

Financial analysis of Indonesian and Turkish tourism listed firms in Covid-19 outbreak

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ABSTRACT

Keywords:

Credit (risk) analysis,
Profitability analysis,
Restriction policy.

COVID-19 outbreak is global disease that impact most of industries in the world. Tourism is one of industry shocked by COVID-19. Curfew policy and social distance caused most of tourism sector such as tourism, hotel, and restaurant were closed. The purpose of this study is to analyze financial statement of tourism industries in Indonesia and Türkiye using financial ratio analysis. We employ financial analysis of credit (risk) analysis and profitability analysis during lockdown. We employ 27 financial statements of tourism firms in both countries in 2020. Based on the result, we found that profitability ratio that have significant differences in both countries such as ROA, ROE, and net margin. Although other measurement such as, current asset ratio, quick ratio, asset turn over, debt to equity ratio, and short term debt to equity ratio have no significant. The result informs that tourism of listed firms in Indonesia and Türkiye have significantly difference in profitability ratio. However, capability of managing liquidity, utilizing asset and managing capital structure and solvency has no significant difference. The result implies that tourism industries both in Indonesia and Türkiye have similar issues in liquidity, utilizing asset, and solvency, because they have to face diminishing income during COVID-19. Hence, it will effect on the liquidity.

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1. Introduction

COVID-19 outbreak that begun in end of 2019 attacked the world not only in the health issues but also most of economic sectors. Curfew policies were applied in most of countries. Social distance also were applied. It was caused most of human activities changed to virtual activities. Thus, it impacted economic activities including tourism, hotel and restaurant as tourism industries. They lost local and international customers, guesses, and tourists. Travel restriction policy was applied in Indonesia. They did not give permission to travel to Indonesia from red zone countries (Purba, Fathiah, & Steven, 2021). This disease globally impacted the world tourism sector. For example, in China (Wu, Lee, Xing, & Ho, 2021), Italy (Messori & Escobar, 2021), Spain (Rodríguez-Antón & Alonso-Almeida, 2020), Algier (Bouarar, Mouloudj, & Mouloudj, 2020; Madani, Boutebal, Benhamida, & Bryant, 2020), Norwegia (Zhang & Xie, 2021), Indonesia (Suwendra, Sujana, & Irwansyah, 2020; Purba, Fathiah, & Steven, 2021), Pakistan (Khan, Niazi, Nasir, Hussain, & Khan, 2021), and Türkiye (Özdemir, 2020; Özcan, 2021)

In Türkiye, restaurant and hotel industry is substantial (Turegun, 2019). Bal, Akça, & Bayraktar (2016) stated that

in tourism in Türkiye was really matter on the GDP. In the 1972-2014, tourism in Türkiye positive effect on Türkiye's economic growth. So do in Indonesia. Actual loss in tourism sector in Indonesia also impacted in this country because profit of hotel industries have reduced up to 40%. Broad and domestic flight tickets are canceled (Suwendra, Sujana, & Irwansyah, 2020; Purba, Fathiah, & Steven, 2021).


Impact of COVID-19 outbreak in tourism industries are noted in preliminary scholars that analyzed their financial statements. For instance, Aman and Altass (2021) found that in airlines industry, they have some problems deal with negative operating profit, net profit and return on invested capital during Covid 19 outbreak. Özcan (2021) also stated that Turkish transportation industry, their profitability is negatively affected by COVID-19 outbreak.

Financial analysis is used for decreasing reliance on presumptions, opinions, and other feelings without trusted data (Subramanyam & Wild, 2013). Moreover, financial analysis will reduce uncertainty of failure in the business decision making. We did not find previous study related to financial analysis of tourism in Indonesia and Türkiye in pandemic period. Purba, Fathiah, & Steven, (2021) found

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Research paper

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that in Indonesia there was stuck of the foreign visitor at the last semester because of increasing of infections in foreign tourists source countries. In tourism industry, key factors that affecting its sustainability development is financial performance and competitive advantages (Zhang & Xie, 2021). Ratio analysis is important measurement for analyzing financial statements, comparing performance, making several plans, and detecting side effect, opportunities and threats (Turegun, 2019). Furthermore, Zhang & Xie (2021) explained that hotel as one of tourism industry is influenced seasonal, then in COVID-19 outbreak it more difficult to face market volatility and more uncertainty risk.

We purpose to analyze their financial ability in facing difficulties during COVID-19 outbreak using three basics analysis. This study also could be one of literature and empirical finding to both academic and business practices. The rest of this paper is as follow. The next section is literature review. Then, it will be followed by methodology section, result and discussion section, and ended up by conclusion section.

2. Literature Review

There are several previous studies related to tourism. Bal et al. (2016) found that in Türkiye tourism increased Turkish economic growth up to 0,314%. Moreover, tourism' cash inflow increased Turkish GDP for 1,7 %. It also means that tourism increase foreign exchange earnings then indirectly effect national employment and income. Turegun (2019) examined financial ratio performance of restaurant and hotel industries in Türkiye. Their finding is that key factors that affect restaurant and hotel industries are cash, return on equity, account receivable and inventory turnover. Furthermore, financial ratios which could make hotel industries differentiation are highly liquidity, receivables, and turn over ratio. Where areas, for restaurant is differentiated by solvency and probability ratios. Bouarar, Mouloudj, and Mouloudj (2020) stated that their study related to tourism sectors in COVID-19 pandemic in Algeria affected dependency of tourism revenues. Wu et al. (2021) stated that COVID-19 pandemic in China impacted negatively on tourism sectors. Zhang and Xie (2021) argued that seasonality on hotel industries in order to increase their financial performance is crucial. They found that hotel will be exist in their industries if they had high cumulative earnings but low financial leverage. Moreover, they found that working capital and EBIT did not influenced sustainability of hotel business. Aman and Altas (2021) stated that because of COVID-19, the airline industry significantly declined its investment. Financial performance such as EBIT, ROIC, and revenues affect mostly their performance.

There are several methods to analyze financial report. Subramanyam and wild (2013) mentioned that below are kind of important methods for financial analysis:

1. Comparative financial statement analysis

The purpose of comparative financial statement analysis is to review balance sheets, income statements, and cash flow statements from period to period (Subramanyam & Wild, 2013). In a comparative analysis, changes in account balances are carried out annually or in multiple years (Subramanyam & Wild, 2013). The best known comparative analysis is trend. Trend analysis reveals the direction, speed and extent of a trend. Comparative analysis is also called horizontal analysis because it analyzes left-right (or vice versa) account balances in comparative reports (Subramanyam & Wild, 2013). There are two comparative analysis techniques that are often used, namely analysis of changes from year to year and analysis of index number trends (Subramanyam & Wild, 2013). For example, suppose there is an 18% increase in sales from year to year accompanied by an increase in promotion costs. With this comparative analysis an investigation and explanation of the case can be carried out.

2. Common-size financial statement analysis

Common-size financial statement analysis aims to understand the internal structure of financial statements (Subramanyam & Wild, 2013). This analysis is also called vertical analysis because it evaluates the up-and-down accounts (or vice versa) in the statement of common measures of a financial statement (Subramanyam & Wild, 2013). This analysis is usually extended to examine the accounts that make up a particular group. For example, balance sheets are used to analyze common measures that describe:

- a. Financing sources
- b. Composition of assets in a company.

Likewise, this analysis can be expanded, for example to check the liquidity of current assets, this analysis will explain the proportion of current assets.

3. Ratio analysis

Ratio analysis is an analysis that reveals the relationship between two quantities mathematically in the form of a comparison (Subramanyam & Wild, 2013). This ratio analysis calculation is a simple arithmetic operation but its interpretation is complex. This interpretation is depend on economic relations (Subramanyam & Wild, 2013). For example, there is a direct and important relationship between the selling price and the cost of production and other costs. An example of using ratio analysis in reports is sales: cost is 2:1, which means that the product has a cost of 50% of its selling price.

4. Cash flow analysis

Cash flow analysis aims to evaluate the sources and uses of funds in a company. The analysis provides an

explanation of how the company obtains financing and how to use these resources in the company's economic activities (Subramanyam & Wild, 2013). This analysis is also part of the liquidity analysis.

5. Valuation

Valuation often used as method to assess a company's financial capability by evaluating intrinsic value of company or their stocks (Subramanyam & Wild, 2013). In this analysis, time value of money theory is applied. Basically, investors need two crucial information for evaluating their investment such as their expected future payment and discount rate.

Compared to among those methods ratio analysis is the most popular and frequently used in financial analysis. There are three basics of financial analysis using ratio analysis method (Subramanyam & Wild, 2013):

1. Credit (Risk) analysis

Credit analysis is an analysis that explains a company's credit by evaluating the company's ability to pay its bills (Subramanyam & Wild, 2013). The focus of this credit analysis is the risks that can be managed by the company (Subramanyam & Wild, 2013). In addition, credit analysis also focuses on liquidity and solvency analysis. Liquidity is the company's ability to obtain cash in the short term to pay bills (Subramanyam & Wild, 2013). Meanwhile, solvency is the company's ability to maintain the continuity of the company in the long term and pay long-term bills (Subramanyam & Wild, 2013). Long-term credit analysis also includes cash flow projections and evaluation of long-term profitability.

Credit analysis is consists of two measurement: (1) liquidity ratio to measure the capability of the firm in completing short-term obligations, and (2) capital structure and solvency to measure the ability of the firm to meet long term liabilities (Subramanyam & Wild, 2013).

2. Profitability analysis

Profitability analysis is an analysis that aims to evaluate the company's operating performance (Subramanyam & Wild, 2013).The method used to perform this analysis is to examine the ratios that link the income statement such as purchases, cost of good sold, and sales(Subramanyam & Wild, 2013).. This ratio is also often referred to as the profit margin. The results of this ratio are also usually consistent with common-size income statement analysis.

Profitability analysis is consists of three kinds of ratio, (1) return on investment to measure the ability of the firm to create financial rewards to the shareholders' equity and debt financing, (2) Operating performance to measure capability of the the firm in generating profit margins from operating activities, and (3) Asset

utilization to measure the effectiveness of assets deals with sales.

3. Valuation

Valuation analysis is aimed to measure firm intrinsic value (stock).

In this study we employ credit analysis and profitability analysis of Indonesian and Turkish tourism listed firms' financial statements.

3. Methodology

This research is purposed to find the difference of financial performance in Indonesian and Turkish tourism listed firms. This research is conducted using secondary data. We collected financial statement of tourism listed firms from www.idx.co.id (for Indonesia listed firms) and www.kap.org.tr (for Turkish listed firms). Table below exhibits detail of research samples.

Table 1. Sampling

| Sampling process (es): | Indonesia | Türkiye |
|------------------------------------|-----------|---------|
| Number of tourism listed firms | 34 | 11 |
| Less: Unavailable financial report | (16) | (2) |
| Subtotal | 18 | 9 |
| Total | 27 | |

Financial performance is measured by several financial indicators such as, (1) capability of the firm to achieve firm return on investment (Return on Assets, Return on Equity, and Net Margin), (2) ability of the firm to provide liquidity (Current assets ratio and Quick Ratio), (3) capability of managing capital structure and solvency (debt to equity ratio and short term debt to equity ratio), and capability of the firm in utilizing asset (asset turnover ratio). Table below describes variable measurement in this study.

Our analysis is conducted by those measurements of each financial statement. After collecting data, we classified data based on the country. Then, we conduct descriptive analysis. In order to achieve the purpose of this study, we apply to use Mann-whitney t-test due to the abnormal finding in normality test. Mann Whitney test is applied using SPSS. Mann-whitney test is nonparametric test to find probability both a group and others.

Table 2. Variable Measurement

| Ratio (s) | Classification | Formula |
|---------------------------------|--------------------------------|---|
| Return on Assets (ROA) | Return on investment | $ROA = \frac{\text{Net Income before tax}}{\text{Total Assets}}$ |
| Return on Equity (ROE) | Return on investment | $ROE = \frac{\text{Net income}}{\text{Total shareholders' equity}}$ |
| Net Margin | Operating Performance | $\text{Net Margin} = \frac{\text{Net Income}}{\text{Sales}}$ |
| Current Asset Ratio | Liquidity | $\text{Current Asset Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$ |
| Quick Ratio | Liquidity | $QR = \frac{\text{Cash} + \text{Cash Equivalent} + \text{Current Receivable} + \text{Short term investment}}{\text{Current Liabilities}}$ |
| Asset Turnover | Asset Utilization | $\text{Asset Turnover} = \frac{\text{Sales}}{\text{Total Assets}}$ |
| Short term debt to equity ratio | Capital Structure and Solvency | $\text{Short term debt to equity} = \frac{\text{Short term debt}}{\text{Total shareholders' equity}}$ |
| Debt to Equity Ratio | Capital Structure and Solvency | $DER = \frac{\text{Total Liabilities}}{\text{Total Equity}}$ |

Source: Subramanyam and Wild (2013)

4. Result and Discussion

In this section the result of statistic tests will be showed and explained. The table below exhibits descriptive statistic result.

Table 3. Descriptive Statistic (N=27)

| Variable (s): | Mean | Minimum | Maximum | Standard Deviation |
|---------------------------------|---------|---------|---------|--------------------|
| ROA | -0,0537 | -0,515 | 0,2338 | 0,1221806 |
| ROE | -0,136 | -0,826 | 0,2567 | 0,2377595 |
| Net Margin | -2,640 | -56,82 | 4,0317 | 10,877312 |
| Current Asset Ratio | 0,2958 | 0,0065 | 0,9081 | 0,2721801 |
| Quick Ratio | 9,3227 | 0,0558 | 140,24 | 26,218000 |
| Asset Turnover | 0,1062 | -0,086 | 1,0142 | 0,2333890 |
| Short term debt to equity ratio | 0,1570 | 0,0013 | 0,8592 | 0,1858535 |
| Debt to Equity Ratio | 0,8280 | 0,0015 | 13,529 | 2,5032880 |

Source: Output of descriptive statistic test, copied from SPSS output.

The result informs several equations of data, such as mean, minimum, maximum and standard deviation. Those equations' output state that ROA, ROE, net margin as the measurement of profitability show that they have negative mean and minimum value. However, liquidity measurement such as current asset and quick ratio have positive mean and minimum value and so do capital structure and solvency measurement, such as debt to equity ratio and short term debt to equity ratio. Meanwhile, asset utilization measurement (asset turnover ratio) has positive mean and negative minimum value. Furthermore, we found that quick ratio has the highest score at maximum and standard deviation. The following table describes the result of Mann-Whitney test.

Table 4. Result of Mann-Whitney test (For ROA)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 123.000 |
| Wilcoxon W | 168.000 |
| Test Statistic | 123.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | 2.160 |
| Asymptotic Sig. (2-sided test) | .031 |
| Exact Sig (2-sided test) | .031 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 4 shows Mann Whitney test of SPSS output. This output examined difference of ROA of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is 2.160 and p value is 0.031. Because p value is 0.031 is less than 0.05, this value means that there is difference on ROA of both Indonesian and Turkish tourism industries in COVID-19 pandemic ROA performance both Indonesian and Turkish tourism industries has difference during COVID-19.

Table 5. Result of Mann-Whitney test (For ROE)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 121.000 |
| Wilcoxon W | 166.000 |
| Test Statistic | 121.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | 2.057 |
| Asymptotic Sig. (2-sided test) | .040 |
| Exact Sig (2-sided test) | .041 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 5 exhibits Mann Whitney test of SPSS output. This output examined difference of ROE of both Indonesian and

Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is 2.057 and ρ value is 0.040. Because ρ value is 0.040 is less than 0.05, this value means that there is difference on ROE of both Indonesian and Turkish tourism industries in COVID-19 pandemic ROE performance both Indonesian and Turkish tourism industries has difference during COVID-19 outbreak.

Table 6. Result of Mann-Whitney test (For Net Margin)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 116.000 |
| Wilcoxon W | 161.000 |
| Test Statistic | 116.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | 1.800 |
| Asymptotic Sig. (2-sided test) | .072 |
| Exact Sig (2-sided test) | .076 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 6 informs Mann Whitney test of SPSS output. This output examined difference of net margin of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is 1.800 and ρ value is 0.072. Because ρ value is 0.072 is less than 0.10, this value means that there is difference on net margin of both Indonesian and Turkish tourism industries in COVID-19 pandemic net margin performance both Indonesian and Turkish tourism industries has difference during COVID-19 outbreak.

Table 7. Result of Mann-Whitney test (For Current Asset Ratio)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 106.000 |
| Wilcoxon W | 151.000 |
| Test Statistic | 106.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | 1.286 |
| Asymptotic Sig. (2-sided test) | .198 |
| Exact Sig (2-sided test) | .212 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 7 shows Mann Whitney test of SPSS output. This output examined difference of current asset ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is 1.286 and ρ value is 0.198. Because ρ value is 0.198 is more than 0.05, this value means that there is no difference on current asset ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic current asset ratio performance both Indonesian and Turkish tourism industries has no difference during COVID-19 outbreak.

Table 8. Result of Mann-Whitney test (For Quick Ratio)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 126.000 |
| Wilcoxon W | 147.000 |
| Test Statistic | 102.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | 1.080 |
| Asymptotic Sig. (2-sided test) | .280 |
| Exact Sig (2-sided test) | .298 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 8 exhibits Mann Whitney test of SPSS output. This output examined difference of quick ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is 1.080 and ρ value is 0.280. Because ρ value is 0.280 is more than 0.05, this value means that there is no difference on quick ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic quick ratio performance both Indonesian and Turkish tourism industries has no difference during COVID-19 outbreak.

Table 9. Result of Mann-Whitney test (For Asset Turnover)

| Independent-Samples Mann Whitney Test Summary | |
|---|--------|
| Total N | 27 |
| Mann-Whitney U | 53.000 |
| Wilcoxon W | 98.000 |
| Test Statistic | 53.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | -1.440 |
| Asymptotic Sig. (2-sided test) | .150 |
| Exact Sig (2-sided test) | .160 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 9 informs Mann Whitney test of SPSS output. This output examined difference of asset turnover of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is -1.440 and ρ value is 0.150. Because ρ value is 0.150 is more than 0.05, this value means that there is no difference on asset turnover of both Indonesian and Turkish tourism industries in COVID-19 pandemic asset turnover performance both Indonesian and Turkish tourism industries has no difference during COVID-19 outbreak.

Table 10. Result of Mann-Whitney test (For Short term debt to equity ratio)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 68.000 |
| Wilcoxon W | 113.000 |
| Test Statistic | 68.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | -.669 |
| Asymptotic Sig. (2-sided test) | .504 |
| Exact Sig (2-sided test) | .527 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 10 presents Mann Whitney test of SPSS output. This output examined difference of short term debt to equity ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is -1.440 and ρ value is 0.150. Because ρ value is 0.150 is more than 0.05, this value means that there is no difference on short term debt to equity ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic short term debt to equity ratio performance both Indonesian and Turkish tourism industries has no difference during COVID-19 outbreak.

Table 11. Result of Mann-Whitney test (For Debt to equity ratio)

| Independent-Samples Mann Whitney Test Summary | |
|---|---------|
| Total N | 27 |
| Mann-Whitney U | 62.000 |
| Wilcoxon W | 107.000 |
| Test Statistic | 62.000 |
| Standard Error | 19.442 |
| Standardized Test Statistic | -.977 |
| Asymptotic Sig. (2-sided test) | .328 |
| Exact Sig (2-sided test) | .348 |

Source: SPSS Out Put (Mann-Whitney Test Out Put)

Table 11 exhibits Mann Whitney test of SPSS output. This output examined difference of debt to equity ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic. Result shows that t-statistic value is -1.440 and ρ value is 0.150. Because ρ value is 0.150 is more than 0.05, this value means that there is no difference on debt to equity ratio of both Indonesian and Turkish tourism industries in COVID-19 pandemic debt to equity ratio performance both Indonesian and Turkish tourism industries has no difference during COVID-19 outbreak.

According to Subramanyam and Wild (2013) financial ratio analysis are consists of three kinds of analysis, such as credit (risk) analysis, profitability analysis and valuation. In this study we examine credit (risk) analysis and profitability analysis of tourism industries in Indonesia and Türkiye. Credit (risk) analysis is important in COVID-

19 outbreak, since this measurement explains ability of the firm in facing financial difficulties. For example, they have to pay debt which have made before COVID-19 and another cost that have to be paid even though their business was closed down during pandemic. Moreover, credit (risk) also related to liquidity measurement. Liquidity reflects capability of raising cash in short term. Further, liquidity not only displayed by current assets ratio but also how cash flow works. As we know that in the COVID-19 outbreak, uncertainty risk are increased. Liquidity measurement for tourism industry- that mostly affected by COVID-19 outbreak- is crucial measurement of its performance.

Damayanti and Baskan (2021) had examined impact of working capital on cash management in tourism industries in 2019 and 2020. They argued that working capital of tourism industries impact their cash management. So that, it is important to analyze credit (risk) ratio to understand the strength of tourism industries during shocking COVID-19. Thus, in our mind, credit (risk) analysis is substantial to be examined in this research. Our results show that in credit (risk) analysis, we found that there is gap between the ratio measurement of credit (risk) analysis. There are four ratios that measured credit (risk) analysis. Two of them represent liquidity measurement. Two others are capital structure and solvency measurement.

Our findings show that profitability ratios measurement has significant difference both in Indonesia and in Türkiye in COVID-19 pandemic. Although the capability of to provide liquidity such as current assets ratio and quick ratio; capability of managing capital structure and solvency, e.g. debt to equity ratio and short term debt to equity ratio, and capability of the firm in utilizing asset (asset turnover ratio) have no significant difference both Indonesian and Turkish tourism industry.

Our analysis for this finding is that tourism industries between Indonesia and Türkiye were facing difference situation, wherever restriction policy during COVID-19 outbreak both in Indonesia and Türkiye are different. In Indonesia, even though restrictions were applied local people were visiting some of tourism sites (Purba, Fathiah,

Table 12. Resume of Mann-Whitney test' output

| Variable (s) | t-statistic | P value |
|---------------------------------|-------------|---------|
| ROA | 2,160 | 0,031** |
| ROE | 2,507 | 0,040** |
| Net Margin | 1,800 | 0,072* |
| Current Asset Ratio | 1,286 | 0,198 |
| Quick Ratio | 1,080 | 0,280 |
| Asset Turnover | -1,440 | 0,150 |
| Short term debt to equity ratio | -0,669 | 0,504 |
| Debt to equity ratio | -0,977 | 0,328 |

Source: Mann-Whitney test's outputs SPSS

** significant at 0,05 level, * significant at 0,10 level.

& Steven, 2021). For example in Bali island, tourism industries were starting to create smart tourism (Suwendra, Sujana, & Irwansyah, 2020). It was difference what happened in Türkiye, wherever curvier policy was applied with less probability to local people to visit tourism places.

In the profitability measurement, we find that ROA, ROE, and net margin have significant difference both in Indonesia and Türkiye. ROA refers to income from operating activities. So that unrelated operating activities' revenues and expenses are not counted as operating income (Subramanyam & Wild, 2013). Because ROA focuses on income for the firms more than for debt and equity shareholders (Subramanyam & Wild, 2013). We have explained in the previous paragraph that in Indonesia and Türkiye have difference manner of local people during COVID-19 regarding local tourism visitation because of difference restriction policy between countries. So that it impact on the operating activities of tourism firms in each countries. ROE is found significant difference in line to shareholders view of investment in tourism sectors will not have satisfied return during pandemic. Net margin presents measurement how many net income could be achieved generally (Subramanyam & Wild, 2013). In this finding, in line to other profitability measurement such as ROA and ROE, it has significant difference both Indonesian and Turkish tourism industries during COVID-19.

Regarding capability of to provide liquidity, current asset to and quick ratio also reflects that between Indonesian and Turkish tourism industries have no difference. Those might be because of difficulties to raising cash in during restriction policy. Quick ratio reflects ability of the firm to raise cash, cash equivalent, account receivable and short term investment to meet liabilities. It is probable difference finding to current assets ratio because quick ratio is more detail in measuring liquidity of the firm. We can understand that all the items counted in quick ratio seem to hard to raise during lockdown. However, current assets ratio is counted by total current assets that probable raise in other account. Furthermore, Subramanyam and Wild (2013) stated that current asset ratio relevant to reflect margin of safety against uncertainties and random shocks to a company's cash flows. So that, the difference in finding between quick ratio and current asset ratio are found.

Moreover, Asset utilization ratio represent sales activity to asset categories, are substantial determinants of return on investment (Subramanyam & Wild, 2013). Asset turnover is found no significant difference. Asset turnover indicates the intensity of the firm dealing with utilizing asset effectively (Subramanyam & Wild, 2013). It is important to raise sales of the firm. So that we can summarize that the more effective of utilizing asset the more sales can be raise, then profit also can be increased. In the case of COVID-19 outbreak it seems difficult to be achieved.

For capability of managing capital structure and solvency measurement such as short term debt to equity ratio and

debt to equity ratio are found no significant difference both Indonesian and Turkish tourism industries. Short term debt to equity ratio and debt to equity ratio are represent capital structure and solvency level of the term. Solvency is related to all activities in the business e.g. operating, investing and financing (Subramanyam & Wild, 2013). We found that those variables are no significant difference both in Indonesia and Türkiye. We argue that no significant differences among these variables is caused by general difficulties among operational, investment and financial activities during COVID-19 outbreak. Moreover, solvency also represent firm's violability and capability of covering long-term obligations in the long run. So that, it is possible both countries' hospitality industries are facing difficulties in meeting their long term obligations. Also, their capital structure probable a little bit difference since shareholder view, investment in tourism industries during pandemic does not have promising return, so that in our view firms tend to consider to the debt-based structure.

5. Conclusion

Restriction policy in the world is applied during COVID-19 outbreak. The consequence of restriction policy not only impact on the social activities but also economic activities of tourism industries around the world. Indonesian and Turkish tourism industries were impacted by restriction policy. In this research we purpose to compare financial ability of tourism in both countries. Using financial ratio analysis, we employ credit (risk) analysis and profitability analysis.

The findings of the study are that only profitability ratio, such as ROA, ROE, and net margin have significant difference both Indonesia and Turkish tourism industries during COVID-19 outbreak. The capability of managing liquidity, utilizing asset, and managing capital structure and solvency both of Indonesian and Turkish tourism industries have challenges during COVID-19 outbreak. Liquidity of Indonesian and Turkish tourism industries declined because of restriction policy that affect their operating revenue. Furthermore, this difficulties will also effect indirectly to capability of managing capital structure and solvency performance.

The limitation of this research is we have not yet applied the most effective measurement of financial ratio analysis to explain the effect of COVID-19 outbreak for tourism industry. Also, we have not yet used valuation analysis for measuring financial performance during COVID-19 outbreak.

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Financial analysis of Indonesian and Turkish tourism listed firms in COVID-19 outbreak

Abstract

COVID-19 outbreak is global disease that impact most of industries in the world. Tourism is one of industry shocked by COVID-19. Curview policy and social distance caused most of tourism sector such as tourism, hotel, and restaurant were closed. The purpose of this study is to analyze financial statement of tourism industries in Indonesia and Turkey using financial ratio analysis. We employ financial analysis of credit (risk) analysis and profitability analysis during lockdown.

We employ 27 financial statements of tourism firms in both countries in 2020. Based on the result, we found that profitability ratio that have significant differences in both countries such as ROA, ROE, and net margin. Although other measurement such as, current asset ratio, quick ratio, asset turn over, debt to equity ratio, and short term debt to equity ratio have no significant. The result informs that tourism of listed firms in Indonesia and Turkey have siginicantly difference in profitability ratio. However, capability of managing liquidity, utilizing asset and managing capital structure and solvency has no significant difference. The result implies that tourism industries both in Indonesia and Turkey have similar issues in liquidity, utilizing asset, and solvency, because they have to face diminishing income during COVID-19. Hence, it will affect on the liquidity.

Keywords: Credit (risk) analysis, Profitability analysis, Restriction Policy

Authors

| Full Name | Author contribution roles | Contribution rate |
|-------------------------|--|-------------------|
| Tri Damayanti: | Indonesian Listed Firms Data Collection, Discussion, SPSS Application, Paper Preparation | 60% |
| Suphi Aslanoğlu: | Literature Review, Turkish Listed data collection, Discussion, Conclusion | 40% |

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