

# Analysis of Cash Ratio, Current Ratio, Quick Ratio, Debt to Asset Ratio and Debt to Equity Ratio in Assessing the Financial Performance of PT Astra International Tbk

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## Abstract

This study aims to determine the financial performance of PT Astra International Tbk for the period 2020 to 2024, measured using liquidity ratios, including the cash ratio, current ratio, and quick ratio, as well as solvency ratios, including the debt to asset ratio and debt to equity ratio. The method used in this study is descriptive quantitative. The type of data used in this study is secondary data in the form of PT Astra International Tbk's financial reports for the period 2020 to 2024, which were obtained from the website. The results of the study show that the financial performance of PT Astra International Tbk from 2020 to 2024, as measured by the Liquidity Ratio, is considered poor because the Cash Ratio, Current Ratio, and Quick Ratio are still below the industry average standard, meaning that the company's performance in paying or fulfilling its short-term obligations is considered poor. Meanwhile, the financial performance of PT Astra International Tbk from 2020 to 2024, as measured by the Solvency Ratio, namely the Debt to Asset Ratio, is considered poor because the figure is high and above the industry average standard, meaning that the company's total assets are mostly financed by debt, resulting in high financial risk for the company. However, the Debt to Equity Ratio is considered good because the ratio is lower and below the industry standard, meaning that the company's equity or capital is not heavily financed by debt, and funding comes more from its own capital.

**Keywords:** Financial Performance, Cash Ratio, Current Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio

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## Introduction

The Indonesian economy grew by 5.02 percent in 2019. This economic growth occurred across all industrial sectors, with the highest percentage achieved by the Other Services Business Field unit at 10.55 percent (Central Statistics Agency, 2020). In 2020, Indonesia's economy faced a contraction of 2.07 percent. The industrial sector that experienced the highest contraction was Transportation and Warehousing at 15.04 percent, while Health Services and Social Activities experienced positive growth of 11.60 percent (Central Statistics Agency, 2021). According to (Larasati & Lawita, 2023), "This contraction in growth caused the Indonesian economy to experience deflation, due to the instability of economic movements in Indonesia triggered by Covid-19".

The economic slowdown caused by the Covid-19 pandemic has certainly had a significant impact on the performance of various industrial sectors in Indonesia, including the automotive sector, which is one of the pillars of the national economy. In this case, PT Astra International Tbk, as a multinational company that plays a major role in the Indonesian automotive industry, is also facing the dynamics of changes in the business environment. According to (Imam Setia Permana et al, 2021), "PT Astra International Tbk is a multinational company established in 1957 with its main business scope covering the production of motorcycles and their spare parts, car assembly and distribution, sales and rental of heavy equipment, plantation development, mining, and services related to finance, information technology, and infrastructure. Its operations are spread across various regions in Indonesia and it has more than 200 subsidiaries, associated entities, and joint ventures, with more than 200,000 employees."

According to Sidik (2020) in a study (Larasati & Lawita, 2023), "PT Astra International Tbk is one of many manufacturing companies affected by the Covid-19 pandemic. PT Astra International Tbk's financial performance has declined due to economic instability caused by Covid-19. In the first quarter of 2020, Astra experienced an 8% decline in net profit. Net income in the first quarter of 2019 reached IDR 5.22 trillion, while in the first quarter of 2020 it only reached IDR 4.8 trillion. The net income obtained is certainly inversely proportional to the net income obtained before the Covid-19 pandemic." According to Putri et al (2021) in a study (Larasati & Lawita, 2023), "In 2020, PT Astra International Tbk experienced an overall decline of 26%. Affected companies faced various risks that could affect their financial performance and profits."

According to the Ministry of Manpower (2020) in a study (Larasati & Lawita, 2023), "Approximately 88% of companies affected by Covid-19 in Indonesia are suffering losses. Companies in the manufacturing sector were the units most affected by the Covid-19 pandemic. In the fourth quarter of 2020, companies in the manufacturing sector experienced negative growth of minus 3.1%." According to Hidayat (2021) in a study (Larasati & Lawita, 2023), "This is in stark contrast to the situation where companies in the manufacturing sector were a reliable industry, contributing 2.8% to GDP, employing 14% of the national workforce, and having a large multiplier effect. This condition shows that the pandemic has put pressure on business stability, so companies need to evaluate their financial performance."

The company's performance can be seen from the financial reports published by the company, which are used as the company's achievements during a certain period. There are five financial ratios calculated from the company's financial reports, namely Cash Ratio, Current Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio. We can find some of these reports in the company reports published on the official website of PT. Astra International Tbk. For large companies, maintaining stable performance is very important, and the company's financial performance is a major focus for stakeholders, such as investors, creditors, and the company's management itself.

Based on previous research conducted by (Gian. F and Wahyu A.S, 2020) in their study related to liquidity and solvency ratio analysis to determine financial performance at CV Auto Tryas Body Repair. From this study, based on observations made by researchers at CV. Auto Tryas Body Repair over the past 2 years, it appears that the company has not experienced any

development in its business management. This occurred due to financial performance issues at the company. To address these issues, the researchers used liquidity and solvency ratio analysis to measure the company's financial performance over the last three years, from 2015 to 2017.

Meanwhile, previous research conducted by (Almasyah Abthar Syaifullah, 2024) in his study related to the analysis of liquidity, solvency, activity, and profitability ratios to measure whether the company experienced an increase or a decrease from the previous period. The financial ratio analysis used to measure the company's performance consists of four ratios, namely Liquidity, Solvency, Activity, and Profitability. Liquidity ratio analysis provides an overview of a company's cash position and its ability to pay or settle its obligations on the due date.

Previous research conducted by (Muchsin Z.A and Uswatun.K, 2022) analyzed the financial performance of PT Indospring Tbk from 2014 to 2018 using liquidity, activity, profitability, and solvency ratio analysis. Based on observations from this research, for more than 35 years PT Indospring Tbk has witnessed the ups and downs of the Indonesian economy and continues to grow based on business opportunities in demand around the world. Therefore, analysis is needed to determine whether these changes indicate good or poor conditions.

In this study, the researcher focuses on examining the Cash Ratio, Current Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio. Each of these ratios has a different function. The results of these four ratios are important for companies because they concern the survival of the company. Therefore, every company leader is required to be able to manage the company well in order to achieve optimal efficiency in the use of capital. The objective of this study is to determine the company's financial performance during the 2020-2024 period, which is calculated using the Cash Ratio, Current Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio. The research question in this study is: How does the growth in financial performance calculated from the company's financial statements, namely the Cash Ratio, Current Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio from 2020 to 2024, and the purpose of this study is to measure and analyze the growth in financial performance based on the Cash Ratio, Current Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio from 2020 to 2024.

## **Literature Review**

### **Liquidity Theory**

Liquidity Theory shows a company's ability to meet its short-term financial obligations on time. According to Husnan and Pudjiastuti (2020) in their research (Anggraini et al., 2025), liquidity is a ratio that measures a company's ability to meet its short-term financial obligations. According to Brigham & Houston (2002) in the study (Anggraini et al., 2025), "The liquidity ratio shows the relationship between cash and other current assets of a company with its current liabilities". This ratio is used to analyze and interpret short-term financial positions, but it is also very helpful for management to determine the efficiency of the working capital used by the company and is also important for creditors and shareholders. Thus, the Liquidity Ratio is a measure used in liquidity theory to assess the short-term financial health of a company.

### **Teori Trade-Off**

Trade-off theory examines the relationship between capital structure and company value. The essence of this theory is to balance the benefits and disadvantages that arise from the use of debt. As long as the benefits outweigh the disadvantages, additional debt is still considered reasonable. However, if the disadvantages of using debt exceed the benefits, additional debt is no longer permitted. According to Umdiana and Claudia (2020) in their research (Wahyuliza & Tambunan, 2024), "Based on this theory, companies strive to maintain a targeted capital structure to maximize market value." Thus, the Solvency Ratio is used to assess a company's leverage level and whether the company is in an optimal capital structure.

## 1. Financial Performance

According to Irmawan (2023) in a study (Ika Nurillah Ati, 2024), "Financial performance reflects management's ability to increase company value, which is a reference for stakeholders to assess the company's operational situation and success." According to Ngatno (2021) in a study (Ika Nurillah Ati, 2024), "Financial performance reflects how effectively a company utilizes its financial resources, describes its financial condition, and shows the results of its operations and policies implemented."

According to Al Daffa, M (2024) in a study (Ika Nurillah Ati, 2024), "Financial ratio analysis is the main method for evaluating a company's financial performance. The results of this evaluation are needed by various related parties to comprehensively understand the company's financial condition during its operational activities." Meanwhile, according to Liow (2023) in a study (Ika Nurillah Ati, 2024), "Financial performance is usually evaluated through indicators such as profitability, operational efficiency, and the company's capacity to meet its financial obligations."

## 2. Financial Statements

According to Hery (2016) in a study (Siti N.A et al, 2025), "Financial statements derived from the accounting process are prepared to convey financial information and company activities to interested parties. Therefore, financial statements help companies communicate with stakeholders and demonstrate good financial condition." Meanwhile, according to Kasmir (2021), financial statements are documents that reflect the financial condition of a company at a certain time or during a certain period. Through these statements, the actual condition of the company can be determined after conducting an in-depth analysis.

### Types of Financial Statements

According to Prastowo (2015) in a study (Siti N.A et al, 2025), there are several types of financial statements produced each period, including:

1. Financial Position Report  
This Financial Position Report shows the company's finances at a certain point in time, including assets, liabilities, and equity.
2. Income Statement  
The Income Statement illustrates the company's ability to generate profits within a certain period of time.
3. Statement of Changes in Equity  
The Statement of Changes in Equity shows how the company's equity has changed over a certain period of time.
4. Cash Flow Statement  
The Cash Flow Statement presents information about cash inflows and outflows from investments, operating activities, and financing activities, presented separately for a specified period of time.
5. Notes to the Financial Statements  
Notes to the Financial Statements provide additional information explaining the details of the financial statements presented.

## 3. Liquidity Ratio

According to Kasmir (2021), "The Liquidity Ratio is used to evaluate a company's capacity to meet its short-term obligations. This ratio compares current assets with current liabilities, thereby providing an overview of the company's ability to pay off its debts when they fall due." Several types of Liquidity Ratio calculations that are commonly used include:

1. Current Ratio  
According to Kasmir (2021), "The current ratio is used to calculate a company's ability to pay off short-term liabilities by comparing current assets and current liabilities. A low ratio indicates a lack of capital, while a high ratio is not always ideal because cash

management may be less efficient. The industry standard value for the current ratio is 200%."

The formula is:

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

## 2. Quick Ratio

According to Kasmir (2021), "The quick ratio is used to measure a company's ability to pay off its short-term liabilities by utilizing current assets other than inventory. This is because inventory takes longer to convert into cash. The industry standard value for the quick ratio is 150%." The formula is:

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

## 3. Cash Ratio

According to Kasmir (2021), "The cash ratio is used to measure the amount of cash available to pay the company's debts, with checking or savings accounts indicating the company's ability to meet its short-term obligations. The industry standard value for the quick ratio is 50%." The formula is:

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

## 4. Solvency Ratio

According to Wulan et al. (2024) in a study (Ika Nurillah Ati, 2024), "The solvency ratio is a financial indicator used to measure a company's ability to meet all of its obligations, both short-term and long-term. This ratio reflects the extent to which a company's assets are able to cover its total liabilities. The higher the solvency ratio, the greater the company's ability to meet its financial responsibilities."

Several types of solvency ratio calculations that are commonly used include:

### 1. Debt to Assets Ratio

According to Kasmir (2021), "Debt to Assets Ratio is a debt ratio used to measure the ratio between total debt and total assets. A high ratio indicates the company's dependence on debt, which can make it difficult to meet its obligations. Meanwhile, a low ratio indicates that the company relies more on its own capital for operational funding. The industry standard value for this ratio is 35". The formula is:

$$\text{Debt to Assets Ratio} = \frac{\text{Total Debt}}{\text{Total Asset}} \times 100 \%$$

### 2. Debt to Equity Ratio

According to Kasmir (2021), "Debt to Equity Ratio is a financial ratio used to measure the ratio between a company's total debt and total equity. This ratio measures the extent to which a company uses debt to finance its assets and operations, thereby providing an overview of the company's financial risk and capital structure. The industry standard value for this ratio is 95%."

The formula is:

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}} \times 100 \%$$

**Table 1.** Industry Average Standards for Current Ratio, Cash Ratio, Quick Ratio, Debt to Asset Ratio, and Debt to Equity Ratio

Ratio	Average Standard Industry	Description
Current Ratio	≥ 200%	Good
	< 200%	Not So Good
Cash Ratio	≥ 50%	Good

	< 50%	Not So Good
Quick Ratio	≥ 150%	Good
	< 150%	Not So Good
Debt to Asset Ratio	≤ 35%	Good
	> 35%	Not So Good
Debt to Equity Ratio	≤ 95%	Good
	> 95%	Not So Good

Source: Kasmir (2021)

### Research Methodology

This study uses a quantitative descriptive method to analyze the financial performance of PT Astra International Tbk from 2020 to 2024 by measuring liquidity and solvency ratios. The data analysis technique used is descriptive analysis. According to (Tanjung et al., 2022), “Descriptive Analysis is a method of analysis in which data is collected, classified, analyzed, and interpreted to provide information and an overview of the topic being discussed.” The analysis was carried out by calculating various financial ratios, namely Liquidity Ratios, including Current Ratio, Quick Ratio, and Cash Ratio, as well as Solvency Ratios, including Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER). The stages in this study are as follows:

1. Collect the data needed for the research, namely financial reports in the form of PT Astra International Tbk's financial position reports for 2020-2024.
2. Classify the elements needed to measure liquidity and solvency ratios into a table. The elements needed to calculate liquidity and solvency ratios are cash and cash equivalents, inventory, current assets, current liabilities, total assets, total liabilities, and total equity.
3. Calculate and determine the Current Ratio, Cash Ratio, Quick Ratio, Debt to Assets Ratio, and Debt to Equity Ratio.
4. Recapitulate the calculation of liquidity and solvency ratios for 2020-2024 and compare each ratio owned by the company with the industry average for each ratio.
5. Create graphs and interpretations of the results obtained, such as the causes of the increase or decrease in the ratio percentage per year.
6. Make conclusions.

### Results

The data used in this study are the financial statements of PT Astra International Tbk in the form of financial position reports for the 2020-2024 period, taken from the website of PT Astra International Tbk: <https://www.astra.co.id/investor-relations/annually-update>. The following are the elements required in assessing the financial performance of PT Astra International Tbk using Liquidity Ratios and Solvency Ratios.

**Table 2.** Elements Required in Calculating Liquidity Ratios and Solvency Ratios

	(in miliaran)					
	2019	2020	2021	2022	2023	2024
Cash & Cash Equivalents	24.330	47.553	63.947	61.295	41.136	48.439
Inventory	24.287	17.929	21.815	32.323	39.138	37.771
Current Assets	129.058	132.308	160.262	179.818	166.186	176.931
Current Liabilities	99.962	85.736	103.778	119.198	125.022	133.303
Total Assets	351.958	338.203	367.311	413.297	445.679	472.925
Total Debt	165.195	142.749	151.696	169.577	195.261	201.429
Total Equity	186.763	195.454	215.615	243.720	250.418	271.496

Source: PT Astra International Tbk Financial Reports for 2020-2024

<https://www.astra.co.id/investor-relations/annually-update>

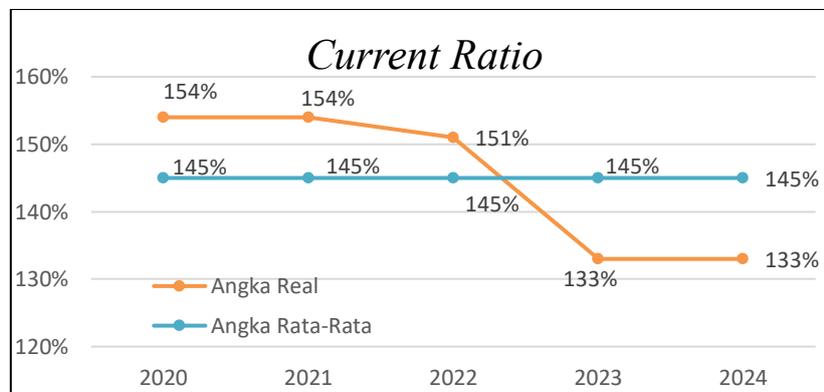
Based on the calculation of ratios using the formula, the recapitulation of the Current Ratio, Cash Ratio, Quick Ratio, Debt to Asset Ratio, and Debt to Equity Ratio can be seen in the following table.

**Table 3.** Summary of Liquidity Ratio and Solvency Ratio Calculations for PT Astra International Tbk

Ratio	Annual Ratio						Average	Industry Average
	2019	2020	2021	2022	2023	2024		
Current Ratio	129%	154%	154%	151%	133%	133%	145%	200%
Cash Ratio	24%	55%	62%	51%	33%	36%	48%	50%
Quick Ratio	105%	133%	133%	124%	102%	104%	119%	150%
Debt to Asset Ratio	47%	42%	41%	41%	44%	43%	42%	35%
Debt to Equity Ratio	88%	73%	70%	70%	78%	74%	73%	95%

Source: Processed data, 2025

### a. Current Ratio



**Figure 1.** Comparison of PT Astra International Tbk's Current Ratio from 2020 to 2024  
Source: Processed data, 2025

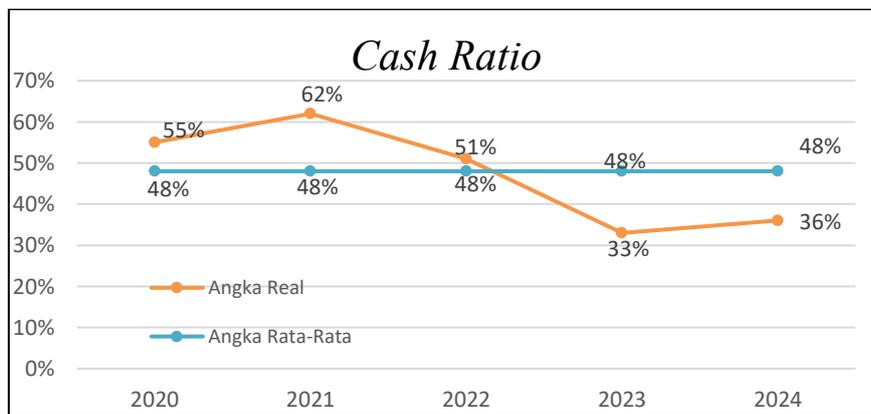
Based on the graph above, it shows that in 2020, the Current Ratio of PT Astra International Tbk was 154% and in 2021, the current ratio was 154%. This shows that in 2021 there was no increase or decrease in the current ratio, while in 2020 there was an increase of 25%, from 129% to 154%. In 2022, the current ratio was 151%, indicating that in 2022 there was a 3% decrease in the current ratio, from 154% to 151%. In 2023, the company's current ratio experienced a drastic decline of 18%, from 151% to 133%. Meanwhile, in 2024, PT Astra International Tbk's current ratio did not increase or decrease, remaining at 133%. The year 2019 had the lowest current ratio compared to other years. Meanwhile, 2020 and 2021 had the highest current ratios compared to other years. Based on the analysis conducted, it can be seen that the current ratio of PT Astra International Tbk has declined from 2020 to 2024 and tends to remain stable. When compared to the industry average, PT Astra International Tbk's current ratio is still below the industry average standard. This means that the company has underperformed in meeting or paying its short-term obligations using its current assets and has not been efficient in using its current assets to meet or pay its current liabilities.

From the perspective of Liquidity Theory, companies must maintain a certain level of liquidity ratio in order to meet their short-term obligations. However, the analysis shows that the current ratio of PT Astra International Tbk from 2019 to 2024 is low and below the industry average. This indicates that the company's liquidity condition is not yet at an ideal level according to Liquidity Theory, because the company has not maximized its current ratio to remain stable and above the industry average. This means that the company is not yet efficient in using its current assets to meet or pay its current liabilities and is not yet optimal in managing its current assets and current liabilities. The low current ratio of PT Astra International Tbk is

due to the fact that from 2021 to 2024, the increase in current liabilities was more significant than the growth in current assets. In 2023, PT Astra International Tbk experienced an increase in current liabilities, but current assets experienced a significant decline, especially in cash and cash equivalents. The increase in current assets in 2023 actually came from inventories, not cash and cash equivalents, which are more liquid current assets than inventories.

The results of this study are in line with research conducted by Gian Fitalisma et al, (2020), which states that when viewed from the perspective of the liquidity ratio, namely the Current Ratio at CV Auto Tryas Body Repair, it shows that the automotive company is illiquid because the company is unable to cover its current liabilities. This is also in line with research conducted by Almasyah Abthar Syaifullah and Widya Intan Sari (2024), which states that the performance of PT Astra Otoparts Tbk from 2017 to 2022, when measured by the liquidity ratio using the current ratio, shows an unhealthy condition because the company has not been able to pay its current liabilities properly. However, this study contradicts the research conducted by Muchsin Zuhad Al'Asqolaini et al, (2022), which states that the performance of PT Indospring Tbk, when viewed from its liquidity level measured by the Current Ratio from 2014 to 2018, is considered very good.

**b. Cash Ratio**



**Figure 2.** Comparison of PT Astra International Tbk's Cash Ratio from 2020 to 2024

Source: Processed data, 2025

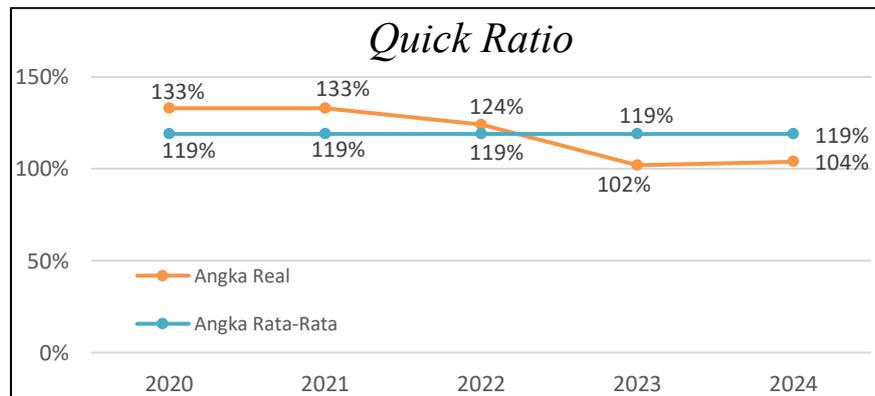
Based on the graph above, it shows that in 2020, the Cash Ratio of PT Astra International Tbk was 55%, and in 2021, the cash ratio was 62%. This means that in 2021, PT Astra International Tbk's Cash Ratio increased by 7%, and in 2020, the Cash Ratio experienced a very drastic increase from the previous year, namely from 24% in 2019 to 55% in 2020. This was due to a significant increase in cash and cash equivalents in 2020, while current liabilities decreased from the previous year. In 2022, the cash ratio of PT Astra International Tbk was 51%, a decrease of 11% from 62% to 51%. In 2023, the cash ratio experienced a significant decline, falling from 51% in 2022 to 33% in 2023. This was due to a decrease in cash and cash equivalents in 2023, while current liabilities continued to increase. In 2024, the cash ratio increased by 3%, from 33% in 2023 to 36% in 2024. 2019 had the lowest cash ratio compared to other years. 2021 had the highest cash ratio compared to other years. Based on the analysis conducted, it is evident that the cash ratio of PT Astra International Tbk has fluctuated, increasing from 2019 to 2021, then decreasing from 2022 to 2023, and rising again in 2024. When compared to the industry average, PT Astra International Tbk's cash ratio is still below the industry average but is approaching it. This means that the company's performance is not good enough in meeting or covering its short-term obligations using cash and cash equivalents.

When linked to Liquidity Theory, this theory states that companies must maintain a liquidity ratio in order to be able to meet their short-term obligations. However, the analysis shows that PT Astra International Tbk's cash ratio has been unstable and has declined in recent

years, namely in 2023 and 2024, meaning that PT Astra International Tbk's cash ratio has not been at an ideal level in those years. This indicates that the company's liquidity condition is not yet at an ideal level according to Liquidity Theory. However, from 2020 to 2022, the company had an ideal cash ratio that was above the industry average. However, overall, when averaged, the cash ratio of PT Astra International Tbk for 2020-2024 is not yet at an ideal level according to Liquidity Theory. The low cash ratio of PT Astra International Tbk in 2023 was due to a significant decrease in cash and cash equivalents, while current liabilities actually increased in 2023. Meanwhile, in 2020, the cash ratio increased because cash and cash equivalents increased significantly from the previous year and current liabilities decreased significantly. In 2021, the cash ratio was also high due to the increase in cash and cash equivalents, which was significantly higher than the increase in current liabilities.

The results of this analysis are in line with research conducted by Gian Fitralisma et al, (2020), which states that when viewed from the perspective of liquidity ratio, measured by the Cash Ratio at CV Auto Tryas Body Repair, it shows that this company is illiquid because it is unable to cover its current liabilities. This is also in line with research conducted by Almasyah Abthar Syaifullah and Widya Intan Sari (2024), which states that the performance of PT Astra Otoparts Tbk from 2017 to 2022, when measured by the liquidity ratio using the cash ratio, shows that its financial performance is unhealthy because the company has not been able to pay its current liabilities properly. However, this study contradicts the research conducted by Muchsin Zuhad Al'Asqolaini et al, (2022), which states that the performance of PT Indospring Tbk, when viewed from its liquidity level measured by the Cash Ratio for the period 2014 to 2018, is considered very good.

### c. Quick Ratio



**Figure 3.** Comparison of PT Astra International Tbk's Quick Ratio for 2020-2024

Source: Processed data, 2025

Based on the graph above, it shows that in 2020, the quick ratio of PT Astra International Tbk was 133%, and in 2021, the quick ratio was also 133%, meaning that the quick ratio did not increase or decrease. Meanwhile, in 2020, the quick ratio experienced a significant increase of 28% from 105% in 2019 to 133% in 2020. This was due to a decrease in inventory in 2020, but an increase in total current assets and a decrease in current liabilities. In 2022, PT Astra International Tbk's quick ratio was 124%, which means that in 2022, the quick ratio decreased by 9%, from 133% in 2021 to 124%. In 2023, the quick ratio was 102%, which means that PT Astra International Tbk's quick ratio experienced a significant decrease of 22% due to an increase in current liabilities in 2023 and a decrease in current assets. In 2024, the Quick Ratio was 104%, which means that in 2024, the Quick Ratio increased by 2% from the previous year. 2023 is the year with the lowest quick ratio compared to other years. 2020 and 2021 are the years with the highest quick ratio compared to other years. Based on the analysis conducted, it is known that the quick ratio of PT Astra International Tbk fluctuates, tending to rise and fall. When compared to the industry average standard, PT Astra International is still far below average, meaning that the company's performance is poor in paying or fulfilling its current

liabilities using current assets without the company's inventory.

When linked to Liquidity Theory, liquidity theory explains that companies must maintain a certain level of liquidity ratio in order to be able to meet their short-term obligations. However, the results of the analysis show that the quick ratio of PT Astra International Tbk from 2019 to 2020 is still far below the industry average standard. This indicates that the company's liquidity condition is not yet at an ideal level according to Liquidity Theory, because the company has not been optimal in paying its short-term obligations using its current assets without using inventory. The low quick ratio of PT Astra International Tbk for the 2019-2020 period was due to total current assets being dominated by inventory, which caused quick assets to be much smaller than total current assets, resulting in a quick ratio below the industry average. In addition, this ratio declined because current liabilities increased faster than current assets and was also caused by a significant decrease in cash from 2022 to 2023. The reason for the decline in the quick ratio is that PT Astra International Tbk is an automotive manufacturing company that requires a larger inventory of goods, resulting in more liquid funds being tied up in inventory, thereby lowering the company's quick ratio.

This study is in line with research conducted by Almasyah Abthar Syaifullah and Widya Intan Sari (2024), which states that the performance of PT Astra Otoparts Tbk from 2017 to 2022, when measured by the liquidity ratio using the quick ratio, shows that the company's financial performance is unhealthy because it has not been able to pay its current liabilities properly. This is also in line with research conducted by Gian Fitralsima et al. (2020), which states that when viewed from the perspective of the liquidity ratio, measured by the Quick Ratio at CV Auto Tryas Body Repair, it shows that this company is illiquid because it is unable to cover its current liabilities. However, this study contradicts the research conducted by Muchsin Zuhad Al'Asqolaini et al. (2022), which states that the performance of PT Indospring Tbk, when viewed from its liquidity level as measured by the Quick Ratio for the period 2014 to 2018, is very good.

#### d. Debt to Asset Ratio

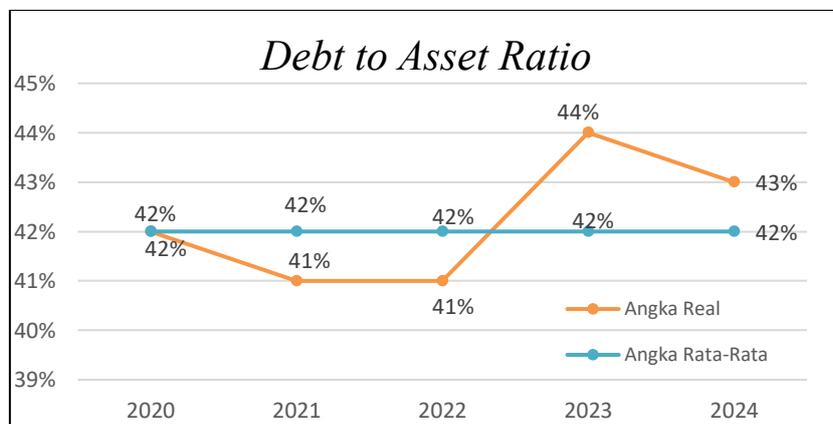


Figure 4. Comparison of PT Astra International Tbk's Debt to Asset Ratio for 2020-2024

Source: Processed data, 2025

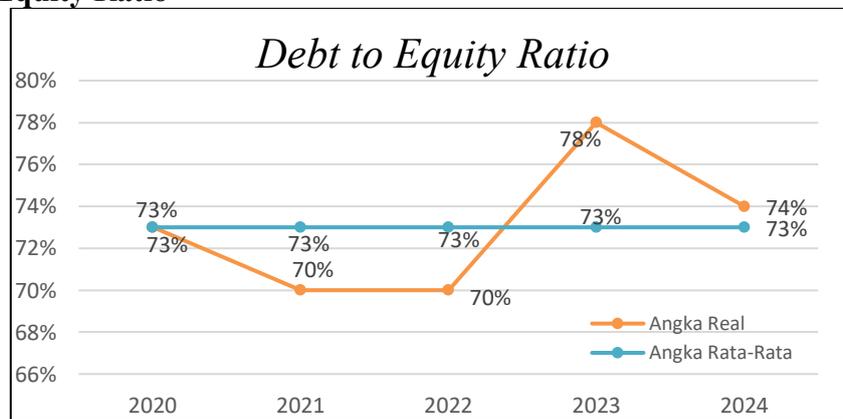
Based on the graph above, it can be seen that in 2020, the Debt to Asset Ratio (DAR) of PT Astra International Tbk was 42% and in 2021 it was 41%. This means that in 2021 there was a 1% decrease from the previous year. In 2020, there was a 5% decrease, from 47% in 2019 to 42% in 2020. This means that in 2020, 42% of the company's total assets were financed by debt. In 2022, the Debt to Asset Ratio (DAR) was 41%, which means that 41% of the company's total assets were financed by debt. In 2022, there was no increase or decrease in the Debt to Asset Ratio (DAR). In 2023, PT Astra International Tbk's Debt to Asset Ratio (DAR) increased by 3%, from 41% to 44%, which means that 44% of the company's total assets were financed by debt. Meanwhile, in 2024, PT Astra International Tbk's Debt to Asset Ratio (DAR) decreased by 1%, from 44% to 43%, meaning that 43% of the company's total assets are

financed by debt. 2021 and 2022 were good years because they had the lowest Debt to Asset Ratio (DAR) compared to other years. Meanwhile, 2019 was a less favorable year because it had the highest Debt to Asset Ratio (DAR) compared to other years. The lower the Debt to Asset Ratio (DAR), the better, because the company's total assets are not heavily financed by debt, resulting in low financial risk as funding comes mainly from equity capital. When compared to the industry average, the company's performance is still considered poor because it is above the industry average.

When linked to Trade-off Theory, this theory explains that the use of debt can provide benefits in the form of tax shields, but also has the potential to cause financial distress if the proportion of debt is too high. At PT Astra International Tbk, the Debt to Asset Ratio (DAR) of 41-44% indicates that a significant portion of the company's assets are financed by debt. Although the use of debt can provide tax savings, the fact that the Debt to Asset Ratio (DAR) is consistently above the industry average indicates that the company has a relatively high level of leverage. This condition increases financial risk and potential distress. Thus, PT Astra International Tbk's Debt to Asset (DAR) position does not yet reflect an optimal capital structure because the cost of financial risk is greater than the tax benefits obtained from the use of debt. Therefore, PT Astra International Tbk's Debt to Asset (DAR) can be categorized as poor, considering that the company's leverage level is above the industry standard, thereby increasing its vulnerability to financial risk.

This study is in line with the research by Gian Fitralsima et al. (2020), which shows that companies with high DAR tend to have less healthy solvency risks, as was the case with CV Auto Tryas Body Repair, which was unable to cover its debts with its assets. However, these results contradict the research by Almasyah Abthar Syaifullah and Widya Intan Sari (2024), which states that the DAR of PT Astra Otoparts Tbk is in a healthy condition because it is still able to cover its total debts. This difference indicates that companies within the large Astra group may have different solvency performances depending on their asset structure and financing strategies.

**e. Debt to Equity Ratio**



**Figure 5.** Comparison of PT Astra International Tbk's Debt to Equity Ratio for 2020-2024

Source: Processed data, 2025

Based on the graph above, it shows that in 2020, the Debt to Equity Ratio (DER) was 73% and in 2021, the Debt to Equity Ratio (DER) was 70%, which means that in 2021 there was a decrease of 3%. This shows that 70% of the company's equity was financed by debt. Meanwhile, in 2020, there was a significant decrease of 15%, from 88% in 2019 to 73% in 2020. In 2022, the Debt to Equity Ratio (DER) was 70%, which means that the Debt to Equity Ratio (DER) did not increase or decrease. This means that in 2022, 70% of total equity was financed by debt. In 2023, the Debt to Equity Ratio (DER) was 78%, indicating an increase of 8% from 70% in 2022 to 78%. This means that 78% of the company's total equity was financed by debt. In 2024, the Debt to Equity Ratio (DER) decreased by 4%, from 78% to 74% in 2024. 2021 and 2022 were the years with the lowest Debt to Equity Ratio (DER) compared to other

years. 2019 had the highest Debt to Equity Ratio (DER) compared to other years. The lower the Debt to Equity Ratio (DER), the better the company's financial performance because total equity or capital is not heavily financed by debt, resulting in low financial risk and low interest rates. When compared to the industry average Debt to Equity Ratio (DER), PT Astra International Tbk is below the industry average, which means that the company's performance is quite good.

When viewed in relation to Trade-off Theory, PT Astra International Tbk's Debt to Equity Ratio (DER) for 2020–2024, which is in the range of 70–78%, indicates that most of the company's funding is still dominated by equity rather than debt. A Debt to Equity Ratio (DER) value that is below the industry standard shows that the company's leverage level is relatively moderate. At this level of leverage, PT Astra International Tbk is at low risk of bankruptcy because its dependence on debt is not too great. This condition shows that PT Astra International Tbk is not too aggressive in using debt, so that bankruptcy costs and distress risk can be reduced. However, a relatively low Debt to Equity Ratio (DER) also indicates that the company still has room to increase its use of debt if it wants to maximize the tax shield derived from interest expenses. In the context of Trade-Off Theory, moderate use of debt is considered more efficient than a capital structure with too large or too small a proportion of debt. Therefore, PT Astra International Tbk's Debt to Equity Ratio (DER) can be said to be closer to the optimal capital structure, when compared to DAR, which still shows a high level of leverage.

This study is in line with the research by Almasyah Abthar Syaifullah and Widya Intan Sari (2024), which states that PT Astra Otoparts Tbk has a healthy Debt to Equity Ratio (DER) and is in a solvable condition. The Debt to Equity Ratio (DER) of Astra International Tbk is also in line with the research by Muchsin Zuhad Al'Asqolaini et al. (2022), which found that companies with a low Debt to Equity Ratio (DER) show good solvency.

However, these results contradict the research by Gian Fitralisma et al. (2020), which shows that companies with high DER usually experience insolvent conditions because their capital is unable to cover their debts. This difference reinforces the analysis that Astra International Tbk's Debt to Equity Ratio (DER) is in a safer condition than companies in other studies.

## Conclusion

Based on the results of the liquidity ratio analysis (Cash Ratio, Current Ratio, Quick Ratio) and solvency ratio (Debt to Asset Ratio and Debt to Equity Ratio) of PT Astra International Tbk for the period 2020–2024, it can be concluded that the company's liquidity performance is still not good. The Cash Ratio, Current Ratio, and Quick Ratio tend to be below the industry average standard, indicating that the company's ability to meet its short-term obligations is still not optimal. Although there have been fluctuations in several ratios, the overall trend shows a downward trend towards lower values. The solvency ratios show mixed conditions. The Debt to Asset Ratio (DAR) is high and above the industry average standard. This indicates that most of the company's assets are financed by debt, so the company's financial risk is relatively high. The Debt to Equity Ratio (DER) is good, as it is below the industry standard. This indicates that the company relies more on its own capital than debt financing in carrying out its operations. Overall, the financial performance of PT Astra International Tbk during 2020–2024 still needs to be improved, especially in terms of liquidity and management of the debt-to-asset ratio in order to reduce the level of financial risk.

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