
The impact of the Corona pandemic on the financial performance of economic enterprises in Algeria - a case study “Société des Ciments de la Mitidja”

تأثير جائحة كورونا على الأداء المالي للمؤسسة الاقتصادية بالجزائر -دراسة
حالة "مؤسسة الإسمنت للمتيجة"

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Abstract:

In this research paper, we studied the effects of the Corona crisis on the financial performance of an Algerian enterprise, by analyzing a set of indicators such as financial ratios, return ratios, and financial balance ratios of the “Société des Ciments de la Mitidja” enterprise before, during, and after the Covid-19 crisis. The study concluded that the Corona crisis had a clear impact on the company financial performance.

Keywords : financial performance, Covid-19 crisis, balance ratios, return ratios, liquidity ratios.

JEL classification codes :G010,G310,G320

1. Introduction.

All economic enterprises, regardless of their sizes and orientations, seek to adopt the appropriate strategy to achieve two basic goals: ensuring survival and continuity on the one hand, and realizing returns and profits on the other hand. Therefore, each enterprise must prioritize the development of a robust financial strategy, through effective financial management in light of what is known as the enterprise's financial performance, which will enable it to effectively address any potential shocks or crises that arise.

The enterprise's financial performance represents a key factor for diagnosing the financial health of the enterprise, and knowing its ability to achieve the set goals. Financial performance relies on a set of measurable indicators, and it is positively or negatively affected by internal and external factors, including the enterprise's environment and the economic circumstances.

In recent years, the world has faced various challenges, notably the COVID-19 pandemic, which has unleashed a devastating global crisis, overwhelming healthcare systems with over 200 million infections and nearly 5 million fatalities. This public health catastrophe rapidly morphed into the most severe economic downturn in a century. Draconian measures like travel bans, lockdowns, and business closures were imposed to contain the virus, crippling economic activity. As a result, incomes plummeted, unemployment soared, and poverty surged for the first time in decades. Small businesses, low-income communities, and vulnerable populations bore the brunt of this crisis. The pandemic's economic impact was unprecedented in its global reach and intensity. In 2020, nearly 90% of countries experienced economic contraction, with the world economy shrinking by approximately 3%. This downturn surpassed the economic devastation caused by both World Wars and the Great Depression (Wade, 2023).

Economic enterprises, despite their resilience, were not immune to this unprecedented crisis. Its pervasive effects infiltrated every facet of these enterprises, notably the financial sector, highlighting the profound challenges posed by such unforeseen events.

In this paper, our focus revolves around examining the consequences of the crisis on enterprise performance, as delineated by the following problematic:

To what degree has the Corona pandemic influenced the financial performance of economic enterprises in Algeria?

This problematic is subdivided to three sub-problematics:

1. How has the Corona crisis affected the financial balance indicators within enterprises?
2. What repercussions has the Corona crisis had on the financial liquidity rates of enterprises?
3. To what extent has the Corona crisis impacted the productivity levels within enterprises?

To answer the main problematic and sub-questions, we formulated the following hypotheses:

The first hypothesis: There is a negative impact of the Corona pandemic on the enterprise's financial balance indicators.

The second hypothesis: There is a negative impact of the Corona pandemic on the enterprise's financial liquidity ratios

The third hypothesis: There is a negative impact of the Corona pandemic on the enterprise's profitability indicators.

Our study relied on the case study approach, which is appropriate to the nature of the subject studied, choosing the "*Société des Ciments de la Mitidja*" (SCMI), an Algerian company specialized in the field of cement production. We evaluate the financial performance of the enterprise before, during, and after the pandemic, from 2019 to 2021, and assess the impact of the Corona pandemic on the enterprise's financial balance indicators, the enterprise's financial liquidity ratios, and the enterprise's profitability indicators. We seek to achieve a number of goals, which we summarize as follows:

- Defining the financial performance of the economic enterprise, identifying the factors that influence it, and elucidating the methodologies employed for its assessment.
- Measuring the extent of the Corona crisis's influence on the financial performance of economic enterprises.

The paper is organized as follows. We firstly provide a brief review of the literature on the impact of COVID-19 on small and medium-sized enterprises (SMEs). Then, we conduct an applied study in a form of a case study, which includes two sub-sections. The first sub-section focuses on scrutinizing key economic indicators of the enterprise under study across three phases: before the crisis, during the crisis, and after the crisis. The second sub-section concentrated on assessing the financial performance of the enterprise throughout these periods, leveraging financial balance indicators, liquidity ratios, and return ratios as benchmarks for evaluation.

2. Related Work

The COVID-19 pandemic had a severe impact on small and medium-sized enterprises (SMEs) worldwide, leading to decreased demand, supply chain disruptions, financial difficulties, and closures. While the impact varied across sectors and regions, many SMEs faced significant challenges. Government policies and interventions played a crucial role in mitigating these effects, helping businesses to survive and recover from the crisis.

In this study, we reviewed several relevant works, including the research of Thomas Ritter et al. (Ritter, 2020), conducted during the pandemic, and focused on the critical challenges confronting commercial companies, through a study that included eight commercial companies. They developed a strategy to confront the crisis not only when it occurs, but also in the future. Their analysis was focused on five variables, which are healthcare supplies, public procurement, construction, preventive maintenance, and global logistics. The chosen criteria for the study are objective, customers, value proposition, value demonstration, and capability.

The study by Katarína Belanová (Belanová, 2020) investigated the severe impact of the Corona crisis on Slovak SMEs. She found that a large number of SMEs, particularly those in sectors vulnerable to quarantine measures, were forced to close their operations. These closures accounted for nearly 9% of the total number of active SMEs, which leads to substantial job losses and business suspensions. Many businesses were forced to suspend their activities due to government regulations or voluntarily, resulting in a significant disruption to their operations. Even those remaining open faced challenges such as declining demand and supply chain disruptions. Belanová concluded that government support, particularly in the form of financial assistance, was crucial in mitigating the crisis' impact on these businesses.

Mohsin Shafi et al. (Shafi, 2020) examined the significant impact of the Covid-19 crisis on SMEs operating in Pakistan. A survey of 184 SMEs revealed that the majority faced severe challenges, including financial difficulties, supply chain disruptions, decreased demand, and declining sales and profits. About 83% of the surveyed enterprises lacked a crisis response plan or the necessary capabilities to effectively address the challenges. Two-thirds of the participating SMEs expressed their inability to survive the crisis. To mitigate these challenges, the researcher proposed several solutions. Prioritizing worker health and safety was crucial, followed by implementing measures to sustain economic growth. This included

facilitating e-commerce and delivery services to maintain trade, developing remote banking services, providing financial assistance to SMEs, and creating plans to adapt to the new crisis conditions.

In a study by Ibrahim A. Zeidy (Zeidy, 2020), the author highlighted the critical role of SMEs in African economies and their vulnerability to the Covid-19 crisis. The pandemic's impact on SMEs manifests in both supply and demand-side challenges. Supply-side disruptions include labor shortages due to health concerns and disruptions in supply chains, leading to shortages of raw materials, intermediate goods, and spare parts. On the demand side, the crisis has resulted in significant liquidity shortages, weak purchasing power, and a decline in spending and consumption. Sectors like transportation and tourism have been particularly hard hit, with potential effects on financial markets.

Lesi Hertati et al. (Hertati, 2020) have surveyed 400 Indonesian SMEs and 162 employees, discovering that the Covid-19 crisis had a profound negative impact on the financial statements of Indonesian traders. This, in turn, significantly hindered the financing of small and medium-sized businesses due to the prevailing uncertainty and fear within the economic and financial landscape.

The previously surveyed works have primarily focused on the impact of the COVID-19 crisis of small and medium-sized enterprises (SMEs), recognizing their vital role in economies worldwide. These studies often diagnosed the condition of SMEs during the crisis and evaluated government responses aimed at mitigating its adverse effects. Our work, however, distinguishes itself by examining the financial performance of studied enterprise before, during, and after the crisis. By analyzing financial indicators, our research delves into the specific financial implications of the crisis on the enterprise allowing us to assess the extent of the crisis' impact on its financial health. Through a rigorous analysis of financial and accounting metrics, we provide a comprehensive understanding of how the pandemic affected the financial performance of the enterprise.

3. Overview of the studied enterprise

"Société des Ciments de la Mitidja" (SCMI) is one of the most important Algerian enterprises in the field of cement production and marketing, as it has been active for more than 45 years and is considered one of the branches of "Groupe Industriel des Ciments d'Algérie" (GICA). The enterprise is a joint-stock company with a social capital estimated at 1,400,000,000.00 DZD.

The enterprise’s primary activity is the production and marketing of the gray cement (CPJ45). Based on the statistical data from 2020, the enterprise employs a workforce comprising 492 individuals.

3.1.Study of the Impact of the Corona pandemic on the financial performance of SCMI

To know the impact of the Corona pandemic on the financial performance of SCMI, we evaluated the financial performance of the enterprise before, during, and after the pandemic, from 2019 to 2021. The study is organized into three primary sections. Initially, we evaluate the fundamental general indicators of the enterprise across these three periods. Subsequently, we undertake a detailed assessment of the enterprise's financial performance by analyzing the key financial performance indicators and ratios. Finally, we dedicate a section to presenting and analyzing the outcomes derived from hypothesis testing, providing deeper insights into the implications of our findings.

3.2.Condensed Financial Statements for the Period (2019-2020)

a. Condensed Balance Sheet

Table 1. Preparation of the condensed balance sheet (2019-2021)

Assets	2019	%	2020	%	2021	%
Fixed assets	8,161,462,131.09	0.55	8,055,889,867.68	0.54	7,875,390,472.79	0.54
Current Assets	6,809,343,085.84	0.45	6,966,305,809.55	0.47	6,709,049,197.31	0.46
Exploitation values	2,821,476,513.20	0.19	2,887,118,014.54	0.19	2,927,046,241.57	0.21

Achievable values	620,876,799.33	0.04	641,424,842.95	0.04	808,722,287.58	0.05
Ready values	3,366,989,773.31	0.22	3,437,762,952.06	0.23	2,973,280,668.16	0.20
Total	14,970,805,216.93	1.00	5,022,195,677.23	1.00	14,584,439,670.10	1.00

Source: Prepared by the researcher based on the enterprise's documents

b. Condensed Liabilities Statement

Table 2. Preparation of the condensed liabilities statements (2019-2021)

Liabilities	2019	%	2020	%	2021	%
Long-term Funds	11,672,684,123.55	78%	12,754,678,367.42	85%	12,822,787,258.73	86%
Equity	8,905,576,943.40	59%	10113156164.22	68%	11,204,615,018.66	77%

Long-term debt	2,767,107,180.15	18%	2,641,522,203.20	18%	1,618,172,240.07	9%
Short-term debt	3,298,121,093.38	22%	2,267,517,309.81	15%	1,761,652,411.37	14%
Total	14 970 805 216.93	100%	15 022 195 677.23	100%	4 584 439 670.10	100%

Source: Prepared by the researcher based on the enterprise’s documents

4. Enterprise’s general indicators during the period (2019-2021)

4.1 Enterprise’s turnover

Table 3. The enterprise’s turnover during the period (2019-2021)

Year	2019	2020	2021
Turnover	6,968,665,372.19	7,013,354,075.46	6,366,866,180.97

Source: Prepared by the researcher based on the enterprise’s documents

We note from Table 3 that in the year 2019, the turnover of SCMI was 6,968,665,372.19 billion dinars, and in the year 2020, we noticed an increase in the turnover, which amounted to 7,013,354,075.46 billion dinars despite the epidemiological situation during the Corona pandemic. As for the year 2021, we recorded a decrease in the turnover approximating its value in 2019. The surge in turnover for SCMI in 2020, surpassing both 2019 and 2021, is primarily attributed to the ongoing construction projects in the region despite the challenging circumstances posed by the pandemic. These

construction endeavors remained robust, driving a sustained demand for cement products. Additionally, the temporary halt in operations by numerous competing cement companies further boosted SCMI's market position, allowing for increased sales volume during the period. The enterprise also held several production exhibitions, which led to an increase in customers, and benefited from the state support during the pandemic.

4.2 Enterprise's wages

Table 4. The enterprise's wages during the period (2019-2021)

Year	2019	2020	2021
Wages	4,339,187,547.01	4,094,103,654.85	4,138,128,065.58

Source: Prepared by the researcher based on the enterprise's documents

From Table 4, we observe that in 2019 wages amounted to 4,339,187,547.01 billion dinars. However, during the COVID-19 period in 2020 and 2021, there was a noticeable decline in wages. In 2020, wages decreased to 4,094,103,654.85 billion dinars, and in 2021, they were estimated at 4,138,128,065.58 billion dinars. One of the key factors contributing to this decline is the enterprise's strategic adjustment in response to the pandemic. This involved reducing the workforce to a minimum and resorting to layoffs, as well as implementing cost-saving measures such as reducing expenses related to trainee wages and meal allowances for workers.

4.3 Enterprise's net result

Table 5. The enterprise's net result during the period (2019-2021)

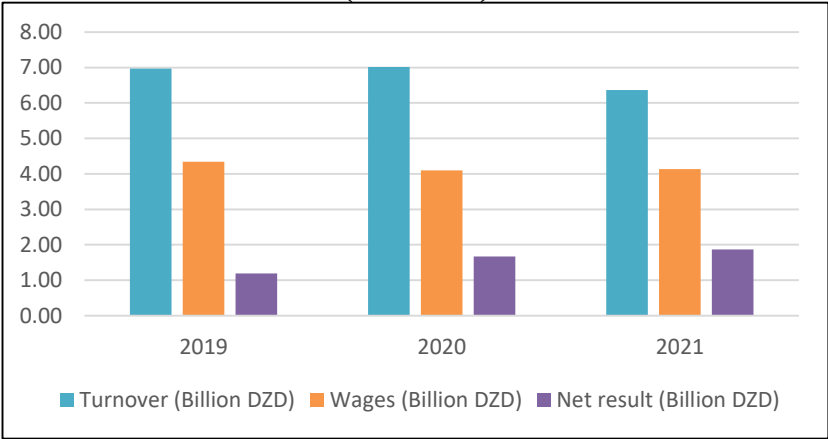
Year	2019	2020	2021
Net result	1,190,809,212.49	1,673,326,590.88	1,869,528,870.24

Source: Prepared by the researcher based on the enterprise's documents

As shown in Table 5, the net result in 2019 was 1,190,809,212.49 billion. Interestingly, there was an increase in the following years, 2020 and 2021, despite the challenges posed by the pandemic. This increase can be attributed to several factors. Firstly, the enterprise successfully resolved many disputed debts and collected its requested debts during this period. Secondly, there was a reduction in certain expenses, such as workers' wages, which contributed to an overall improvement in the total result.

Additionally, the enterprise benefited from tax reductions and concessions offered by the state in response to the pandemic, similar to other businesses. These combined factors contributed to the positive trend observed in the net result during the pandemic years.

Fig 1. The enterprise’s turnover, wages and net result during the period (2019-2021)



Source: Prepared by the researcher based on the enterprise’s documents

5. Financial performance of the enterprise during the period (2019-2021)

5.1 Analysis using financial balance indicators

In this sub-section, we analyze the key indicators of financial balance, namely working capital and working capital needs, as well as cash reserves.

a. Working capital index

Working capital from the top of the balance sheet

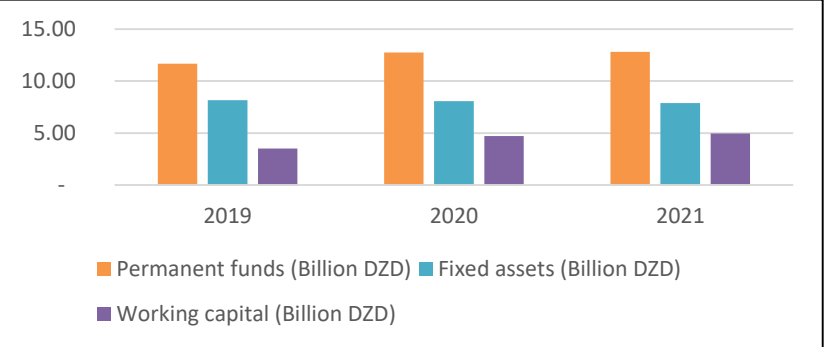
Working capital = Permanent funds - Fixed assets

Table 6.Working capital from the top of the balance sheet for the period (2019 - 2021)

Year	2019	2020	2021
Permanent funds	11,672,684,123.55	12,754,678,367.42	12,822,787,258.73
Fixed assets	8,161,462,131.09	8,055,889,867.68	7,875,390,472.79
Working capital	3,511,221,992.46	4,698,788,499.74	4,947,396,785.94

Source: Prepared by the researcher based on the enterprise’s documents

Fig 2.Working capital from the top of the balance sheet for the period (2019 - 2021)



Source: Prepared by the researcher based on the enterprise's documents

Working capital from the bottom of the balance sheet

Working Capital = Current Assets – Short term debts

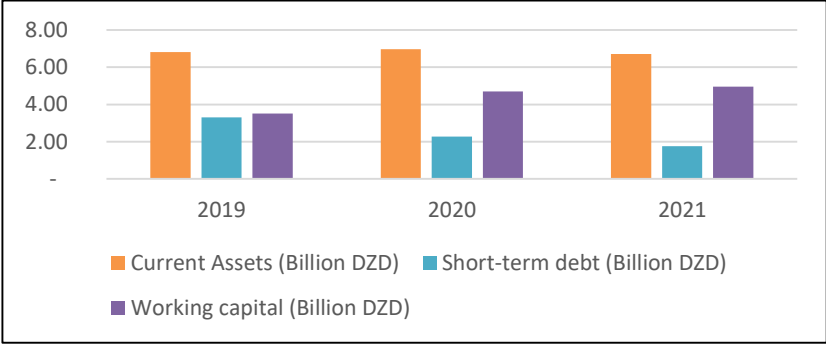
Table 7.Working capital from the bottom of the balance sheet for the period (2019 - 2021)

Year	2019	2020	2021
Current Assets	6,809,343,085.84	6,966,305,809.55	6,709,049,197.31
Short-term debt	3,298,121,093.38	2,267,517,309.81	1,761,652,411.37
Working capital	3,511,221,992.46	4,698,788,499.74	4,947,396,785.94

Source: Prepared by the researcher based on the enterprise's documents

As shown in Fig 3, the working capital remained positive over the three years, indicating that permanent funds were sufficient to cover fixed assets. This reflects the enterprise's ability to maintain financial balance and achieve a safety margin before, during, and after the COVID-19 period. Additionally, the working capital increased steadily across the three stages, demonstrating resilience during and after the pandemic.

Fig 3.Working capital from the bottom of the balance sheet for the period (2019 - 2021)



Source: Prepared by the researcher based on the enterprise’s documents

b. Working capital needs index

Working capital needs = Financing needs - Financing resources

Financing needs = Current assets - Ready values

Financing resources = Short-term debts - Bank advances

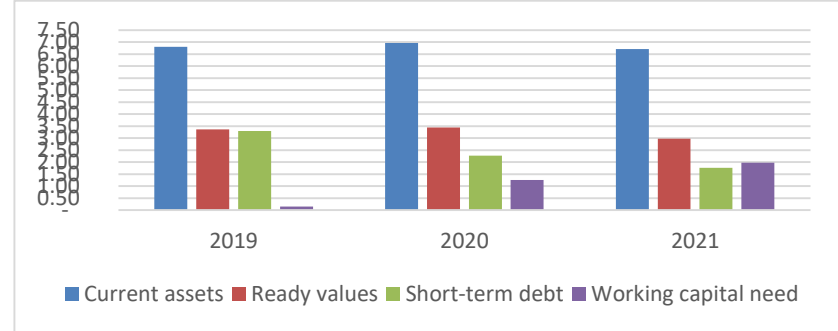
Table 8.Working capital needs for the period (2019 - 2021)

Year	2019	2020	2021
Current assets	6,809,343,085.84	6,966,305,809.55	6,709,049,197.31
Readyvalues	3,366,989,773.31	3,437,762,952.06	2,973,280,668.16
Short-termdebt	3,298,121,093.38	2,267,517,309.81	1,761,652,411.37
Bankadvances	0	0	0
Workingcapital need	144,232,219.15	1,261,025,547.68	1,974,116,117.78

Source: Prepared by the researcher based on the enterprise’s documents

As depicted in Fig 4, we note that the working capital needs was positive during the three years studied, and this means that the enterprise was not able to cover the needs of the exploitation cycle with regular cycle resources, but rather resorted to other financial resources to cover this need. Moreover, the working capital need increased significantly during the pandemic year of 2020 and the post-pandemic period (2021) compared to the pre-pandemic period.

Fig 4.Working capital needs for the period (2019 - 2021)



Source: Prepared by the researcher based on the enterprise’s documents

c. Treasury Index

Treasury = working capital – working capital need

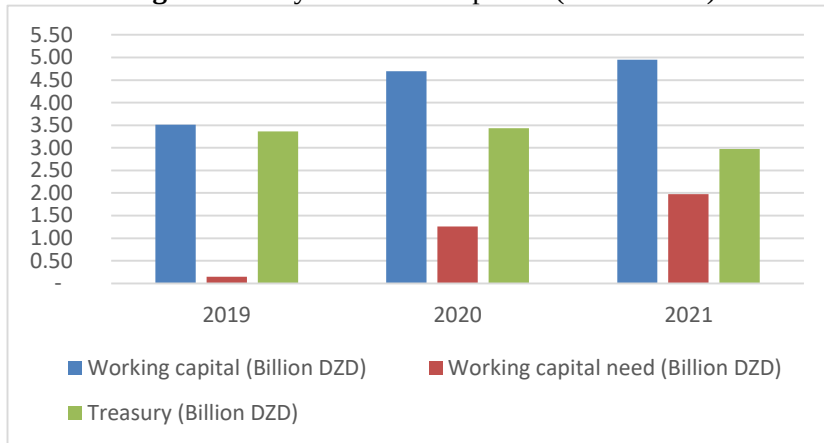
Table 9. Treasury index for the period (2019 - 2021)

Year	2019	2020	2021
Working capital	3,511,221,992.46	4,698,788,499.74	4,947,396,785.94
Working capital need	144,232,219.15	1,261,025,547.68	1,974,116,117.78

Treasury	3,366,989,773.31	3,437,762,952.06	2,973,280,668.16
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Source: Prepared by the researcher based on the enterprise's documents

Fig 5. Treasury index for the period (2019 - 2021)



Source: Prepared by the researcher based on the enterprise's documents

The treasury account table shows that the enterprise's treasury remained positive throughout the study period. Notably, the treasury experienced an increase during the pandemic period compared to 2019. Despite the substantial rise in working capital requirements during this time, the treasury managed to cover these needs and still achieve growth. Although the treasury amount decreased in 2021, it remained positive and was sufficient to cover the operational cycle's needs while still recording a surplus.

5.2 Analysis using liquidity ratios

a. General liquidity ratio

General liquidity ratio = current assets / short-term debt

Table 10. General liquidity ratio for the period (2019 - 2021)

	2019	2020	2021
Current assets	6,809,343,085.84	6,966,305,809.55	6,709,049,197.31
Short-term debt	3,298,121,093.38	2,267,517,309.81	1,761,652,411.37
Gen. liquidity ratio	2,06	3,07	3,81

Source: Prepared by the researcher based on the enterprise's documents.

b. Relative treasury ratio

Relative treasury ratio = (realized values + ready values) / short-term debt

Table 11. Relative treasury ratio for the period (2019 - 2021)

Year	2019	2020	2021
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Realized values	620,876,799.33	641,424,842.95	808,722,287.58
Ready values	3,366,989,773.31	3,437,762,952.06	2,973,280,668.16
Short-term debt	3,298,121,093.38	2,267,517,309.81	1,761,652,411.37
Rel. treasury ratio	1,21	1,80	2,15

Source: Prepared by the researcher based on the enterprise’s documents

c. Current treasury ratio

Current treasury ratio = ready values / short-term debt

Table 12. Current treasury ratio for the period (2019 - 2021)

Year	2019	2020	2021
Ready values	3,366,989,773.31	3,437,762,952.06	2,973,280,668.16
Short-term debt	3,298,121,093.38	2,267,517,309.81	1,761,652,411.37
Cur. treasury ratio	1,02	1,52	1,69

Source: Prepared by the researcher based on the enterprise’s documents.

As depicted in Table10, the general liquidity ratio consistently exceeds 1.00, which is the minimum acceptable threshold, indicating the enterprise's ability to repay its debts. This fosters trust and security among lenders regarding the recovery of their funds. In 2019, the liquidity ratio was approximately 2.06, close to the ideal ratio of 2.00. However, it increased to 3.07 during the pandemic and continued to rise to 3.81 post-pandemic. This excessive percentage reflects the enterprise's policy of retaining liquidity as idle funds rather than reinvesting them, likely driven by crisis-related uncertainties and a cautious approach to unexpected consequences.

The relative treasuryratio is also positive, as shown in Table 11, indicating the enterprise's capacity to meet its short-term obligations through current assets, excluding inventories. This ratio exceeds the ideal benchmark of 0.75, reflecting an excessive retention of liquidity and a reluctance to reinvest it in the operational cycle. Although this is generally undesirable under normal circumstances, the enterprise's decision was likely driven by the crisis and instability.

As for the current treasury ratio, as depicted in Table 12, it remained above 1.00 throughout the study period, which means that

readily available funds were sufficient to cover short-term debts, reflecting the level of trust and security the enterprise provides to lenders. However, the continued increase in this ratio during and after the pandemic highlights the enterprise's tendency to retain excessive liquidity as a safety measure against the crisis's repercussions.

5.3 Analysis using return ratios

a. Activity return ratio

Activity return ratio = (total result / turnover)*100

Table 13. Activity return ratio for the period (2019 - 2021)

Year	2019	2020	2021
Total result	1,589,908,130.39	1,999,276,066.73	2,276,715,382.78
Turnover	6,968,665,372.19	7,013,354,075.46	6,366,866,180.97
Activity return	23%	29%	36%

Source: Prepared by the researcher based on the enterprise's documents.

b. Economic return ratio

Economic return ratio= (total result / total assets)*100

Table 14. Economic return ratio for the period (2019 - 2021)

Year	2019	2020	2021
Total result	1,589,908,130.39	1,999,276,066.73	2,276,715,382.78
Total assets	14,970,805,216.93	15,022,195,677.23	14,584,439,670.10
Eco.Return	11%	13%	16%

Source: Prepared by the researcher based on the enterprise's documents.

c. Financial return ratio

Financial return ratio = (net result / private funds)*100

Table 15. Financial return ratio for the period (2019 - 2021)

Year	2019	2020	2021
Net result	1,190,809,212.49	1,673,326,590.88	1,869,528,870.24
Private money	8,905,576,943.40	10113156164,22	11,204,615,018.66
Fin. return	13%	17%	17%

Source: Prepared by the researcher based on the enterprise's documents.

As shown in Tables 13, 14 and 15, the activity return ratio increased consistently before, during, and after the pandemic. This indicates that the enterprise successfully generated returns from its operations. Specifically, each dinar of turnover yielded a return of 0.23, 0.29, and 0.36 over the three consecutive years. Similarly,

economic returns also increased throughout the same periods, demonstrating the enterprise's ability to generate returns from its economic activities. Every dinar invested in assets produced a return of 0.11, 0.13, and 0.16 over the three consecutive years. Additionally, financial returns rose before, during, and after the pandemic, indicating that the enterprise effectively generated returns from its financial operations. Each dinar invested from private funds resulted in a net return of 0.13, 0.17, and 0.17 dinars, respectively, over the three years.

6. Results'evaluation and hypotheses' validation

6.1 Results'evaluation

a. Regarding financial balance indicators

We concluded that the working capital was positive and increased throughout the study period, confirming that the enterprise maintained its financial stability during the pandemic. This demonstrates the enterprise's robust margin of safety, which allowed it to preserve balance and address the crisis effectively.

Several factors contributed to this resilience. Firstly, the enterprise operates in the construction sector, which continued to thrive during the pandemic. Demand for construction materials actually increased as some projects, previously suspended due to political unrest in the country, resumed at beginning of the pandemic.

Additionally, according to the several managers in the enterprise, the permanent funds increased during the crisis due to the collection of debts that were previously disputed in court. The enterprise also benefited from government financial support provided to public enterprises in response to the global health crisis.

Regarding working capital needs, we concluded that they were positive and increasing throughout the study period, with a significant rise in needs from 2019 to the years 2020 and 2021, encompassing both the pre-crisis and crisis periods. This indicates that the enterprise was unable to cover the operational cycle needs with regular cycle resources alone. Instead, it resorted to alternative financial measures, such as reducing wages, laying off temporary workers, and cutting expenses.

As for the treasury index, we found that the enterprise recorded a positive and increasing treasury throughout the study period. This suggests that the enterprise chose to maintain liquidity as stagnant funds rather than reinvesting and utilizing them. This

cautious approach was likely driven by the repercussions of the crisis and the enterprise's fear of any step with uncalculated consequences.

b. Regarding liquidity ratios

We found that the general liquidity ratio was greater than 1.00, which is the minimum acceptable threshold, indicating a level of confidence provided by the enterprise to lenders. However, this ratio increased during the crisis period and continued to rise afterward, reaching over 3.80, surpassing its ideal ratio of 2.00. This suggests that the enterprise retained excessive liquidity as a precautionary measure due to fears of the crisis's repercussions.

Similarly, the relative and current treasury ratios also recorded a noticeable increase during the pandemic period, with values exceeding the upper limit of the ideal range. This indicates that the enterprise held excessive liquidity instead of reinvesting it in the operational cycle. While such behavior is typically unacceptable under normal circumstances, it can be attributed to the conditions of crisis and instability during this period.

c. Regarding return ratios

Regarding return ratios, we concluded that the enterprise achieved positive and increasing ratios across all categories: activity return, economic return, and financial return. However, the economic return and activity return ratios were lower during the pandemic period compared to the post-pandemic period. This indicates that the crisis negatively affected the enterprise's economic and operational activities. In contrast, financial return remained unaffected throughout the pandemic.

6.2 Hypothesis' testing/validation

a. First hypothesis: There is a negative impact of the Corona pandemic on the enterprise's financial balance indicators.

The results proved that the hypothesis was incorrect, as most of the financial balance indicators were good, although they decreased slightly during the pandemic period (2020), but they quickly recovered in the period that followed in 2021.

b. Second hypothesis: There is a negative impact of the Corona pandemic on the enterprise's financial liquidity ratios

The results proved the validity of the hypothesis. Liquidity ratios were affected during the crisis period, as they increased significantly above acceptable and normal rates. This is due to the great fear of the repercussions of the crisis, which deprived the enterprise of investment opportunities and led to the disruption of liquidity.

c. Third hypothesis: There is a negative impact of the Corona pandemic on the enterprise's profitability indicators.

The results proved the validity of the hypothesis, as the enterprise's profitability was affected and was at lower rates during the crisis period, i.e. the year 2020, then it increased significantly during the period that followed the crisis, especially with regard to economic and activity returns.

7. Conclusion

We concluded through this study that the COVID-19 crisis had a profound and multifaceted impact on the performance of enterprises, particularly on their financial performance. Despite government interventions such as financial aid and debt relief, many companies struggled to overcome the pandemic challenges. Supply chain disruptions hindered access to raw materials, affecting production rates and exacerbating financial deficits. As a result, enterprises were compelled to implement cost-cutting measures, including layoffs, to address liquidity problems, strengthen financial solvency, and mitigate the decline in performance indicators.

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