

Original Article

Financial Performance of PT.Indofood Sukses Makmur Tbk. Reviewed Based on Profitability Ratio Analysis

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Abstract: The purpose of conducting this research is to be able to find out the financial performance that has been carried out to find out whether the performance of the company has been effective and efficient. Financial position and profit and loss are used as a reference in this study from 2019 to 2021. Financial ratios are used to determine whether a company's condition is in good condition or not. The research uses secondary data obtained from Bei, and the results of this study show that the mean GPM, NPM and ROA are effective, while ROE is not effective because it is within the correct figure, namely 20 percent.

Keywords: Analysis of Financial Ratios, Financial Performance and Profitability Ratios.

I. INTRODUCTION

Obtaining maximum profit is one of the objectives of a business activity, so it is necessary to have activities carried out effectively and efficiently to support the company in obtaining results from these objectives, for example, being able to do consistent work time and having work that is in accordance with the capabilities of each employee (Hasanaha & Lubis, 2023).

The company is said to be a building that stands upright without joining the owner; this is done so that the owner and agent can be connected to the financial statements. Financial reports are stated as information that can assist in taking action in terms of investment, credit decisions and others regarding funding sources (Fajrin & Laily, 2016). Financial statements can be described as the company's condition within a certain period. To find out whether the company has good conditions, an analysis of the report can be carried out because it contains transactions that occurred during the accounting period.

Company performance can be done by analyzing company ratios. One of them is by using profitability to see the company's ability to earn profits because if the company's ability is good in obtaining these profits, of course, it can help companies in carrying out their company activities so that companies can minimize the use of external funds that are excessive (Alqurni & Nindiasari, 2022).

II. LITERATURE REVIEW

A) Financial Statements

Financial statements said are a report consisting of information about company activities such as investing, operational activities and others at a certain period of time. There are 5 financial statements, including a balance sheet, statements of income, statements of changes in equity, free cash flow and CALK. There is this report in order to be able to evaluate the work results of the company.

B) Financial Performance

The Indonesian Accounting Association (2007) states that financial performance is an entity's ability to control resources. Financial performance concerns aspects of raising and disbursing funds, such as capital structure which includes capital and debt as well as profitability (Marhaeni et al., 2020). Therefore, financial performance can be said to be an illustration of the company's condition with several indicators to see the company's achievements.

C) Financial Ratio Analysis

In carrying out calculations, the company certainly requires a size as a benchmark for interpretation, and the ratio is one of the benchmarks. The ratio is said to be a value that shows the relationship between one number and another that can explain the data in a financial statement. Lumempow et al. (2021) said that the ratio is stated as a reference with which there is an evaluation of the position and financial operations of the company by comparing the previous period and the current period.

D) Profitability Ratio

Profitability is a ratio that is imposed by making a comparison between the accounts contained in the statement of financial position and profit and loss, which aims to obtain information about the company's profit/loss income both after and



before tax deductions are made in a certain period. There are several profitability ratios, and those used by researchers are ROA and ROE.

III. RESEARCH METHODS

The data obtained from this research uses quantitative descriptive by analyzing data obtained from the Indonesia Stock Exchange by addressing the effectiveness of the profitability ratio in the relationship between sellers and profits. This research uses secondary data obtained from the financial statements of PT. Indofood Sukses Makmur Tbk. The financial reports used for research are 2019, 2020 and 2021 financial reports sourced from the Indonesia Stock Exchange, recognizing this data using a 4-step profitability ratio analysis method.

1. Gross Profit Margins

$$GPM = \frac{\text{Gross profit}}{\text{Sales}} \times 100\%$$

2. Net Profit Margins

$$NPM = \frac{\text{Net profit}}{\text{Sales}} \times 100\%$$

3. Return on Assets

$$ROA = \frac{\text{Profit after tax}}{\text{Total Assets}} \times 100\%$$

4. Return on Equity

$$ROE = \frac{\text{Profit after tax}}{\text{Total equity}} \times 100\%$$

IV. RESULTS AND DISCUSSION

A) Gross Profit Margins (GPM)

Table 1: Gross Profit Margin PT. Indofood Sukses Makmur Tbk

Period	Gross Profit Margins
2019	29.65%
2020	32.73%
2021	32.67%
Average	31.68%

Source: Data processed 2023

Table 1 states that PT. Indofood Sukses Makmur Tbk 2019 obtained a figure of 29.65%, then in 2020, it rose to 32.73%, and in 2021, it experienced a slight decrease of 32.67%. The increase was due to the company being able to control its operational costs by increasing prices through sales. PT Indofood Sukses Makmur Tbk has an average GPM of 31.68%, which means that the higher the GPM value, the better the company's condition because the cost of goods sold is smaller than sales and if the GPM decreases, the company is stated to have a bad situation.

B) Net Profit Margins (NPM)

Table 2: Net Profit Margin PT. Indofood Sukses Makmur Tbk

Period	Net Profit Margins
2019	7.7%
2020	10.7%
2021	11.27%
Average	9.89%

Source: Data processed 2023

Table 2 describes PT. Indofood Sukses Makmur Tbk in 2019 obtained an NPM of 7.7%, and in 2020, it increased to 10.7%; in 2021, it experienced another increase of 11.27% due to a reduction in the cost of goods sold, resulting in a high net profit that year by the mean is 9.89% which means the higher the NPM, the better the company's ability to generate profits and a small NPM shows the company's inefficiency in carrying out operational activities.

C) Return on Assets (ROA)**Table 3: Return on Assets PT. Indofood Sukses Makmur Tbk**

Period	Return on Assets
2019	6.13%
2020	5.36%
2021	6.25%
Average	5.91%

Source: Data processed 2023

Based on Table 3, it can be seen that PT. Indofood Sukses Makmur Tbk in 2019 had a ROA of 6.13%, and then in 2020, it decreased by 5.36% and in 2021, it experienced an increase of 6.25% which could occur due to the company's ability to generate profits from its assets. The average ROA of PT Indofood Sukses Makmur Tbk is 5.91%. So it can be concluded that the mean value obtained is getting better because it shows effectiveness in carrying out daily activities.

D) Return on Equity (ROE)**Table 4: Return on Equity PT. Indofood Sukses Makmur Tbk**

Period	Return on Equity
2019	10.9%
2020	11.06%
2021	12.93%
Average	11.63%

Source: Data processed 2023

Seen from Table. 3 PT. Indofood Sukses Makmur Tbk in 2019 had an ROE of 10.9%, which increased in 2020 by 11.06% and in 2021, there is also an increase of 12.63%. It is stated that the higher the return on equity generated, the better it will be for the entity because the owner's position will be stronger in the company. However, the increase that occurred was said to be less efficient due to the use of own capital so that the average PT. Indofood Sukses Makmur Tbk is at 11.63%, which illustrates the company's ability to generate profits from its own capital. However, this figure is not appropriate because it is stated that the ROE figure must be above 20%. With a decrease in stock prices, the company is declared inefficient because it has been unable to generate high profits.

V. CONCLUSION

The description of the results and interpretation of the research can be concluded as follows:

1. The mean value of the GPM of PT Indofood Sukses Makmur Tbk is 31.68%, which means it is efficient because it is above 20%.
2. NPM's mean PT Indofood Sukses Makmur Tbk is 9.89%, which means it is effective because it is above the 5% mark.
3. The Mean value of PT Indofood Sukses Makmur Tbk's ROA is 5.91% which is said to be efficient because it is at 5%.
4. Means from ROE PT. Indofood Sukses Makmur Tbk amounted to 11.63%, which means it has not been declared efficient because it is below the 20% figure.

VI. REFERENCES

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