CHAPTER V
CONCLUSION AND SUGGESTION

5.1 Conclusion

Altman Z Score is applicable to listed Agricultural Sector company in year 2013 to 2015 in Indonesia Stock Exchange. From result and discussion at chapter 4 conclude that:

1. Working Capital to Total Assets ratio or Variable X1 for listed Agricultural Sector company in year 2013 to 2015, showed varying result, Astra Agro Lestari, Dharma Satya Nusantara, Gozco Plantation, Salim Ivomas Pratama, and Sinarmas Agro Resources are firms that can increase the value for this ratio from 2013 to 2015. While Jaya Agro Wattie, London Sumatera Indonesia, Multi Agro Gemilang Plantation, Sampoerna Agro, Sawit Subermas Sarana, and Bakrie Sumatera Plantation still not able to increase the value of X1 and tend decrease from 2013 to 2015. And the rest is still shows fluctuative ratio value from 2013 to 2015.

2. Retained Earnings to Total Assets ratio or Variable X2 for listed Agricultural Sector company in year 2013 to 2015, shows only Dharma Satya Nusantara and London Sumatera Indonesia that success in increasing the value of this ratio from 2013 to 2015. While Astra Agro Lestari, Eagle High Plantation, Jaya Agra Wattie, Sampoerna Agro, Salim Ivomas Pratama, and Bakrie Sumatera Plantation has decrease the value of this ratio from 2013 to 2015. And the rest shows fluctuative result for this ratio from 2013 to 2015.

3. Earning Before Interest and Taxes to Total Assets or variable X3 for listed Agricultural Sector company in year 2013-2015, shows that generally firms are showing the fluctuative value of variable X3 from year 2013-2015 while none of
the firm has increase value of variable X3. Astra Agro Lestari, Eagle High Plantantion, Jaya Agra Wattie, Multi Agro Gemilang Plantation, and Bakrie Sumatera Plantation show increase value of variable X3 and the rest is fluctuative.

4. Market Value to Equity Book Value of Total Debt ratio or variable X4 for listed Agricultural Sector company in year 2013-2015, shows most decrease in this variable value, some firm shows fluctuative in value of variable X4 which are Dharma Satya Nusantara, Gozco Plantation, Sinarmas Agro Resources, and Sawit Subermas Sarana there is no firm that shows increasing in this ratio value.

5. Sales to Total Assets or Variable X5 for listed Agricultural Sector company in year 2013-2015, shows that overall firm has fluctuative value of X5 from 2013-2015 none of firm shows the stable increase of decrease of value of X5.

6. For 2013, 2014, 2015 listed Agricultural Sector company shows variance performance, in 2013 there are two firm that in healthy area or 15% of this sector, and two firm in grey area or 15% and the rest nine firm or 70% of this sector are in distressed area based on the Altman Z score model in 2013. In 2014 performance of this company has improvement that only 54% of firms is on distressed area 23% in grey area. But fall again in 2015 that even more worst than 2013 77% of firm or ten firms are in distressed area. Based on Altman Z score model only London Sumatera Indonesia that always in the healthy zone from 2013 to 2015.

7. In average from period 2013 – 2015 there are 8% firms categorized in healthy zone, 31% in grey zone and, 62% in distressed zone.