

ANALYSIS REPORT FINANCE PT. INDOFOOD SUKSES MAKMUR TBK PERIOD 2020-2024

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Abstract

Financial performance is an essential indicator for assessing a company's financial health and business sustainability amid increasingly dynamic competition. This study aims to analyze the financial performance of PT Indofood Sukses Makmur Tbk using a financial ratio analysis approach. The research employs a descriptive quantitative method, utilizing secondary data derived from the company's officially published financial statements. The analytical techniques applied include liquidity, solvency, and profitability ratios to evaluate the company's ability to meet its short-term and long-term obligations as well as to generate profits. The results indicate that PT Indofood Sukses Makmur Tbk demonstrates a relatively strong level of liquidity, reflecting its capability to fulfill short-term liabilities. In terms of solvency, the company shows a fairly stable capital structure, although it remains partially dependent on debt financing for its operations. Meanwhile, profitability ratios reveal fluctuations in earnings performance, influenced by both economic conditions and operational factors. Overall, the findings suggest that the financial performance of PT Indofood Sukses Makmur Tbk is in a generally good condition; however, the company is encouraged to improve asset and capital efficiency to ensure sustainable financial performance in the future. This study is expected to provide valuable insights for management evaluation and serve as a reference for investors and future researchers.

Keywords: *financial performance, liquidity ratio, solvency ratio, profitability ratio, PT Indofood Sukses Makmur Tbk*

INTRODUCTION

Performance finance is indicator main Which reflect level health, stability, and the sustainability of a company in carrying out its business activities. In an increasingly competitive business environment competitive And dynamic, company sued For capable manage source Power finances effectively and efficiently in order to maintain business continuity and increase company value. Performance finance No only become attention management internal, but Also become The primary consideration for investors, creditors, and other stakeholders in making economic decisions. Rasyid et al. (2025) emphasize that performance analysis is a crucial parameter in assessing a company's overall financial stability and risk. Financial statements are the primary source of information, providing an overview of a company's financial position, operating results, and cash flow over a specific period. Through financial statements, users can evaluate a company's ability to generate profits and meet short-term and long-term obligations. Hasanah and Lubis (2023) state that financial statements serve as a vital communication channel between a company and its stakeholders, therefore, the quality of analysis of these statements is crucial for accurate performance assessments. Suleman et al. (2023) add that results analysis report finance give a true picture of past performance to project future growth potential. For interpret data finance Which complex, required tool analysis Which appropriate, one of them through analysis ratio finance. Analysis ratio finance is technique Which linking various items in financial reports to produce more meaningful information for decision-making. Riyadi et al. (2025) explain that these ratios are generally grouped into liquidity, solvency, activity, and profitability ratios, each of which has its own significance. function different in evaluate condition finance entity. Widiyasrani (2023) emphasize that the use of financial ratios is very useful in predicting profit growth and evaluating managerial efficiency. PT Indofood Sukses Makmur Tbk is one of the largest manufacturing companies in Indonesia, operating in the food and beverage industry. With its " total food

solutions " business model and strong vertical integration structure, Indofood plays a strategic role in meeting national food needs. Rasyid et al. (2025) stated that Indofood's large business scale and operational complexity make it a highly relevant object for research into its financial performance. in context industry Fast Moving Consumer Goods (FMCG). As company Openly, Indofood is also required to maintain transparency and accountability of its financial performance to the public. The 2020-2024 period was chosen as the focus of the research based on the dynamics of the global economy, which was rife with external turmoil. This period witnessed significant economic shifts, beginning with the impact of the COVID-19 pandemic, which tested the resilience of companies' operations and supply chains. Rashid et al. (2025) highlight that post-pandemic, company face challenge New challenges in the form of global inflationary pressures and supply chain disruptions require more careful liquidity and profitability management. Heryanti (2023) in Ravina et al. (2024) emphasized that despite economic challenges, public demand for consumer goods remains high, allowing this sector to continue growing amidst uncertainty. In addition to external factors, Indofood's internal dynamics also underwent fundamental changes through a major corporate action, namely the acquisition of Pinehill Company Limited in 2020. This strategic transaction drastically altered the consolidated balance sheet, particularly in terms of long-term liabilities. Riyadi et al. (2025) noted that the acquisition had a direct impact on increasing the company's leverage level at the beginning of the observation period. Therefore, an evaluation of the solvency ratio during period 2020-2024 become very crucial For evaluate ability company in managing its capital structure and long-term liabilities. Although many studies have been conducted on PT Indofood Sukses Makmur Tbk, research that integrates the analysis of various ratios comprehensively in the context of economic dynamics is lacking. latest Still need Keep going developed. Hasanah And Lubis (2023) as well as Septiani And Subariyanti (2023) showed that company performance still fluctuates during certain periods due to production costs and macroeconomic conditions. Based on this background, this study aims to analyze the company's financial performance for the 2020-2024 period to provide a comprehensive overview of the effectiveness of management strategies. The results are expected to serve as evaluation material for management and as a strategic reference for investors in making investment decisions.

LITERATURE REVIEW

Financial performance is a crucial indicator in assessing a company's health and sustainability amidst dynamic business competition. According to Hasanah and Lubis (2023), financial reports present information that illustrates a company's financial condition, which then serves as the basis for describing the entity's financial performance. Suleman et al. (2023) add that analysis of financial reports provides a description of the financial condition. Which become material consideration important in process taking decision economy. In addition, Tambunan and Simbolon (2021) stated that one indicator of a company's success in presenting its performance can be measured through profit growth. Analysis report finance involving process systematic For get understanding An in-depth analysis of financial conditions by deconstructing the components of financial statements. Hery (2020) explains that this process aims to thoroughly examine each element of the financial statements to identify the entity's financial characteristics. According to Septiani and Subariyanti (2023), the advantage of the ratio analysis approach lies in its ability to simplify complex financial information into indicators that are easier to understand and can be compared between periods. Hutabarat (2020) emphasizes that financial performance assessment specifically aims to measure profitability, liquidity, and solvency as key indicators of management effectiveness.

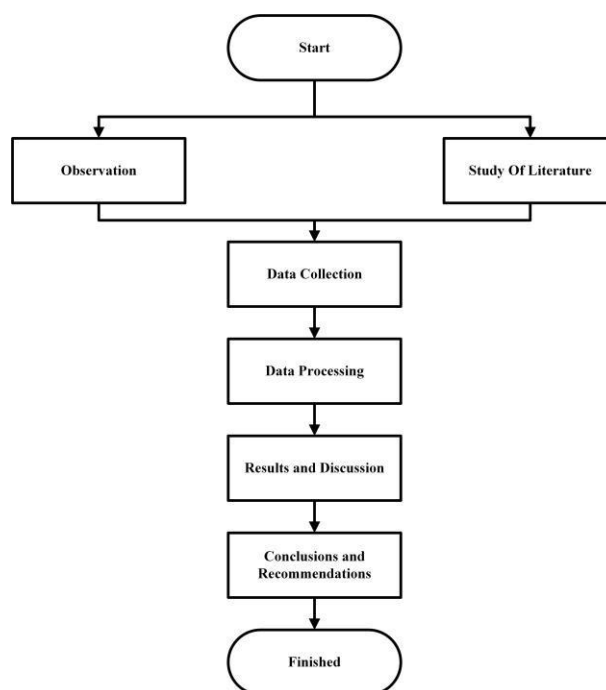
In in practice, analysis ratio finance grouped to in a number of category Functional ratios include liquidity, solvency, activity, profitability, and market value ratios. According to Riyadi et al. (2025), liquidity ratios are specifically used to assess a company's ability to meet its short-term obligations on time. Meanwhile, solvency ratios reflect a company's ability to meet all its obligations and indicate the entity's level of dependence on external funding or debt. Hasanah and Lubis (2023) explain that the use of these various ratios serves to connect items in the financial statements, thus generating informative information for the company's future strategic steps. Profitability and activity ratios are important parameters for measuring operational efficiency. generating profits from operational activities and from the use of assets and capital owned. Rasyid et al. (2025) stated that a high level of profitability reflects the success of management. in manage source Power company in a way efficient. In side other, ratio activity used for evaluate as far as where company optimize assets Which he has, like supply and total assets, to support business activities in generating sales. Management of these ratios in a way effective proven own influence direct to potential improvement profit company.

Empirical research on PT Indofood Sukses Makmur Tbk over the past few years provides description performance Which varies. Hasanah And Lubis (2023) find that The company generally shows a fairly good level

of liquidity in meeting its short-term obligations. However, Rashid et al. (2025) take notes that although structure capital company While relatively stable, dependence on debt financing remains a long-term risk variable that needs to be managed prudently. Septiani and Subariyanti (2023) concluded that although ratio analysis is effective as an evaluation instrument, its interpretation must be carried out carefully considering the dynamics of the financial environment. business Which Keep going changed. By Because That, integration various ratio finance very is needed to provide a comprehensive evaluation of the company's financial resilience in navigating global economic uncertainty.

METHOD

The research method used in this study is descriptive with a quantitative approach. This descriptive approach was chosen to provide a systematic and objective overview of the financial position and performance development of PT Indofood Sukses Makmur Tbk from year to year. without intend to test hypothesis certain. Temporary That, approach quantitative implemented because the data analyzed in the form of financial figures that comes from the company's official financial reports, thus allowing for measurable and accurate financial ratio calculations.



Picture 1

Object study This is PT Indofood Success Prosperous Tbk, Which chosen Because his status as one of the largest Fast Moving Consumer Goods (FMCG) companies in Indonesia with relatively stable financial performance amidst global economic dynamics. The observation period covered a five-year period, from 2020 to 2024. This timeframe is considered representative for assessing the company's resilience in facing various macroeconomic challenges from the post-pandemic to the global commodity crisis. The data used in this study is secondary data in the form of consolidated annual financial statements audited by independent auditors. The data sources were obtained through documentation of annual reports officially published by companies and through the official website of the Indonesia Stock Exchange (IDX) at www.idx.co.id. The data collection technique was carried out through documentation studies, namely by collecting, recording, and reviewing relevant financial documents to ensure a high level of data reliability and validity. The data analysis technique used is financial ratio analysis, which simplifies complex financial data into easily understood indicators. The variables analyzed fall into five main categories:

- **Ratio Liquidity** : Used For evaluate ability company in meet its short-term obligations.
- **Ratio Solvency** : Used For measure ability company meet long-term obligations and assess its capital structure.
- **Ratio Activity** : Used to assess the level of efficiency of a company in utilizing its assets to generate sales.
- **Ratio Profitability** : Used For measure ability company in generating profits from the use of assets, capital, and sales.
- **Ratio Mark Market** : Used For evaluate perception investors to mark company in the capital market.

The data processing process is carried out carefully using data processing software to minimize calculation errors and ensure data consistency between periods. ratio furthermore analyzed in a way descriptive through analysis trend use see pattern changes in financial performance, whether in the form of increases, decreases, or stability of the ratio during the 2020-2024 period. Steps final is withdrawal conclusion based on results interpretation ratio For answer the research objectives regarding the overall level of financial health of the company.

RESULTS AND DISCUSSION

The research results were obtained through financial ratio calculations, including liquidity, solvency, activity, profitability, and market value ratios. The discussion is conducted by interpreting results calculation the in a way logical, link it with condition economy that happened during period study, as well as connect it with draft analysis report finance relevant. A summary of the results of the ratio calculations is presented in Table 1 as follows:

1. Analysis Ratio Liquidity

The results of the analysis show that PT Indofood Sukses Makmur Tbk has the ability relatively Good in fulfil obligation term in short. Mark current The quick ratio has consistently been above 1.0, peaking at 1.83 times in 2022. This significant increase in 2022 reflects the strengthening of current assets as a management strategy to maintain cash reserves amid post-pandemic economic uncertainty. However, the quick ratio in 2023–2024 tended to be below 1.0, at 0.85 and 0.83 times, respectively. This condition indicates the company's dependence on cash flow. supply For pay off obligation term short in a way instant, Which where still considered reasonable for the FMCG industry.

2. Analysis Ratio Solvency

Structure capital company show repair Which outside normal effective through strategy deleveraging . On year 2020, ratio DER increase become 1.06 time consequence a surge in long-term debt to finance the strategic acquisition of Pinehill Company Limited. However, along with the accumulation of retained earnings and prudent debt management , the DER value has consistently decrease until reach level lowest 0.83 time on year 2024 . Decline This solvency ratio indicates that the company's long-term financial risks are increasingly under control and the capital structure is now dominated by equity.

3. Analysis Ratio Activity

Efficiency level utilization company assets is at on category stable and productive. Total Asset Turnover (TATO) increased from 0.50 times on in 2020 to stabilize at 0.60 times in the 2023-2024 period. This increase indicates that new assets resulting from acquisition Pinehill start contribute optimal to income company. Inventory turnover slowed slightly in 2022 to 4.65 times, compared to 5.27 times in 2021. This reflects management's policy. in do accumulation stock (stockpiling) material standard For anticipating global supply chain disruptions and commodity price volatility in the year.

4. Analysis Ratio Profitability

Company show toughness (resilience) in produce profit despite facing input cost fluctuations. Profitability came under pressure in 2022, where ROA down become 5.07% And NPM become 8.25%. Decline This caused by by surge global commodity prices such as wheat and palm oil which increase the Cost of Goods Sold Sale (HPP) more fast than increase price sell. However, on year 2023 In 2020 and 2024, the company successfully recovered its performance, with ROA increasing again to 5.84% and 6.39%, respectively. This increase demonstrates Indofood's robust pricing power and operational efficiency.

5. Analysis Value Ratio Market

Performance fundamental Which solid reflected on growth Earnings Per Share (EPS) which continues to set records from Rp735 in 2020 to Rp1,115 in 2024. This significant increase in EPS provides significant added value for shareholders. Interestingly, the ratio PER precisely show downward trend from 9.32 time on 2020 becomes 6.61 time in 2024. This indicates that the current market share price is undervalued or does not fully reflect the company's net profit growth. This situation holds the potential for long-term profits for investors through a combination of stable dividend income and potential future share price increases (capital gains).

CONCLUSION

Based on a comprehensive analysis of the financial performance of PT Indofood Sukses Makmur Tbk during the 2020–2024 period, this study concludes that the company has very strong fundamentals. sturdy And resilient in face dynamics economy global. A number of points main results The evaluation is as follows:

- **Liquidity** : The company consistently maintains healthy liquidity conditions with a Current Ratio Which always is at in on limit safe 1.3 time. However, low Quick Ratio (0.83 time in 2024) indicates that company Still own dependence Which Enough tall on inventory turnover speed to maintain operational cash flow.
- **Solvency** : Management debt proven very effective through strategy deleveraging post-strategic acquisition of Pinehill Company Limited. This is reflected in the consistent decline in the Debt to Equity Ratio (DER) from 1.06 time on year 2020 become 0.83 time on year 2024, which indicating that the capital structure is now dominated by equity and long-term financial risks are increasingly under control.
- **Activity** : The company is able to manage its assets and inventory efficiently. The stability of the asset turnover ratio demonstrates management's consistency in utilizing resources to generate revenue, despite adjustments to its raw material inventory strategy due to global supply chain disruptions.
- **Profitability** : Indofood demonstrated strong pricing power and operational efficiency amidst rising global commodity price pressures. This was evidenced by a significant surge in earnings per share (EPS), which grew significantly from Rp735 (2020) to Rp1,115 (2024), as well as an increase in Return on Equity (ROE) of 11.69%.
- **Market Value** : The impressive growth in fundamental performance has not been fully reflected in the stock market valuation, as indicated by the decline in the Price to Earnings (PER) ratio to 6.61 times in 2024. This condition indicates that The company's shares are undervalued and have the potential to increase in value in the future in line with the sustainability of the company's financial performance.

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