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## IMPACT OF THE COVID-19 PANDEMIC ON THE FINANCIAL PERFORMANCE OF LISTED COMPANIES IN THE SULTANATE OF OMAN

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### ABSTRACT

The COVID-19 pandemic has disrupted the Oman economy and caused a decline in various businesses' performance. As the Sultanate has implemented precautionary measures to stop the spread of COVID 19 by reducing the number of employees in government and private institutions, suspending all events, activities and gatherings of all kinds, applying sanitary isolation for those coming from outside the Sultanate, implementing a curfew inside the country, as well as closing all shops and industrial workshops. This study aims to measure the impact of COVID-19 pandemic on company's financial performance.

The study selected five companies listed in the Muscat Securities Market and analyzed the financial data before the pandemic (three quarters in 2019) and after the pandemic (three quarters 2020). Bank Muscat, AL Anwar Ceramic, Oman Oil Marketing Company, Oman Telecom and Dhofar Insurance were selected. All data were collected from the quarterly published financial reports in Muscat Securities Market.

Four financial ratios such as Liquidity Ratio, Solvency Ratio, Turnover Ratio and Profitability Ratio were calculated to examine the financial performance of the selected companies. Statistical student t-test was applied to validate the significant difference on the financial performance before and after the pandemic.

The result shows a decline in the company's Liquidity Ratio (Current Ratio), Profitability Ratio (Return on Equity), Activity Ratio (Total Assets turnover), and Solvency Ratio (Total Equity to Total Assets) after the pandemic COVID-19. However, the study discovered that there is no significant difference in Current Ratio, Total Equity to Total Assets Ratio and Return on Equity of the companies before and after COVID-19

pandemic. But, there is a significant difference in Total Assets Turnover of the companies before and after COVID-19 pandemic.

**Key words:** COVID-19, Financial Performance, student t-test statistic.

## 1. INTRODUCTION

The COVID-19 pandemic has disrupted every facet of life globally. Business and commerce are key areas where the monetary crunch has been acutely felt. Corona viruses are one of the largest families of respiratory viruses that can cause illness in animals and humans, these viruses that spread between animals and humans can evolve. On the other hand, the spread of this infection is easily and quickly from person to person, as is the case with severe acute respiratory syndrome. The infection did not turn into a health crisis, but rather had a significant impact on the global economy. There has been a significant economic impact in all countries of the world due to the decline in productivity, the closure of businesses and the losses of millions of human beings, and the presence of disruption in local and global trade, the stopping of the tourism industry. COVID-19 may be a call for world leaders to step up collaboration on pandemic preparedness and provide funding for international collective action. Despite the existence of clear information on the expected health and economic costs of the outbreak of infectious diseases, the world has failed to invest in preventive measures and good preparedness to mitigate the risks of dangerous epidemics.

As the Sultanate has implemented precautionary measures to stop the spread of COVID 19 by reducing the number of employees in government and private institutions, suspending all events, activities and gatherings of all kinds, applying sanitary isolation for those coming from outside the Sultanate, implementing a curfew inside the country, as well as closing all shops and industrial workshops, with the exception of this All his money is directly related to the requirements of daily life, most of the services have been replaced by the electronic buying and selling system.

The government has analyzed the economic crisis that resulted from the COVID-19 pandemic, that it will have a significant impact on the decline in financial performance and profits in various types of businesses. The government has taken the decision regarding the application of tax incentives because it is the first step to save the economy, which is linked to the most affected sectors, especially the sector that It takes a lot of labor. The application of these tax incentives is not only for enterprises and small and medium-sized enterprises, but also applied to large public companies. Implementation of tax incentives is also a rescue effort that the government has made available so that companies do not have to terminate employment contracts with employees as a result of the financial difficulties faced by companies during this crisis, as was the case in Australia during the economic crisis in 2008, which caused an increase in numbers Job seekers (Jeter et al., 2020).

The spread of COVID-19 has caused severe and sudden corporate revenue shortfalls in many industries. Since more than 100 countries around the world have decided to partially or completely close in, this has led to a decrease in airline and intercity travel by approximately 70-90% compared to the previous year in biggest cities around the world. (Dunford et al., 2020).

The COVID pandemic has affected companies much less than it has affected sales. Despite the negative impact of COVID-19, which had the most significant impact on the financial performance of companies in the most affected sectors, such as banking, construction, oil & gas, telecoms and insurance, companies in high-risk areas experienced greater financial losses during the epidemic due to a decrease in profits. The study will be based on financial data for five companies from selected sectors listed on the Muscat Securities Market.

## **2. Statement of the Problem**

According to the most current statistics, the COVID-19 pandemic has a big effect on the economy and financial markets. Several financial markets across the globe have suffered significant losses since the outbreak of the epidemic. To provide an understanding of how the coronavirus crisis has affected the financial performances of the companies, this study is proposed to investigate the impact of the COVID-19 outbreak on the financial performance of the selected companies listed in the Muscat Securities Market.

## **3. Aims and Objectives of the Study**

The study is confined to the following objectives:

- To study the financial performance of the selected listed companies in Oman for the three quarters before and after the COVID-19.
- To determine the effects of COVID 19 pandemic on the financial performance of the selected listed companies in Oman

## **4. Research Questions**

1. How had COVID-19 affected the financial performance of the listed companies in Oman?
2. Are there any significant differences on the company's performance based on financial ratio measurement between the three quarters before and three quarters after COVID-19 pandemic?

## **5. Scope and Limitation**

Five sectors were identified based on a review of the available literature, with the final selection of those that could have potentially been most affected by the pandemic due to the nature of economic activities. One company from each sector on the basis of its performance is selected. This research is solely focused on these FIVE selected companies. This research study focuses on the association between financial performances of the companies listed in MSM for the period Q2/2019-Q3/2020. The timeline is chosen to

determine if there are different on the company's financial performance on the three Quarters before and three Quarters after the pandemic.

### **The study is limited to:**

- As time constraints, this study focused to analyse the financial performance of FIVE sample companies by using four ratios.
- Analysis of this study sourced only from secondary data which provided by the company in the published quarterly financial reports. Hence the researchers did not implicate the financial performance analysis with the company's management strategy during the pandemic, cost efficiency, and other business dynamic that were not highlighted in the Quarterly financial report.

## **6. Significance of the Study**

The COVID-19 pandemic has disrupted the Oman economy and caused a decline in various business performances. Low oil prices coupled with the COVID-19 pandemic are beginning to weigh on the performance of Oman's publicly listed companies, albeit to varying degrees, with some sectors in particular bracing for significant impacts on revenues and profitability in the second quarter of 2020 and beyond. This study particularly focuses on the impact of the COVID-19 outbreak on the financial performance of the selected companies listed in the Muscat Securities Market for the following reasons.

- First, we believe that early studies have focused mainly on East Asia, the USA and Europe. Therefore, there is a need for further research on the financial effects of coronavirus outbreak in other regions of the world.
- Second, the Sultanate of Oman is currently facing a dual shock from the COVID-19 pandemic and a collapse in oil prices. Oman economy is still dependent on oil as its main export and source of revenues, despite the considerable diversification efforts deployed in the recent years.
- Third, the Muscat Securities Market (MSM) have very different characteristics compared to other stock markets, which means that they could respond differently to the COVID-19 pandemic and oil price shocks.

Unlike the stock markets in western economies and other emerging countries, in the Sultanate of Oman stock markets are mostly dominated by domestic investors, a significant share of the financial contracts is based on the principle of profit and loss sharing and the opportunity of investment in derivatives is very limited (Istiak and Alam, 2020). It seems to be very interesting to examine the impact of COVID-19 pandemic on the financial performance of the companies listed in the Muscat Securities Market stock.

## 7. Related Literature

Bahrini, R., & Filfilan (2020) reviewed that the novel coronavirus (COVID-19) is not only an unprecedented human and health crisis, but it is expected to become one of the most economically costly pandemics in recent history. Latest financial reports indicate that the COVID-19 outbreak is severely disrupting the global economy and financial markets. Many equity markets around the world have endured heavy declines since the pandemic's outbreak.

Devi, S., Warasniasih, N. M. S., Masdiantini, P. R., & Musmini, L. S. (2020) studied the COVID-19 pandemic has harmed the national economy and caused a decline in various businesses' financial performance. This study aims to examine the impact of the COVID-19 pandemic on firms' financial performance listed on the Indonesia Stock Exchange. The research samples included 214 companies, which were divided proportionally into nine sectors or 49 sub-sectors. Data analysis used was the Wilcoxon Signed Rank Test. The results show an increase in the leverage ratio and short-term activity ratio but a decrease in the public companies' liquidity ratio and profitability ratio during the COVID-19 pandemic. There was no significant difference in the liquidity ratio and leverage ratio.

Folger-Laronde, Z., Pashang, S., Feor, L., & ElAlfy, A. (2020) analysed the advent of the COVID-19 pandemic, the world has experienced economic and social fragility, which calls for alternative approaches to navigate towards sustainable outcomes. While recent studies show that responsible investments (RI) are resilient during the economic downturn caused by crises such as COVID-19, there has been little exploration into exchange-traded funds (ETFs). Using ANOVA and multivariate regression models, we analyze the differences and relationship between the financial returns of ETFs and their Eco-fund ratings during the COVID-19 pandemic-related financial market crash.

Lan, C., Huang, Z., & Huang, W (2020) prepared the paper for the dynamic CoVaR method is used to measure changes in systemic risk in the financial industry during the COVID-19 pandemic. they find that, first, after the outbreak of the COVID-19 pandemic, the systemic risk of the financial industry increased significantly. Second, the impact of the COVID-19 pandemic on the systemic risk of the securities industry was greater than that of the banking and insurance industries.

Achim, M. V., Safta, I. L., Văidean, V. L., Mureșan, G. M., & Borlea, N. S. (2021) analysed that the COVID-19 pandemic has disrupted every facet of life globally. Business and commerce are key areas where the monetary crunch has been acutely felt. This study aims to analyze the various key changes in entities' activities to evaluate the level of business performance in response to the COVID-19 pandemic. They find that the net profits of the overall market decreased by 37.43% over the analyzed period. However, small companies engaged in agriculture, commerce, construction, IT R&D, and transport and storage witnessed better financial performance. Their findings are useful for policymakers such as managers and investors and can help them make the best decision for their managing or investing activities.



Song, H. J., Yeon, J., & Lee, S. (2021) examined how the effect of COVID-19 on U.S. restaurant firms' stock returns varies according to the firms' pre-pandemic characteristics by employing three firm-level dimensions (financial conditions, corporate strategies, and ownership structure). Employing 795 firm-year observations obtained from annual reports and other databases, this study found that restaurant firms with past characteristics of larger size, more leverage, more cash flows, less ROA, and more internationalization are more resilient to stock declines reacting to COVID-19 than otherwise similar firms. This study sheds light on the research topic by providing insights into drivers of restaurant firm's stock returns during the COVID-19 shock. Future studies can employ the variables and method used in the current study to extend the understanding of the issue.

Spoz, A., Skibinska-Fabrowska, I., Kotlinski, G., & Zukowska, H. (2021) prepared this paper which prepared by sets out to analyze the impact of the pandemic on selected sectors of the economy and specific companies within the industries most affected by the pandemic-related crisis. The study covers selected parameters of financial performance (operating revenues, operating profit/loss, gross profit, total cash flow, cash flow from operating activities, cash flow from investing activities, net cash flow ) on a sample of 115 companies listed on the Warsaw Stock Exchange (WSE) for the period of the first half of 2019 and the first half of 2020. The results confirm that the exogenous demand and supply side shock has had a varied impact on sectors of the economy and different companies within the same industries. Large enterprises cope better with the effects of the pandemic.

Tahu, G. P., & Yuesti, A (2021) prepared this study which aimed to analyzing the effects of the COVID-19 pandemic on the financial performance of Indonesian listed companies. The data of this study were taken from the financial statements of the LQ-45 companies which were listed on the Indonesia Stock Exchange (IDX) before and after the announcement of the first case of Covid-19 in Indonesia. The data was processed with paired sample t-test using SPSS version 20. From the results of the data processing, it shows that there is no significant difference in financial ratios in the form of liquidity ratios and profitability ratios of LQ 45 companies listed on the Indonesia Stock Exchange (IDX) before and after the announcement of the first case of Covid-19 in Indonesia. However, there is a significant difference in financial ratios in the form of solvency ratio and activity ratio of LQ-45 companies listed on the Indonesia Stock Exchange (IDX) before and after the announcement of the first case of Covid-19 in Indonesia, as well as the Covid-19 pandemic, which has an impact on the decline in financial performance in the form of Activity ratio (Total Asset Turnover) of LQ-45 companies listed on the Indonesia Stock Exchange (IDX).

## 8. Research Methodology

This research work is based on quantitative research approach.

All the companies listed in MSM formed the sampling frame. Five sectors were identified based on a review of the available literature, with the final selection of those that could have potentially been most affected by the pandemic due to the nature of economic activities. One company from each sector on the basis of its performance will be selected and listed below:

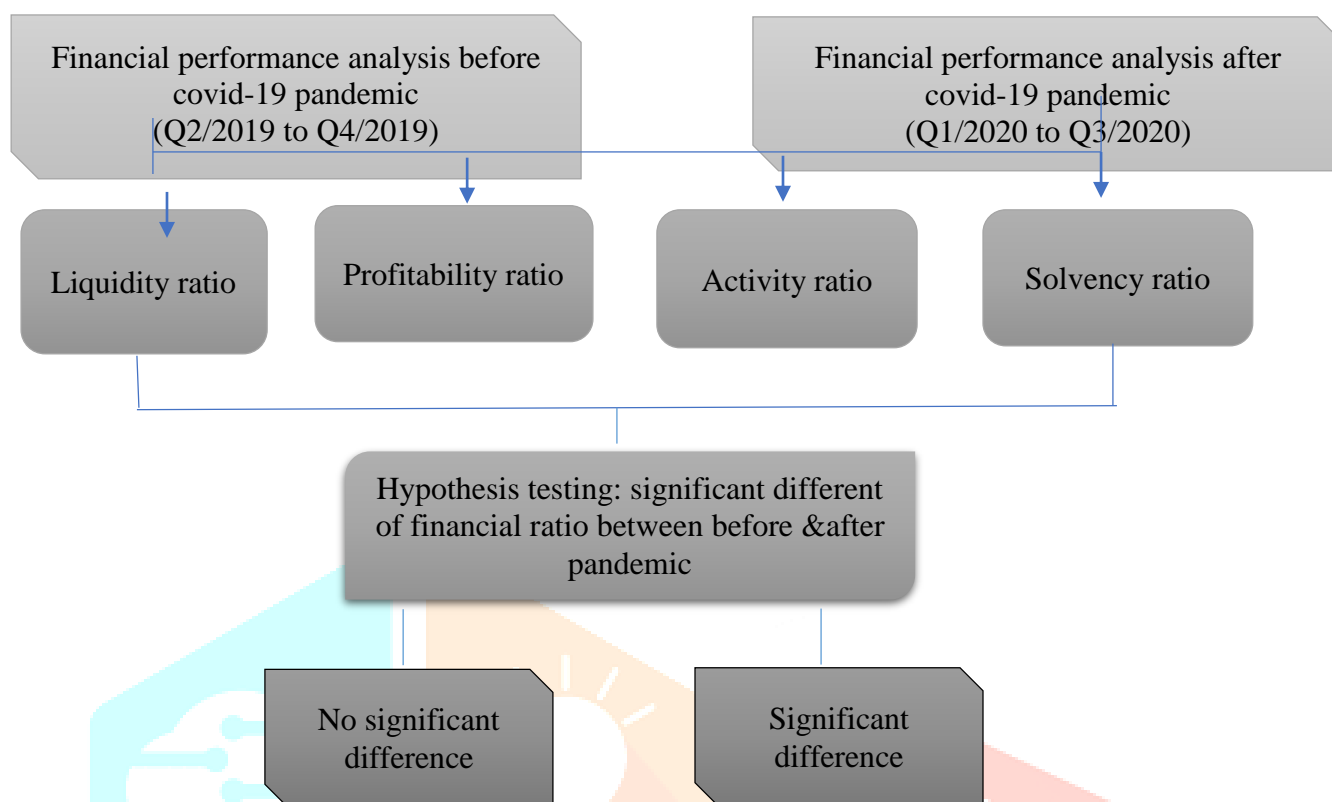
Sl. No	Name of the sector	Name of the company
1	Banking	Bank Muscat.
2	Construction	AL Anwar Ceramic.
3	Oil & Gas	Oman Oil Marketing Company.
4	Telecoms	Oman Telecom.
5	Insurance.	Dhofar Insurance.

(Source: Muscat Securities Market, 2022)

**Table 1: Five companies from MSM**

The financial performance is the dependent variable. This study used four independent variables which will be measured in order to determine the effect on the dependent variable (financial performance), these variables are liquidity, profitability, activity and solvency. The present study mainly based on secondary data. Secondary data are collected from the financial statements of the company published in MSM for the period of three quarters before (Q2/2019 – Q4/2019) and after COVID 19 pandemic (Q1/2020 – Q3/2020). Financial ratios and t-test statistical analysis were calculated to determine the effects of COVID 19 pandemic on the financial performance of the selected listed companies in Oman.

## 9. Conceptual framework



**Diagram 1: Impact of the COVID-19 pandemic on the financial performance**

## 10. Data Analysis

Based on data compilation, analysis is carried out. This study contains two parts of analysis. To study the financial performance of the selected listed companies in Oman for the three quarters before and after the COVID-19., the first part analyzes the four different ratios of the selected companies before and after the outbreak of the COVID-19 pandemic. To determine the effects of COVID 19 pandemic on the financial performance of the selected listed companies in Oman, the second part analyses the data by using t test.

### 10.1 Ratio Analysis

Financial ratio is a numeric outcome as a result of dividing one financial data to other data and is used to express the relativity of different financial variables. Financial ratios are normally grouped into below categories:

- ✓ Liquidity Ratio
- ✓ Solvency Ratio
- ✓ Turnover Ratio
- ✓ Profitability Ratio



### 10.1.1 Liquidity Ratio

Liquidity ratio is a formula to measure how fast and ease a business can convert its assets into cash in a period of time. **Current Ratio** is used to measure the liquidity position of the company. It measures a company's ability to pay current or short-term liabilities with its current or short term assets. (Ross et al, 2012:57)

$$\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities} \times 100$$

	PERIOD	AVERAGE				
		BANK MUSCAT	AL ANWAR CERAMIC	OMAN OIL	OMAN TELECOM	DHOFAR INSURANCE
<b>2019 BEFORE PANDEMIC</b>	<b>Q2</b>	122.70	735.19	123.49	77.07	75.51
	<b>Q3</b>					
	<b>Q4</b>					
<b>2020 AFTER PANDEMIC</b>	<b>Q1</b>	122.05	592.06	117.19	85.05	77.80
	<b>Q2</b>					
	<b>Q3</b>					

**Table 2: Current Ratio**

### 10.1.2 Solvency Ratio

Solvency ratios are used to measure a company's long-term ability to meet its financial obligations (Ross, 2012:59). Solvency ratios also help the business owner keep an eye on downtrends that could suggest the potential for bankruptcy in the future. For this study, we used Total Equity to Total Asset Ratio when analyzing the solvency of the company. Total Equity to Total Asset Ratio, measures how much of a company's assets are financed by issuing equity rather than by financing on debt.

$$\text{Total Equity to Total Assets} = \text{Total Equity} / \text{Total Assets} \times 100$$

	PERIOD	AVERAGE				
		BANK MUSCAT	AL ANWAR CERAMIC	OMAN OIL	OMAN TELECOM	DHOFAR INSURANCE
<b>2019 BEFORE PANDEMIC</b>	<b>Q2</b>	16.04	88.77	45.80	33.83	16.83
	<b>Q3</b>					
	<b>Q4</b>					
<b>2020 AFTER PANDEMIC</b>	<b>Q1</b>	15.63	86.97	44.42	32.64	20.96
	<b>Q2</b>					
	<b>Q3</b>					

**Table 3: Total Equity to Total Assets Ratio**

### 10.1.3 Activity Ratio

Activity Ratio measures how efficient a company manages its assets to generate revenue. (Ross et al, 2012:61). The asset turnover ratio measures the efficiency of a company's assets in generating revenue or sales. It compares the dollar amount of sales (revenues) to its total assets as an annualized percentage. There are several ratios can be classified under Activity ratio. This study used Total Asset Turnover ratio. It is a method to measure the effectiveness of total assets to generate sales. (Ross et al, 2012:63).

$$\text{Total Assets Turnover} = \text{Net Sales} / \text{Capital Employed (Total Assets-Fixed Assets)} \times 100$$

	PERIOD	AVERAGE				
		BANK MUSCAT	AL ANWAR CERAMIC	OMAN OIL	OMAN TELECOM	DHOFAR INSURANCE
<b>2019 BEFORE PANDEMIC</b>	<b>Q2</b>	1.21	59.09	4.36	17.01	38.50
	<b>Q3</b>					
	<b>Q4</b>					
<b>2020 AFTER PANDEMIC</b>	<b>Q1</b>	0.60	51.14	0.45	6.15	31.06
	<b>Q2</b>					
	<b>Q3</b>					

**Table 4: Total Assets Turnover Ratio**

### 10.1.4 Profitability Ratio

Profitability ratio is a method used to measure business ability to generate revenue and profit at certain period of time (Ross et al, 2016). Some notable ratios are: Gross Margin Ratio, Profit Margin, Return on Assets, Return on Investment, and Return on Equity. For the purpose of this study, we select the ROE to measure profitability. Return on Equity (ROE) is a method to determine return on a dollar of equity over a period of time. It is one of five calculations used to measure profitability.

$$\text{ROE} = \text{Net Income} / \text{Shareholders Equity} \times 100$$

	PERIOD	AVERAGE				
		BANK MUSCAT	AL ANWAR CERAMIC	OMAN OIL	OMAN TELECOM	DHOFAR INSURANCE
<b>2019 BEFORE PANDEMIC</b>	<b>Q2</b>	5.06	5.11	58.18	26.14	25.53
	<b>Q3</b>					
	<b>Q4</b>					
<b>2020 AFTER PANDEMIC</b>	<b>Q1</b>	2.06	5.41	6.15	10.09	24.43
	<b>Q2</b>					
	<b>Q3</b>					

**Table 5: Return on Equity Ratio**

## 10.2 Statistical Analysis

To examine the significant differences on the company's performance based on financial ratio measurement between the three quarters before and three quarters after COVID-19 pandemic, the t-test was done. Student t-test is one of the widely used statistical method and is used to test whether the Mean difference between

two groups of data are significant statistically. A null hypothesis state that both Means are statistically equal, whereas alternative hypothesis state that both Means are not statistically equal. The most common types of paired samples are a measurement on the same subject prior and after an intervention. To compute the t-statistic, we must first compute the difference between each of the paired values. Then compute the mean of the differences. This is guaranteed if both groups are assumed to come from underlying normal distributions.

Following null hypotheses were formulated to examine the differences on the company's performance based on financial ratio measurement between the three quarters before and three quarters after covid-19 pandemic:

1. H<sub>0</sub>: There is no significant difference in Current Ratio of the companies before and after COVID-19 pandemic.
2. H<sub>0</sub>: There is no significant difference in Total Equity to Total Assets Ratio of the companies before and after COVID-19 pandemic.
3. H<sub>0</sub>: There is no significant difference in Total Assets Turnover of the companies before and after COVID-19 pandemic.
4. H<sub>0</sub>: There is no significant difference in ROE analysis of the companies before and after COVID-19 pandemic.

Based on data compilation and analysis along with a statistical test, below are the recapitulation of the four financial ratios of five selected companies before and after pandemic:

Financial Ratio	Period	Mean	t Stat	p Value Sig..	Decision
Liquidity Ratio	Before	226.8	0.968	0.388	p Value > 0.05. Accept the null hypothesis. There was NO significant difference
	After	198.84			
Solvency Ratio	Before	40.26	0.118	0.911	p Value > 0.05. Accept the null hypothesis. There was NO significant difference
	After	40.13			
Activity Ratio	Before	24.04	3.47	0.025	p Value < 0.05. Reject the null hypothesis. There was a significant difference
	After	17.88			
Profitability Ratio	Before	24.01	1.46	0.218	p Value > 0.05. Accept the null hypothesis. There was NO significant difference
	After	9.64			

Table 6: t test

The above table reveals that there are no significant differences on the company's performance based on the liquidity ratio, solvency ratio and profitability ratio of the selected companies' between the three quarters before and three quarters after covid-19 pandemic. As p value is more than 0.05, null hypotheses were rejected. Therefore, it can be concluded that:

- H0: There is no significant difference in Current Ratio of the companies before and after COVID-19 pandemic.
- H0: There is no significant difference in Total Equity to Total Assets Ratio of the companies before and after COVID-19 pandemic.
- H0: There is no significant difference in ROE analysis of the companies before and after COVID-19 pandemic.

However, p value for activity ratio is less than 0.05, null hypothesis is accepted. Therefore, we can conclude that:

- H0: There is a significant difference in Total Assets Turnover of the companies before and after COVID-19 pandemic.

## 11. Findings

Based on the data analysis, major findings of the present research are listed below:

### Findings from the Current Ratio:

**Bank Muscat** has positive working capital as its current ratio is more than 100% in all the 6 quarters taken for the study. Higher ratios indicate more liquidity and greater solvency of the company. It is also interesting to note that there is no difference in the current ratio of Bank Muscat before and after pandemic.

**Al Anwar Ceramic** has positive working capital as its current ratio is more than 100% in all the 6 quarters taken for the study. So, it has more liquidity and greater solvency that can be indicated by its highest ratios. However, there is a difference of 143 percentages in the current ratio of Al Anwar Ceramic before and after pandemic, which means the company have a specific effect on pandemic.

**Oman Oil Marketing Company** has positive working capital as its current ratio is more than 100% in all the 6 quarters taken for the study. Higher ratios indicate more liquidity and greater solvency of the company. It was observed that current ratio is decreasing and there is a difference in the current ratio of Oman Oil Company before and after pandemic. Also, it shows clearly that there is a variation in the value of current assets and current liabilities over a period of the study.

**Oman Telecom** has negative working capital, as its current ratio is less than 100% in all 6 quarters taken for study. It is also seen note that there is a difference in the current ratio of Oman Telcom before and after pandemic, before pandemic it was 77.07% and slightly increasing to 85.06% after pandemic started.

**Dhofar Insurance** has negative working capital as its current ratio is less than 100% in all the 6 quarters taken for the study. Lower ratios indicate less liquidity and lesser solvency of the company. It is also

interesting to note that there is an increase in the current ratio of Dhofar Insurance before pandemic and after.

### Findings from the Solvency Ratio:

The ratio of Total Equity to Total Assets of **Bank Muscat** is increasing from quarter to quarter in 2019. Before the epidemic, the average was 16.04 percent, and after the pandemic began, it dropped to 15.63 percent. Also, on other side, show how much debt a corporation has spent to pay an asset.

The ratio of Total Equity to Total Assets of **Al Anwar Ceramic**, gradually decreasing from one quarter to other quarter. It shows 88.77 percentage as average before the pandemic and it is decreasing to 86.98 percentage after the pandemic started. It indicates that money is not managed effectively after the pandemic started and that the business may find it difficult to pay off its debts in a timely way.

The ratio of Total Equity to Total Assets of **Oman oil marketing company** is also gradually increasing from one quarter to other in the year 2019. After pandemic started, it started decreasing in the first quarter of 2020 and again increasing from the second quarter of 2020. It shows 45.80percentage as average before the pandemic and it is decreasing to 44.42 percentages after the pandemic started. It indicates that money is not managed effectively after the pandemic started and that the business may find it difficult to pay off its debts in a timely way.

The ratio of Total Equity to Total Assets of **Oman Telecom** is increasing from quarter to quarter in 2019. It shows 33.83 percentage as average before the pandemic and it is decreasing to 32.64 percentage after the pandemic started. It indicates the more debt a company has used to pay for its asset.

The ratio of Total Equity to Total Assets of **Dhofar Insurance** is increasing from one quarter to other quarter. It shows 16.83 percentage as average before the pandemic and it is increasing to 20.96 percentage after the pandemic started. It indicates that money is managed effectively after the pandemic started in the insurance sector.

### Findings from the Turnover Ratio:

Total assets turnover ratio for **Bank Muscat** is reducing drastically between before and after pandemic. Nevertheless, increase in quarter 4 in 2019 that is before pandemic. A lower ratio indicates the bank is not using its assets as efficiently and maybe have internal problem. Also, lower ratio indicates that bank is not well organized in generating sales or incomes from its asset base during the pandemic.

From the analysis of total assets turnover ratio of **Al Anwar Ceramic**, it shows that it is increased gradually before the pandemic. But it reduced sharply from quarter 4, 2019 before the pandemic to quarter 1, 2020 after pandemic and it got the lowest. Then, it started to increase in the quarter 2 and 3 in 2020. A lower ratio indicates the company did not use its assets as efficiently and maybe it did not take the effective procedures at the beginning of the pandemic to avoid this decrease.

Total assets turnover ratio of **Oman Oil Marketing Company** is decreasing drastically between before pandemic and after pandemic. A lower ratio indicates the company is not using its assets as efficiently. This might be due to less demand for the product during the pandemic. After the pandemic started, the consumption of oil was down due to nation-wide lock down implemented to contain the spread of coronavirus.

Total assets turnover ratio of **Oman Telecom** is decreasing drastically between before pandemic and after pandemic. However, increase in quarter 4 in 2019. A lower ratio indicates the company is not using its assets as efficiently and may have problem in the pandemic. It shows 17.01percentage as average before the pandemic and it is decreasing to 6.15% after the pandemic started.

Total assets turnover ratio of **Dhofar Insurance** is decreasing drastically between before pandemic and after pandemic. A lower ratio indicates the company is not using its assets as efficiently. This might be due to less demand for the product during the pandemic.

### **Findings from the Profitability Ratio:**

The **Bank Muscat**'s ROE before pandemic was 5.06 percentage, but after pandemic started, it is reducing to 2.06 %. It showed that Bank Muscat Net income also got affected because of virus.

The Return on Equity of **Al Anwar Ceramic** before pandemic was 3.5, 4.9 and 6.8 percentages for the quarters of 2, 3, and 4 for the year 2020 respectively, which shows that the company performance was gradually increases. But after pandemic started, it is reducing to 2.9 percentages. It showed that Al Anwar Ceramic net income got affected because of the pandemic.

Return on Equity of **Oman Oil Marketing Company** before pandemic was 58.18 percentage, whereas after pandemic started, it is decreasing to 6.15 percentage. It indicated that the Oman Oil Company Net Sales got affected very much because of pandemic.

**Oman Telecom**'s ROE before pandemic was 26.15 percentage, whereas after pandemic started, it is decreasing to 10.09 percentages. It indicated that the Telecom Industry's Net income also got affected because of pandemic.

Return on Equity of **Dhofar Insurance** before pandemic was 25.53 percentage, whereas after pandemic started, it is decline to 24.43 percentage. It indicated that the Dhofar industry's Net income also got affected because of pandemic.



**Findings from the Statistical Analysis – t test:**

- H0: There is no significant difference in Current Ratio of the companies before and after COVID-19 pandemic.
- H0: There is no significant difference in Total Equity to Total Assets Ratio of the companies before and after COVID-19 pandemic.
- H0: There is no significant difference in ROE analysis of the companies before and after COVID-19 pandemic.
- H0: There is a significant difference in Total Assets Turnover of the companies before and after COVID-19 pandemic.

**12. Conclusion**

The year 2020 went down in the history of the world economy as a special year, a year of a global crisis caused by a non-economic factor, the Covid-19 pandemic, which has since entailed multiple social and economic consequences. As a result of the pandemic, the paradigms of health care, economic and social life around the world will change dramatically. The global economy and individual countries have had to face unprecedented problems. These affected all the sectors in the country. This study aims to determine the effects of COVID 19 pandemic on the financial performance of the selected listed companies in Oman for the three quarters before and after the COVID-19. The data were collected from Muscat Securities Market. Based on the research and its result written in previous chapters, this study has achieved its objective in explaining the research questions and hypotheses by examining between variables involved.

Overall, the study discovered that there is no significant difference in Current Ratio, Total Equity to Total Assets Ratio and Return on Equity of the companies before and after COVID-19 pandemic. However, there is a significant difference in Total Assets Turnover of the companies before and after COVID-19 pandemic. The results also showed that after the pandemic, all companies experienced some declining financial performance in different ratios and timelines. The level of impact and timelines depend on each company's strategy and strength.

**13. Recommendations**

Based on the findings of the present research, our recommendations to face the crisis and for further development are as follows:

A lower total assets turnover ratio of Bank Muscat indicates that bank is not using its assets as efficiently during pandemic. Also lower ratio indicates that bank is not well organized in generating sales or incomes from its asset base during the pandemic.

Total assets turnover ratio of Oman Oil Company is decreasing drastically between before pandemic and after pandemic. This might be due to less demand for the product during the pandemic. After the pandemic

started, the consumption of oil was down due to nation-wide lock down implemented to contain the spread of coronavirus.

The profitability of Al Anwar Ceramic is drastically reduced after the pandemic started. Its net income also got affected and resulted in lower ROE.

Oman Telecom has surprisingly also suffered with negative working capital, as its current assets are lower than its current liabilities.

Dhofar Insurance ratios are also decreasing but surprisingly not that much affected with compare to other companies.

Based on the research findings, the Liquidity was one ratio that was improved after the pandemic compare to before the pandemic. Therefore, it is recommended when in crisis, companies must try to improve their Liquidity and optimize their Activity Ratio.

In order to examine and analyze further impact of the pandemic, it is recommended to extend the periods after the pandemic i.e Q4/2020, Q1-Q2/2021 to get clearer impact of pandemic in longer term.

Other study is also recommended to see on the industry's business strategic to survive and overcome the pandemic impact.

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