease in ROE caused by a decrease in ATO, OPM and LEV, followed by an increase in TaxB and IntB.
To assess whether Saung Dolken's financial performance uses Dupont analysis is to compare with industry as a benchmark. Figure 9, shows the average comparison of Saung Dolken's ROE with the industry of Hospitality, Restaurant and Paratourism companies listed on the Indonesia Stock Exchange (IDX). When viewed in the period before Covid-19 in 2019, Saung Dolken's ROE position was below the industry average. Where the industry average in 2019 is 4.55% and Saung Dolken's ROE is 0.02%. However, during Covid-19, Saung Dolken's ROE was better than the industry. In 2020, Saung Dolken's ROE fell to -0.68%, while the industry fell sharply to -13%.

The rationalization of Saung Dolken's ROE was not sharply corrected during Covid-19 due to the Equity Multiplier or financial leverage component, where Saung Dolken used greater equity than using other funding sources such as debt. This has implications for lower ROE but will reduce the risk of financial distress in times of crisis.

Saung Dolken's Potential Bankruptcy During the Covid-19 Period

To answer the second research objective, namely analyzing the level of potential bankruptcy (financial distress) of Saung Dolken Resort and Hotel during the Covid-19 period, Altman's Z-Score was used. The Altman Z-score model used is specific to private companies in developing countries, namely by formula (Tran et al., 2023).

\[
EMS = 6.56 \times X_1 + 3.26 \times X_2 + 6.72 \times X_3 \times 1.05 \times X_4 + 3.25
\]

Where the indicator (X1) is the ratio between net current assets and total assets. Indicator X2 shows the amount of income reinvested over time, i.e. how much investment capital is financed from own resources. Indicator X3 shows a company's ability to profit from its assets before paying interest and taxes. Indicator X4 shows how much the book value of a company can be reduced before the amount of liabilities exceeds the amount of equity when the company becomes insolvent.

Table 6 presents a description of the value of each indicator and the calculation results of the Emerging Market Score (EMS) from 2018 to 2022. Based on annual report data from Saung Dolken.
Table 6. Description of EMS Variable Values 2018-2022

<table>
<thead>
<tr>
<th>Year</th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>X4</th>
<th>Constance</th>
<th>EMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>0.00</td>
<td>0.02</td>
<td>0.06</td>
<td>4.65</td>
<td>3.25</td>
<td>8.56</td>
</tr>
<tr>
<td>2019</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>5.37</td>
<td>3.25</td>
<td>9.56</td>
</tr>
<tr>
<td>2020</td>
<td>0.06</td>
<td>0.00</td>
<td>0.03</td>
<td>6.57</td>
<td>3.25</td>
<td>10.73</td>
</tr>
<tr>
<td>2021</td>
<td>0.11</td>
<td>0.00</td>
<td>0.04</td>
<td>8.68</td>
<td>3.25</td>
<td>13.33</td>
</tr>
<tr>
<td>2022</td>
<td>0.16</td>
<td>0.00</td>
<td>0.03</td>
<td>16.53</td>
<td>3.25</td>
<td>21.81</td>
</tr>
</tbody>
</table>

If you look at the X1 indicator which is the use of working capital, Saung Dolken is always at a positive score, as well as during Covid-19, indicator X2 which is the proportion of retain earning use was only used in the period before Covid-19, when Covid-19 retain earnings were no longer used in the company's operational activities. Indicator X3 is the efficiency of using total assets, so the score of Saung Dolken is also always positive. Indicator X4, which is the proportion of equity use to liabilities is relatively high, this explains that Saung Dolken uses equity as the most dominant part of company financing compared to debt. During Covid-19, the number of X.4 indicators increased drastically compared to the period before Covid-19.

Figure 10 is an EMS score criterion that is a predictive indicator of whether a private company in a developing country is in a particular position in the context of financial distress. If the score is above 5.85 then the company is in the safe zone, the score between 4.15 – 5.85 is in the gray zone and the score below 4.15 is in the distress zone. Altman (2005) states the equivalence of each EMS scoring zone to the company's credit rating. Companies with EMS scores that are in the safe zone will also have a good credit rating score. This is very important as an assessment from creditors to see whether a company will experience financial problems in the future if it needs financing from external sources such as banks and other financial institutions.

The development of Saung Dolken's EMS score from 2018-2022 is presented in figure 10. In rating, Saung Dolken is always in the safe zone position. This can be explained because Saung Dolken relies on equity as the main source of funding for the company's operational activities. Despite the drastic decline in opinion due to Covid-19, by not having a large debt, Saung Dolken avoided financial distress and was reflected in the EMS score which was always in the safe zone throughout the year.
Saung Dolken's Financial Performance Model

To answer the third research objective, namely formulating a financial performance model of Saung Dolken Resort and Hotel, an econometric model with multiple linear regression methods was used. This aims to find out what factors affect Saung Dolken's return on equity based on independent variables from the DuPont analysis components, namely: ATO: asset turnover ratio, LEV: financial leverage, TaxB: tax burden, IntB: interest burden, OPM (Operating Profit Margin).

Table 7. Descriptive Statistics of Research Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Note</th>
<th>Mean</th>
<th>Std. Dev.</th>
<th>Min</th>
<th>Max</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROE</td>
<td>60</td>
<td>-0.001</td>
<td>0.006</td>
<td>-0.025</td>
<td>0.01</td>
</tr>
<tr>
<td>ACT</td>
<td>60</td>
<td>0.015</td>
<td>0.009</td>
<td>0.001</td>
<td>0.037</td>
</tr>
<tr>
<td>LEV</td>
<td>60</td>
<td>1.153</td>
<td>0.074</td>
<td>1.052</td>
<td>1.252</td>
</tr>
<tr>
<td>TaxB</td>
<td>60</td>
<td>0.768</td>
<td>1.015</td>
<td>-5.07</td>
<td>4.147</td>
</tr>
<tr>
<td>IntB</td>
<td>60</td>
<td>0.863</td>
<td>1.046</td>
<td>-4.478</td>
<td>4.596</td>
</tr>
<tr>
<td>OPM</td>
<td>60</td>
<td>-0.38</td>
<td>1.272</td>
<td>-8.125</td>
<td>0.376</td>
</tr>
</tbody>
</table>

Table 7 presents descriptive statistics of research variables. Financial data is secondary data from the monthly financial report for 2018-2022. The average ROE value from 2018-2022 is -1%, with a minimum value of -2.5% and a maximum value of 1%. The average ATO score is 1.5% with a minimum value of 0.1% and a maximum value of 3.7%. The average financial leverage is 1.153 with a minimum value of 1.052 and a maximum value of 1.252. The average TaxB value is 0.768 with a minimum value of -5.07 and a maximum value of 4.147. The average IntB value is 0.863 with a minimum value of -4.478 and a maximum value of 4.596. The average OPM value is -0.38 with a minimum value of -8.125 and a maximum value of 0.376.

In the correlation test between research variables as presented in table 8, there is a negative and significant correlation between TaxB, IntB, and ROE. While a positive correlation exists between OPM and ATO with ROE. This correlation test can only assess the relationship between 2 research variables but cannot explain the causality relationship between variables. Therefore, it is necessary to perform multiple linear regression tests.

Table 8. Research Variable Correlation Matrix

<table>
<thead>
<tr>
<th>Variables</th>
<th>(1)</th>
<th>(2)</th>
<th>(3)</th>
<th>(4)</th>
<th>(5)</th>
<th>(6)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) ROE</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) TaxB</td>
<td>-0.349 *</td>
<td>1.000</td>
<td>(0.006)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(3) IntB</td>
<td>-0.563 *</td>
<td>0.025</td>
<td>1.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(4) OPM</td>
<td>0.450 *</td>
<td>-0.111</td>
<td>-0.107</td>
<td>1.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Analyzing financial performance of resort and hotel subsector: A case study at Saung Dolken
Analysis of Factors Affecting Saung Dolken's Financial Performance

To analyze the factors that affect Saung Dolken's financial performance which is proxied with return on equity (ROE), it is carried out with multiple linear regression analysis. The data used is Saung Dolken's monthly financial report from 2018-2022. The dependent variable is ROE, while the independent variable is a component in Dupont analysis that makes up ROE, namely tax burden (TaxB), interest burden (IntB), operating profit margin (OPM), asset turnover ratio (ATO), financial leverage (LEV).

Data processing for multiple regression using Stata 16.1 software. Before regression analysis is carried out, it is necessary to ensure that the model has an estimator that is BLUE (best linear unbiased estimator) by conducting assumption tests, namely: residual normality test using skewness and kurtosis tests for normality, homoscedasticity test using Breusch-Pagan/Cook-Weisberg test for heteroscedasticity and multicollinearity with Mean Variance inflation factor (VIF).

Table 9. Multiple Linear Regression Assumption Test

<table>
<thead>
<tr>
<th>No</th>
<th>Test Type</th>
<th>P-Value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Skewness and kurtosis tests for normality</td>
<td>0.9141</td>
<td>Normal distributed residuals</td>
</tr>
<tr>
<td>2</td>
<td>Breusch-Pagan / Cook-Weisberg test for heteroscedasticity</td>
<td>0.0400</td>
<td>There is heteroscedasticity</td>
</tr>
<tr>
<td>3</td>
<td>Mean Variance inflation factor (VIF)</td>
<td>1.26</td>
<td>(no multicollinearity)</td>
</tr>
</tbody>
</table>

Table 9 presents the results of the multiple linear regression assumption test, where in the normality test the probability value is 0.91 and it can be concluded that the residuals are normally distributed. The Breusch-Pagan / Cook-Weisberg test for heteroscedasticity showed significant results with a value of 0.0400 which can be interpreted as heteroscedasticity problems. As for the multicollinearity test with the Mean Variance inflation factor (VIF) showing a number of 1.26 which is smaller than 10, which can be concluded there is no multicollinearity. This is also confirmed from the paired correlation test between research variables that do not have a high correlation value.

Heteroscedasticity occurs when the variance of errors (residuals) in a regression model is not constant along a range of predictor values (independent variables). The implications of heteroscedasticity in multiple regression may include: first, biased parameter estimation. The calculated error standards become inconsistent, so confidence intervals and significance tests become unreliable. Second, inaccuracies in the hypothesis test occur, this can lead to misinterpretation of the significance of the independent variable. Third, there is an inaccuracy in prediction, the regression model becomes inaccurate because the residual variance is not constant. Fourth, there is a decrease in model reliability where regression models become less reliable in responding to variations in data. This can influence model-based decisions and analysis.

One effective approach to overcome this problem is to use robust standard errors. Robust standard errors are standard estimates of errors that are resistant to the disruption of homoscedasticity assumptions. In the case of heteroscedasticity, robust standard errors provide a more reliable and consistent alternative. Table 10 presents the results of Saung Dolken's ROE multiple regression estimates.

Table 10. The Results of Saung Dolken Multiple Regression Estimation Using Robust Standard Errors

<table>
<thead>
<tr>
<th>ROE</th>
<th>Coef.</th>
<th>St.Err.</th>
<th>t-value</th>
<th>p-value</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>TaxB</td>
<td>-0.002</td>
<td>0</td>
<td>-4.41</td>
<td>0</td>
<td>***</td>
</tr>
<tr>
<td>IntB</td>
<td>-0.003</td>
<td>0.001</td>
<td>-3.30</td>
<td>.002</td>
<td>***</td>
</tr>
<tr>
<td>OPM</td>
<td>0</td>
<td>0</td>
<td>0.53</td>
<td>.596</td>
<td></td>
</tr>
<tr>
<td>ACT</td>
<td>.46</td>
<td>.04</td>
<td>11.52</td>
<td>0</td>
<td>***</td>
</tr>
<tr>
<td>LEV</td>
<td>-.015</td>
<td>.005</td>
<td>-2.92</td>
<td>.005</td>
<td>***</td>
</tr>
<tr>
<td>Constance</td>
<td>.013</td>
<td>.006</td>
<td>2.23</td>
<td>.03</td>
<td>**</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean dependent var</th>
<th>0.809</th>
<th>SD dependent var</th>
<th>0.006</th>
<th>Number of obs</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>R-squared</td>
<td>0.809</td>
<td>Number of obs</td>
<td>60</td>
<td>Mean dependent var</td>
<td>0.809</td>
</tr>
<tr>
<td>F-test</td>
<td>53.906</td>
<td>Prob &gt; F</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Akaike crit. (AIC)</td>
<td>-527.251</td>
<td>Bayesian crit. (BIC)</td>
<td>-514.685</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Based on Table 10 there are 4 variables that have a significant effect on ROE. When compared with the research hypothesis, variables that are in accordance with the research hypothesis are: tax burden (TaxB), interest burden (IntB), asset turnover ratio (ATO), and financial leverage (LEV). While the operating profit margin (OPM) variable does not match the research hypothesis or does not have a significant influence on ROE. The coefficient of determination (R-square) of 0.809 which can be interpreted as 80.9% of the influence of the independent variables together on the dependent variable can be explained in the model.

**TaxB** has a negative and significant effect on Saung Dolken's ROE. Table 10 shows that TaxB has a negative and significant effect on ROE with a significance level of 1% and with a coefficient value of -0.002, which means that if TaxB increases by 1% then ROE will decrease by 0.002% and vice versa if TaxB decreases by 1% then ROE will increase by 0.002% (*ceteris paribus*).

**IntB** has a negative and significant effect on Saung Dolken's ROE. Table 10 shows that IntB has a negative and significant effect on ROE with a significance level of 1%. The value of the IntB coefficient is -0.003, which can be interpreted if the IntB saung dolken increases by 1% then the ROE will decrease by 0.003% and vice versa if the IntB saung dolken decreases by 1% then the ROE will increase by 0.003% (*ceteris paribus*).

**ATO** has a positive and significant effect on Saung Dolken's ROE. Table 12 shows that ATO has a positive and significant effect on ROE with a significance level of 1%. The ATO coefficient value is 0.46, it can be interpreted that if the ATO increases by 1% then Saung Dolken's ROE will increase by 0.46% (*ceteris paribus*).

**LEV** has a negative and significant effect on Saung Dolken's ROE. The estimation results in Table 10 show the significance of LEV to ROE at the level of 1%. The value of the LEV coefficient of -0.015 so that it can be interpreted that an increase in LEV of 1% will decrease ROE by 0.015% and vice versa if LEV decreases by 1% it will increase the ROE value by 0.015% (*ceteris paribus*).

**Saung Dolken Corporate Financial Strategy**

Dupont analysis provides deep insight into the ROE components of a company. Dopunt analysis decomposes ROE into 3 components Profit Margin (which also includes interest burden, tax burden and operating profit margin), Asset Turnover, and Equity Multiplier/Financial Leverage. The right financial strategy can be geared towards optimizing each component and ultimately increasing the overall ROE.

**Profit Margin (PM) Optimization**

Profit margin (PM) is one of the main components in the Dupont analysis that reflects a company's ability to generate net income relative to revenue. To optimize profit margins, companies need to develop strategies that focus on improving operational efficiency and profit management. Things that can be done for PM optimization are as follows:

1) Cost Efficiency Strategy: Implement strategies to optimize operational costs, improve production efficiency, and manage overhead efficiently.
2) Product and Service Diversification: Consider diversifying products or services to increase profitability and achieve higher profit margins.
3) Careful Price Management: Designing pricing policies that consider the added value of a product or service and market competitiveness.

**Asset Turnover (ATO) Improvement**

Asset Turnover (ATO) reflects the efficiency of a company in using its assets to generate revenue. Increased ATO can be achieved through a number of strategies targeting optimization of asset use and improvement of operational efficiency. The steps that can be taken for ATO improvement are as follows:

1) Optimization of asset utilization: Develop strategies to increase optimal utilization of each company's assets, including inventory, receivables, and fixed assets.
2) Operational process innovation: Implement innovation in operational processes to increase productivity and efficient use of assets.
3) Efficient inventory management: Establish efficient inventory policies to reduce excess inventory and increase inventory turnover.

**Equity Multiplier (EM) Adjustment**

1) Capital structure strategy: Evaluates the company's capital structure to minimize the cost of capital and optimize the use of debt and equity.
2) Wise debt management: Implement wise debt management policies to manage risk and ensure long-term financial sustainability.

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3) Investment and capital evaluation: Using ROI (Return on Investment) analysis to evaluate investments and ensure efficient use of capital.

CONCLUSION
The study reveals a decrease in Saung Dolken's ROE before and during Covid-19 due to a decrease in ATO, OPM, and LEV, followed by an increase in TaxB and IntB. The company's EMS score from 2018-2022 remained in the safe zone, despite a decline in opinion due to Covid-19. The research hypothesis suggests that tax burden, interest burden, asset turnover ratio, and financial leverage significantly affect ROE. The study suggests optimizing each component to increase overall ROE. Future research should consider using other financial performance proxies, such as return on investment and return on asset, and consider Altman z score as a factor affecting ROE.

REFERENCES


