

CHAPTER 5

CONCLUSION

5.1 Conclusion

Based on the results of data analysis and the discussion that have been explained in the previous chapter, the conclusions can be obtained from this research are as follows:

1. Based on the examination and the analysis conducted to each tobacco company listed on Indonesia Stock Exchange (IDX), the results proved that:
 - 1) PT. Gudang Garam Tbk (GGRM) From sufficiency, Gudang Garam really get good number in dividend payout, reinvestment, and impact depreciation write-off. Gudang Garam really care for the shareholder, expanding their business and pay attention to their depreciation and amortization, which is they still want to grow up more to become a succesfull company. Gudang garam just not commit to paid long-term debt payment. But from the result Gudang Garam got bad performance and the management of this company should consider again about how they manage the company and maximize the resources of the investor give to this company for entire activites.
 - 2) PT. Handjaya Mandala Sampoerna Tbk, (HMSP). From sufficiency, Sampoerna only got a very good score for dividend payout. Sampoerna never really want to lost their share holder. But Sampoerna really got a good in cash flow sufficiceny, and debt cover. And Sampoerna got a

low score for long-term debt. Overall for 4 years, Sampoerna really in good performance and the management of Sampoerna should keep to increase their performance to other years in the future.

- 3) PT. Bentoel International Investama Tbk (RMBA). For efficiency, Wismilak really commit to paid their long-term debt and for their depreciation and amortization. It because Wismilak really in hard situation where there is so many debt, esepcially in long-term debt. But they still good in commit to cover their debt. But they are not really to focus expand their business because of their debt. So their reinvestment is zero and they didnt always paid to pay their dividend. For efficiency, Wismilak not really turn their cash into their assets, revenue or income operating. So, even though their in hard situation and bad performance in overall, but this company have a good commitment and performance to raise in the next year eventhough it is too difficult for them.
- 4) PT. Wismilak Inti Makmur Tbk (WIIM). For efficiency, their commitment for cash flow sufficiency should revise again and they should try to expand their business next year. And for efficiency, this company is not commit to change their cash into revenue, income operating and assets. Overall this company is in bad performance and their management should be pay attention for the resources that investors gave to them.

5.2 Implication

This research is expected to be useful:

1. For creditors and investors: the results of this research can be used as a consideration in analyzing the capability of companies researched to pay their obligations before taking credit and investment decision in the future. It can help the creditors and investors to avoid failure risks from their loan and investment by analyzing the company's management in operational activities from cash flow from operation activities and cash flow ratios.
2. For companies: the results of this research can be used especially by managements of the companies as a reference, input, and evaluation to improve the companies' performance in the future.
3. For academicians: the results of this research are expected to give benefits, additional knowledge and information for both academic and practitioner, especially in financial management subject.
4. For further researches: the results of this research can be used as a reference, comparison, judgment, and or development for further research in doing the similar research.

5.3 Limitation

This research has some limitations, thus, the further research is expected to be able to improve the limitations as follows:

1. This research only used tobacco industry sector listed on Indonesia Stock Exchange (IDX) as a sample. So, it cannot be used as a general discovery to other industry sectors listed on Indonesia Stock Exchange (IDX).
2. This research only used four periods because of the data is difficult to find.
3. This research only used nine kinds of ratio from cash flow ratios.

5.4 Suggestions

Based on the limitations as mentioned above, the suggestions of the writer are as follows:

1. The tobacco companies listed on Indonesia Stock Exchange (IDX), should publish their financial data for the periods before they were listed on Indonesia Stock Exchange (IDX). Minimally, there is the summary of their five years financial data in their financial reports which were published in the period when they were listed on Indonesia Stock Exchange (IDX). So it can give the description of their performances in the periods before listing.
2. The further research is expected to use other industry sectors in doing the similar research. So, the results obtained later can be used as an overview to other companies in other industry sectors.
3. The further research is expected to use more periods to be analyzed than this research. Hopefully, the amount of periods for all companies used to be researched are same. So, it can make the results are more relevant and reliable than this research.

The further research is expected to use more kinds of ratio, So, it can give more description about the performance of the companies.