

ABSTRACT

This research examines the financial performance and financial leverage of pharmaceutical companies in Indonesia involved in vaccination efforts during the COVID-19 pandemic from 2020 to 2022. These companies include PT Bio Farma (Persero), PT Kimia Farma Tbk, PT Indo Farma Tbk, PT Kalbe Farma Tbk, and PT Tempo Scan Pacific Tbk. The study references Fadzilatunisa and Kiswara (2022) using a comparative qualitative approach to interpret the results of calculated proxies. To measure financial performance and financial leverage, the study refers to Arhinful and Radmehr (2023), using three financial performance ratios: return on assets, earnings per share, and Tobin's q, and six financial leverage ratios: interest coverage ratio, equity multiplier, fixed charge coverage ratio, degree of financial leverage ratio, debt to EBITDA ratio, and capitalization ratio.

The data used in this study are secondary data obtained from financial statements and annual reports of pharmaceutical companies that received financial assistance loans. The analysis method employed is descriptive qualitative analysis using Microsoft Excel software.

The results of the study show significant fluctuations in the financial performance and financial leverage of pharmaceutical companies during this period. Some companies succeeded in improving their performance, while others faced financial challenges. Companies tended to use debt rather than equity to maintain financial performance, consistent with agency theory and pecking order theory. The study also found that companies participating in the development and distribution of COVID-19 vaccines had varying financial performance.

Keywords: Financial Performance, Financial Leverage, Pharmaceutical Companies, COVID-19