Analysis Financial Distress at PT Blue Bird Tbk Period 2016-2021

Nur Qaidah Agsa[1*], M. Ikhwan Maulana Haeruddin[2], Anwar[3]

[1,2,3] Departement of Management, Universitas Negeri Makassar, Indonesia

Coresponding author: nurqaidahagsa00@gmail.com

Abstract

This study aims to analyze financial distress at PT Blue Bird Tbk using the measurement model Springate and Zmijewski. This study uses a descriptive quantitative approach. The population in this study is the financial statements of PT. Bluebird Tbk. Then the sample in this study is the financial statements of PT. Blue Bird Tbk in 2016-2021. Data were analyzed using the measurement model Springate and Zmijewski. The results of the study illustrate that by using the model Springate PT Blue Bird Tbk in 2016-2018 is in good health. But in 2019-2021 PT Blue Bird Tbk experienced conditions financial distress. While the model Zmijewski shows that PT Blue Bird Tbk in 2016-2021 experienced a condition Non-Financial distress or in good health.

Keywords: Financial distress, Springate, Zmijewski

1. INTRODUCTION

A company generally has the main goal of achieving economic prosperity, being able to develop over time and being able to generate maximum profit. The company's internal management has a responsibility to ensure that the company is able to achieve company goals properly. As technology develops and changes in economic conditions cause changes in the business world. The development of economic conditions in Indonesia makes competition between companies increasingly tight as is the case with transportation service companies.

The transportation sector has a fairly high level of competition compared to other sectors, especially after the emergence of several transportation companies on line in 2014 with the presence of the application Grab from Malaysia, Uber from America United States and in 2015 it was followed by the presence of Gojek from Indonesia. The emergence of -based transportation service companieson lineconsidered useful for the community because of the various advantages offered, such as making it

easier for the public to just order through the application and the price offered is relatively cheaper than conventional transportation.

Before the advent of taxison line, PT Blue Bird Tbk is able to control 50% market share in the metropolitan city. But after the advent of the taxi on line make the market share of PT. Blue Bird Tbk eroded. Moreover, the condition of PT. Blue Bird Tbk worsened in 2020 after Indonesia was declared as one of the countries affected by the COVID-19 Virus. COVID-19 is a disease caused by severe acute respiratory syndrome coronavirus2 (SARS-CoV-2) and includes a new variant of group coronavirus. Blue Bird's management said that the appearance of the taxi on line and the COVID-19 outbreak had an operational impact and disrupted the fulfillment of debt principal obligations. The following is the total debt, income and profit data of PT. Blue Bird Tbk 2015-2021 period:

Table 1. Total Debt, Income and Profit and Loss of PT. Blue Bird Tbk Period 2015-2021

Year	Total Debt (in millions rupiah)	Change %	Income (in millions rupiah)	Change %	Profit/Loss (in millions rupiah)	Change %
2015	2.824.936		5.472.328		1.173.299	
2016	2.637.932	- 6	4.796.096	- 12	807.271	-31
2017	1.585.562	- 40	4.203.846	- 12	567.599	- 30
2018	1.689.996	7	4.218.702	0,3	558.249	- 2
2019	2.016.202	19	4.047.691	- 4	371.949	- 33
2020	2.017.591	0,1	2.046.660	- 49	-227.036	- 161
2021	1.450.558	- 28	2.220.841	8,5	-16.148	-93

Source: Financial Report of PT. Blue Bird Tbk 2015-2021. Processed data.

Based on Table 1 above, the total debt of PT Blue Bird Tbk has fluctuated. However, in 2019 there was an increase in debt by 19% and in the same year the profit of PT Blue Bird Tbk decreased by 33%. This is because the COVID-19 pandemic has forced the company to temporarily close the Blue Bird taxi service, thus disrupting the fulfillment of the company's short-term debt. The revenue and profit of PT Blue Bird Tbk tends to decrease from 2016 to 2019. This is due to the rise of transportation companies on line which provides new conveniences at lower rates at no cost maintenance vehicle. Even in 2020 PT Blue Bird Tbk experienced a decrease in revenue,

which was almost 50% compared to the previous year. Likewise for the profit and loss column in 2020 the company suffered a fairly large loss, reaching 161% compared to the previous year or Rp. 227,036,000,000.

This is due to reduced community mobility due to the COVID-19 pandemic, so PT. Blue Bird Tbk in 2016-2020 there was a decline in financial performance which would have a bad impact on the company, there was even the possibility of having the potential to experience bankruptcy or bankruptcy financial distress. The decline in company revenue is a sign that the company is experiencing a financial distress or conditions prior to bankruptcy. According to Damodaran, (1997) quoted by Curry & Banjarnahor (2018) there are 3 factors causing financial distress in the company, namely cash flow difficulties, the amount of debt and losses in the company's operational activities.

According to Prihantini and Maria, (2013), model Altman Z-score has an accuracy rate of 80%, the model Springate 90%, and models Zmijewski 90%. Research conducted by Effendi, (2018) shows that among the models Altman, Springate, Zmijewski, Foster and Grover In analyzing bankruptcy on issuers of transportation services, the most accurate model in determining bankruptcy prediction is the model Springate. However, there are differences in the research conducted by Sari, (2016) which analyzes the comparison of bankruptcy prediction models using Altman, Springate and Zmijewski on transportation companies in 2012-2014 which shows the results that the model Zmijewski was chosen as the most accurate bankruptcy prediction model compared to the Altman and Springate with an accuracy rate of 80%. In this study, researchers used a model Springate and Zmijewski as a tool to analyze financial distress at PT. Bluebird Tbk. Analysis tools financial distress This method was chosen because it is easy and the level of accuracy in determining bankruptcy predictions is quite accurate compared to other analytical tools.

The research objectives in this study are to find out the results of financial distress analysis at PT Blue Bird Tbk in 2016-2021 using the Springate model and to find out the results of financial distress analysis at PT Blue Bird Tbk in 2016-2021 using the Zmijewski model. The benefits of this research are for the company as material for consideration and contribution of ideas related to the financial performance of PT. Blue Bird Tbk in making decisions for the progress of the company.

2. LITERATURE REVIEW

2.1 Financial Statement

Financial reports according to Sugiono & Untung, (2016: 1) suggest that financial statements are the final result of accounting activities (accounting cycle) that reflect the financial condition of the company's operating results in a certain period. So that

financial statements must present quality information in accordance with the needs of its users. In general, financial statements consist of income statements, changes in capital and balance sheets. The purpose of financial reports according to Kartikahadi, (2016: 126) is to provide relevant information about the financial position, financial performance and cash flows of entities that are useful for management in carrying out company operations and interested parties in making economic decisions.

2.2 Financial Distress

Financial distressis an early symptom before bankruptcy occurs in the company (Muñoz-Izquierdo et al., 2019). Condition financial distress occurs when the company is unable to fulfill the obligations of employees, suppliers or creditors to at maturity. According to Damodaran, (1997) quoted by Curry & Banjarnahor, (2018) there are 3 factors causing financial distress namely:

a. Cash flow difficulties

   The situation when the company's income from operating activities is not sufficient to cover operating expenses that arise from the company's operating activities or can occur due to management errors when managing the company's cash flow in making payments for company activities that can worsen the company's financial condition.

b. The amount of debt

   Errors in taking the company's debt estimates so that the company cannot cover the costs incurred due to the company's operations will result in an obligation for the company to repay debt in the future. When the bill is due, the company does not have enough funds to pay off the existing bills, resulting in confiscation of assets.

c. Losses in the company's operational activities for several years.

   Losses in operating activities that cause negative cash flow in the company. This is because the operating expenses are greater than the income received

2.3 Springate

Model Springate uses four financial ratios to predict the potential for financial difficulties in a company. This model has a basic calculation as follows:

$$S = 1.03X1 + 3.07X2 + 0.66X3 + 0.4X4$$

Information :

S = bankruptcy index

X1 = working capital/total assets

X2 = net profit before interest and taxes/total assets

X3 = net profit before taxes/current liabilities

X4 = sales/total assets

If the resulting score S > 0.862 then the company is classified Non-financial distress (healthy) and if the resulting score is S < 0.862 then the company is classified as having financial distress.

2.4 Zmijewski

Expansion of studies in predictionfinancial distressperformed by Zmijewski, (1984) which adds to the validity of financial ratios as a means of detecting corporate financial failures. The models that have been successfully developed are:

$$X = -4.3 - 4.5X1 + 5.7X2 - 0.004X3$$

Information :

X = bankruptcy index

X1 = Return On Assets

X2 = total debt/total assets

X3 = current assets/current liabilities

Zmijewski, (1984) stated that the company is considered to experience financial distress if the value of X is greater than 0. This means, companies whose X value is greater than or equal to 0 are predicted to experience financial distress in the future. On the other hand, a company whose X value is less than 0 is predicted not to experience financial distress.

3 RESEARCH METHOD

This study uses a descriptive quantitative approach and uses secondary data that has been processed in the form of numbers that can provide conclusions about the description of the object to be studied, so that the secondary data used is the financial statements of PT Blue Bird Tbk for the 2016-2021 period. used is a literature study by collecting information related to research obtained through journals and books. The population in this study is the financial statements of PT. Bluebird Tbk. Then the sample in this study is the financial statements of PT. Blue Bird Tbk in 2016 to 2021. The variables in this study are analysis financial distress using models Springate and Zmijewski. Both models have several ratios to be used, which are as follows:

3.1 Model Springate

Working Capital to Total Assets (X1) is used to measure the company's ability to generate net working capital from the total assets it owns. Sources of data obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021. Net Income Before Interest and Taxes to Total Assets (X2) is the comparison between net income before interest and taxes to total assets. Net income before interest and taxes is obtained from

the income statement, and total assets are obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021.

Net Profit Before Tax against Current Liabilities (X3) shows the company's ability to generate profit before tax with current liabilities/current liabilities. Net income before tax is obtained from the income statement, and current liabilities are obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021.

Sales to Total Assets (X4) is used to determine how much sales contribution to assets in a certain period of time. The sales value is obtained from the income statement, and the total asset value is obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021. Model Springate is as follows :

$$S = 1.03X1 + 3.07X2 + 0.66X3 + 0.4X4$$

3.2 Model Zmijewski

Profit After Tax on Total Assets (X1) shows how well the company uses the invested assets to share with the resulting profit. Profit after tax is obtained from the income statement, and total assets are obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021. Total Debt to Total Assets (X2) is used to measure the company's total liquidity. All data obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021. Current Assets to Current Liabilities (X3) is used to measure the company's liquidity, but is focused on the short term. All data obtained from the balance sheet of PT. Blue Bird Tbk period 2016-2021.

Model Zmijewski is as follows :

$$X = -4.3 - 4.5X1 + 5.7X2 - 0.004X3$$

The data used in this study is documentation, because the researchers transferred the actual data from the required information sources. The analysis model used is quantitative analysis using secondary data in the form of financial report data of PT. Blue Bird Tbk period 2016-2021.

4 RESULT
4.1 Model Springate

The result of Working Capital to Total Assets shows that in 2021 PT Blue Bird Tbk has the results of the ratio calculation Working Capital to Total Assets the highest is 0.121. This means that every IDR 1 of total assets owned is able to generate IDR 0.121 working capital. While the results of the calculation of the ratio Working Capital to Total Assets the lowest occurred in 2016 which was 0.009. The higher the resulting ratio indicates that the greater the working capital obtained compared to the total assets of PT Blue Bird Tbk. Average calculation Working Capital to Total Assets of 0.059. This

means that the average working capital generated for every Rp1 of total assets at PT Blue Bird Tbk from 2016-2021 is Rp.0.059.

Earning Before Interest Taxes to Total Assets shows that in 2016 PT Blue Bird Tbk had the results of the ratio calculation Earning Before Interest Taxes to Total Assets the highest is 0.110. This means that every IDR 1 of total assets is able to generate a profit before interest and taxes of IDR 0.110. While the results of the calculation of the ratio Earning Before Interest Taxes to Total Assets the lowest occurred in 2020, which was -0.031. Average calculation Earning Before Interest Taxes to Total Assetsof 0.049. This means that the average profit before interest and tax generated for each Rp1 of total assets at PT Blue Bird Tbk from 2016-2021 is Rp.0.049. The higher the resulting ratio indicates that the better PT Blue Bird Tbk in generating profits.

Earning Before Taxes to Current Liabilities shows that in 2017 PT Blue Bird Tbk had the results of the ratio calculation Earning Before Taxes to Current Liabilities the highest is 1.289. This means that every Rp1 of current debt is able to generate a profit before tax of Rp1,289. While the results of the calculation of the ratio Earning Before Taxes to Current Liabilities the lowest occurred in 2020, which was -0.453. The higher the resulting ratio indicates that the better PT Blue Bird Tbk in paying off its short-term debt. Average calculation Earning Before Taxes to Current Liabilities of 0.544. This means that the average profit before tax generated for every Rp1 of current debt at PT Blue Bird Tbk from 2016-2021 is Rp.0.544.

Sales to Total Assets shows that in 2016 PT Blue Bird Tbk had the results of the ratio calculation Sales to Total Assets the highest is 0.656. This means that every IDR 1 of total assets can generate IDR 0.656 of sales. While the results of the calculation of the ratio Sales to Total Assets the lowest occurred in 2020, which was 0.282. Average calculation Sales to Total Assets of 0.512. This means that the average sales generated for every Rp1 of total assets at PT Blue Bird Tbk from 2016-2021 is Rp0.512. The higher total sales to total assets, the more efficient the use of the overall assets of PT Blue Bird Tbk in generating sales volume.

Values S-Score obtained by PT Blue Bird Tbk in 2016-2018 was above 0.862. This is because the profit earned by the company is quite large, current assets are greater than current liabilities, and the sale of PT Blue Bird Tbk is also of a large enough value, causing the company not to be included in the category financial distress. However, in 2019-2021 it showed a value of less than 0.862 so that the finances of PT Blue Bird Tbk were categorized into companies experiencing financial distress because the profit before interest and tax is negative or there is a loss so that S-score obtained by PT Blue Bird Tbk is below 0.862. Index financial distress average of PT Blue Bird Tbk using the model Springate obtained a value of more than 0.862 so that according to the model Springate, PT Blue Bird Tbk can be declared healthy. However, the resulting

index value is not far from 0.862, which is 0.876 so that based on the model Springate, the state of PT Blue Bird Tbk needs to be worried about.

4.2   Model Zmijewski

Return On Assets shows that in 2016 PT Blue Bird Tbk had the results of the ratio calculation Return On Assets the highest is 0.069. This means that every Rp. 1 asset is able to generate a net profit of Rp. 0.069. While the results of the calculation of the ratio Return On Assets the lowest occurred in 2020, which was -0.022. Average calculation Return On Assets of 0.037. This means that the average net profit generated for every Rp1 of total assets at PT Blue Bird Tbk from 2016-2021 is Rp.0.037. The higher the resulting ratio indicates that the better PT Blue Bird Tbk in generating net income.

Debt ratio shows that in 2016 PT Blue Bird Tbk had the calculation results debt ratio the highest is 0.361. This means that every IDR 1 of the assets owned by PT Blue Bird Tbk can be financed by a total debt of IDR 0.361. While the calculation results debt ratio the lowest occurred in 2021, which was 0.219. Average calculation debt ratio of 0.269. This means that the average total debt able to finance every IDR 1 of total assets at PT Blue Bird Tbk from 2016-2021 is IDR 0.269. The higher the ratio, the greater the risk insolvent because excessive debt can cause a heavy debt payment burden.

Current ratio shows that in 2021 PT Blue Bird Tbk has the calculation results Current ratio the highest is 2.418. This means that every Rp. 1 of current debt is able to generate current assets of Rp. 2,418. While the calculation results Current ratio the lowest occurred in 2016 which was 1,083. Average calculation Current ratio of 1,700. This means that the average current assets generated for every Rp1 of current debt at PT Blue Bird Tbk from 2016-2021 is Rp1,700. The higher the ratio, the stronger the financial position of PT Blue Bird Tbk.

Values X-Score obtained by PT Blue Bird Tbk in 2016-2021 is predicted to be in a Non-financial distress or healthy because PT Blue Bird Tbk has a total debt that is smaller than its total assets, the current liabilities of the company are also of less value than the company's current assets, although the profit generated in the year is negative but the results X-Score owned has a negative value or is below 0 so that the company can be categorized into a company Non-financial distress or healthy.

5   CONCLUSION

The Springate model shows that PT Blue Bird Tbk in 2016-2018 is in a healthy condition because based on the calculation of several ratios, PT Blue Bird Tbk is still able to generate profits and pay off its short-term debt. In contrast, in 2019-2021, PT Blue Bird Tbk was in a state of Financial Distress due to increasing competition between

online transportation service providers coupled with the COVID-19 outbreak that occurred so that the company experienced a significant decrease in sales volume.

The Zmijewski model shows that PT Blue Bird Tbk is in good health in 2016-2021 because the company does not need to make many loans to acquire company assets and the company is able to pay off short-term debt properly. It is hoped that the company's management can consider the results of the analysis in this study as an early warning sign for the company to improve its performance and minimize the risk of company financial distress. When viewed from the financial ratios used in the two models in this study, the researchers suggest that PT Blue Bird Tbk can develop strategies to increase sales, current assets and reduce current liabilities and increase profits. One of them is by keeping abreast of technological developments such as intensifying the development of the My Blue Bird application and developing its payment system, such as collaborating with large companies engaged in digital wallets not only with T-Cash, but also with OVO, Go-Pay and also Fund and apply promos or cashback.

Investors are expected to be able to know the health condition of the company with the calculation results using the Springate model as one of the basic considerations in choosing a company to invest.

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