

FINANCIAL PERFORMANCE ANALYSIS USING PROFITABILITY RATIO AT PT. INDOFOOD MAKMUR TBK SUCCESS. REGISTERED ON THE INDONESIAN STOCK EXCHANGE (BEI) 2021-2022

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Abstract

Financial performance is a description of the achievements that management has achieved in carrying out its function of managing company assets each period. Financial performance is needed to measure the success of cooperatives in achieving their goals, namely increasing the welfare of members and the ability to pay debts. The financial performance of a cooperative is a reflection of the progress of the cooperative. Financial performance is usually reflected in financial reports, so that financial reports are a picture of a company at a certain time, usually arranged in periods or accounting cycles which show the financial condition that a company has achieved in a certain period.

Keywords: *Financial Performance, Financial Ratios, Profitability Ratios*

Introduction



In assessing the financial performance of a company, several benchmarks are needed. Benchmarks that are often used are ratios or indices that relate two financial data to each other. Assessment of a company's financial performance is one way that management can fulfill its obligations to funders and also achieve the goals set by the company. Apart from achieving the desired goals, financial performance assessments can also be used and used as a basis for decision making for both internal and external parties of the company (Putri Hidayatul Fajrin, 2016). Financial reports are an information medium that summarizes all company activities. As technology advances, various companies are now required to develop their business as much as possible. One way is to register the company on the Indonesian Stock Exchange or capital market. With so many companies listed on the Indonesian Stock Exchange, competition between companies will increase. (Harahap, 2013). PT. Indofood Sukses Makmur, Tbk. is one of the well-known large companies in Indonesia. This company operates in the food and beverage processing sector which was founded in 1971 and has branches in almost all regions in Indonesia with a commitment to producing quality, safe and halal processed food products for consumption. Aspects of freshness, cleanliness, nutritional content, taste, practicality, safety and halal consumption are always Indofood's priorities to ensure product quality is always excellent. Profitability is a company's ability to generate profits during a certain period. The profitability of a company is measured by the company's success and ability to use its assets productively. Thus, the profitability of a company can be determined by comparing the profits obtained in a period with the total assets or amount of capital of the company. (Harahap, 2010).

Financial reports aim to provide company financial information, both to owners, management and external parties who have an interest in the report. Financial reports are also a tool to account for work results based on the trust given by company owners to managers. (Kasmir, 2012).

Research methods

The data obtained in this research was through field observations, while the documentation data obtained was in the form of financial ratios which were managed descriptively quantitatively. In analyzing this data, the author used the Profitability Ratio Analysis Method. (Martono and Harjito, 2015).

A. Profit margin gross (GPM)

$$\text{Gross Profit Margin (GPM)} = \text{Gross Profit (Gross Profit)} / \text{Net Sales} \times 100\%.$$

B. Net Profit Margin (NPM)

$$\text{NPM} = \text{Net Profit After Tax} / \text{Net Sales} \times 100\%$$

C. Return on Assets (ROA)

$$\text{ROA} = \text{Net Profit After Tax} / \text{Total Assets} \times 100\%.$$

D. Return on Equity (ROE)

$$\text{ROE} = \text{Net Profit after tax} / \text{Shareholders' Equity} \times 100\%$$

Results And Discussion

A. Gross Profit Margin (GPM)

gross profit and sales PT. Indofood Sukses Makmur net which will be used to analyze the gross profit margin ratio:

YEAR	GROSS PROFIT MARGIN (GPM)
2018	27.5 %
2019	34%
2020	37%
2021	36%

Based on the Gross Profit Margin (GPM) indicator can showed on Table 6 shows the average performance finance company for 3 years in period 2019 to 2021 time stated category Good with acquisition mark by 36%. That means , company succeed book profit dirty in a way positive from activity sales carried out company .

Based on Table 6 is known results GPM ratio experienced enhancement on in 2020 amounted to 37% of year previously by 34%. Enhancement mark this GPM ratio because percentage increase amount profit dirty more big compared to percentage increase sale each of 19.58% and 10.27%. The company was successful report enhancement mark sale 2020 from _ year previously Because its height request traded products _ by company Good local nor international , esp For country Middle East and Africa . This matter aligned with opinion Ramadhani , et al (2020) that price material agriculture And expensive food in these countries Africa , make product Indomie instant noodles easy For enter share markets in Nigeria , Egypt , and South Africa . His height number sale Of course influential to increase burden principal sale However company succeed push expenditure post cost principal sale so that acquisition profit dirty you get Can more tall . Mark achieved GPM ratio industry average standards can become Power pull for potential investors and investors. This matter supported by results study from Aldini & Andarini (2017) that mark GPM ratio has an effect to price share company . Mark increasing GPM ratio tall shows the profit obtained company Also tall so that investor confidence increases And raise price share .

B. Net Profit Margin (NPM)

The following is data on the amount of net profit and sales PT. Indofood Sukses Makmur net which will be used to analyze the Net profit margin ratio:

YEAR	NET PROFIT MARGIN (NPM)
2018	24.55 %
2019	26.0%
2020	494 %
2021	9 %
2022	8 %

On In 2018, the N PM value of PT INDOFOOD SUKSES MAKMUR Tbk decreased by 2.4.5 % and in 2019 it increased to 2.6.0 % . PT Indofood Sukses profit margin Prosperous Tbk moment in 2020 it was 0.47. That is , after cut cost production , costs operational , and burden others , company Still capable obtain profit amounting to 47% of his income on 2020. Profit margin of PT Indofood Makmur Tbk on in 2021 of 0.50 shows that company obtain profit of 50 of every rupiah of income earned from sale . That is, after cut cost production , costs operational , and burden others , company Still capable obtain profit by 50% of his income on in 2021. Results This show addition than year previously (2020), which proves actually PT Indofood Makmur Tbk succeed increase efficiency operational And manage cost with more Good on in 2021. Profit margin of PT Indofood Makmur Tbk on in 2022 it will be 0.41. That is , after cut cost production , costs operational , and burden others , company Still capable obtain profit amounting to 41% of his income on in 2022, though experience decline from in 2021 but company Still can manage efficiency cost with Good .

C. Return On Assets (ROA)

The following is data on the amount of net profit and Total assets of PT. Indofood Sukses Makmur which will be used to analyze ROA:

YEAR	EAT	TOTAL ASSETS	ROA
2018	4658	34367	13.55 %
2019	5 360	38709	13.85%
2020	7418	103502	7.16%
2021	7911	118015	6.70%
2022	5722	115305	4.96%

The table shows that the RO A percentage decreased from 13.55% in 2018 to 4.96% in 2022 in 2018-2022. RO A may change due to changes in profit margins and/or investment returns. High profit margins are characterized by increasing profits. Profits are high when you can increase sales and keep costs as low as possible. The higher the profit margin, the higher the RO A.

D. Return On Equity (ROE)

The following is data on the value of net profit after tax (EAT) and total equity of PT Indofood Sukses Makmur which will be used to analyze the Return Of Equity (ROE) ratio.

	2018	2019	2020	2021	2022
Equity	49,916,800	54,202,488	79,653,950	86,986,509	93,623,038
EAT	4,961,851	5,360,029	8,752,066	11,203,585	9,192,569

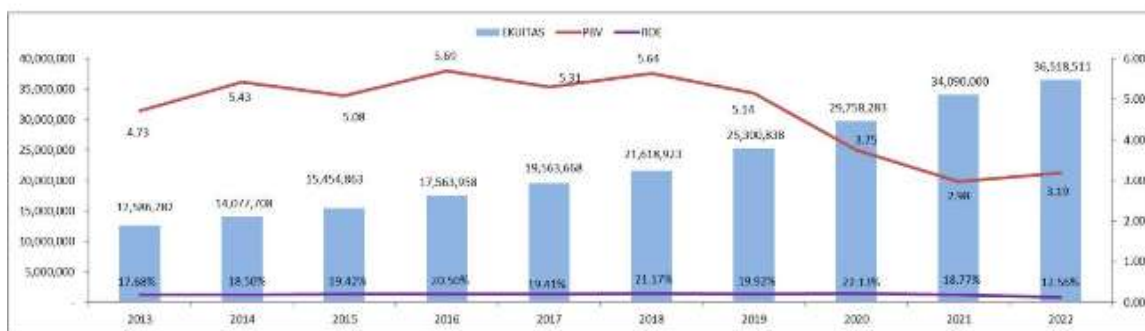
Table: presented in millions of rupiah

In 2018, the ROE value of PT. Indofood Sukses Makmur was 9.9% or more simply, for every Rp. 1,000 invested in Indofood, it could generate a profit of Rp. 99. An ROE value that is close to 100% or higher is said to be better. Only in 2020 and 2021 the ROE value increased to 10.9% and 12.8%. This is because the value of net profit in both years has increased. However, at the end of the 2022 period, the ROE value fell to 9.8% due to a decrease in net profit. Overall, the ROE value of PT. Indofood Sukses Makmur in 2018-2022 experienced downward fluctuations even though it was in the efficient category.

Based on the results of the financial performance analysis of PT. Indofood Sukses Makmur from 2018 to 31 December 2022 can be briefly seen in the following table :

Ratio Type	2018	2019	2020	2021	2022	Criteria
Liquidity Ratio (Current Ratio)	1.9	2.5	1.3	1.3	1.8	Very good
Solvency Ratio (Debt to Asset Ratio)	0.3	0.1	0.5	0.5	0.5	Very good
Profitability Ratio (Return Of Equity)	9.9%	9.8%	10.9%	12.8%	9.8%	Efficient

HISTORI EKUITAS, PBV, DAN ROE



ROE Equity History Chart

The influence of profitability ratios on financial performance at PT Indofood Sukses Makmur Tbk

Profitability ratios are ratios used to measure a company's ability to generate profits from financial investments. Research was conducted to determine the effect of profitability ratios on financial performance at PT. Indofood Sukse s Makmur Tbk. Based on the search results , several studies have been conducted to analyze the financial performance of PT. Indofood Sukses Makmur Tbk using profitability ratios. Several research results show that PT. Indofood Sukses Makmu r Tbk succeeded in increasing its financial percentage well. However, there are also research results which show that the company's profitability ratio value is still not good. Therefore, it can be concluded that the influence of profitability ratios on financial performance at PT. Indofood Sukses Makmur Tbk still needs further research by considering other factors that influence the company's financial performance.

Conclusion

Based on the results of analysis and calculations of financial performance, it can be concluded that PT Indofood Sukses Makmur Tbk is able to compete with other companies. Based on the results of the analysis and calculation of profitability ratios, it can be seen that the company has a fairly good level of profitability. Even though the company experienced a decline in its profitability ratio, the company was able to increase its profitability ratio again so that the company was able to pay its obligations. In assessing the financial performance of PT. Indofood Sukses Makmur based on profitability ratio analysis using the Return of Equity (ROE) ratio, it was found that the value from 2018 to 2022 experienced fluctuating conditions but was still in the efficient category.

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