

## CHAPTER V

### CONCLUSION

#### 5.1 Conclusion

Based on the results of data analysis that conducted to each telecommunication company listed on IDX and the discussion that have been explained in the previous chapter, the conclusion that can be obtained from this research will be explained below.

For PT. Telekomunikasi Indonesia Tbk., the sufficiency ratio analysis, shows almost good performance generally over the 5 years period. From efficiency side, this company also show a good number. Overall, this company show a good financial performance over the 5 years period based on sufficiency and efficiency analysis.

For PT. XL Axiata Tbk., From sufficiency analysis, this company seems has a bad performance over the period. The company decided to didn't pay the dividend for the last 2 years because of the insufficient cash flow generated and stated in the annual report that the company have been fully paid the entire amount of dividend in June 2014. From efficiency ratio analysis, this company also shows a bad result. Overall, the financial performance of this company over the period is tend to be bad due to many low score earned.

For PT. Indosat Tbk., from sufficiency ratio analysis, this company shows almost good performance generally over the 5 years period. This company also decided to didn't pay the dividend for the last 3 years because of the insufficient cash flow generated. From efficiency ratio analysis, the performance of this company is same with the 2 previous company, shows a bad result. Overall, this

company has bad financial performance based on sufficiency and efficiency ratio analysis over this 5 years period due to many low score earned.

For PT. Smartfren Telecom Tbk., from sufficiency ratio side, this company seems has a good performance over the period. From efficiency ratio analysis, this company also show a bad performance. Overall, the financial performance of this company over the period is tend to be bad due to many low score earned.

Based on the summary from each company's analysis above, can be conclude that from the four companies, only PT. Telekomunikasi Indonesia Tbk that showed a good financial performance over the 5 years period, because the ratio obtained by this company show a good result since the cash flow from operation of this company is sufficient and adequate to cover any company outflows. Can be said that this company already sufficient and efficient in generated cash flow. Unfortunately, the another 3 companies showed poorly tended performance, there are PT. XL Axiata Tbk, PT. Indosat Tbk, and PT. Smartfren Telecom Tbk. These 3 companies have lower cash flow from operation that affect the value of the ratio, that display a bad financial performance. From the calculation that stated in the previous chapter, can be known that cash flow from operation play a big role that could see from the formulation of this ratio mostly use this component. Moreover, analyze the company's financial performance by using cash flow ratio is quite effective measures because it give more information about the company's ability to meet its commitment.

## 5.2 Limitations

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 telecommunications 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 five periods because of the data is difficult to find.
3. This research only used ten kinds of ratio from cash flow ratios.

## 5.3 Suggestions

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

1. 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.
2. 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.
3. The further research is expected to use more kinds of ratio, So, it can give more description about the performance of the companies.

