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Abstract

The purpose of this study is to determine financial performance by using financial statement analysis methods and economic value-added methods. This research is a comparative study with a quantitative approach. The sample in this study was PT Mayora Indah Tbk for the 2015–2019 period. The data used is secondary data in the form of financial reports issued by the company every year. The results of this study indicate that PT Mayora Indah Tbk both produce good financial performance. When viewed from the method of analysis of financial statements, as well as economic value added (EVA), every year, PT Mayora Indah has financial ratios that are considered good. And PT Mayora Indah generates added value every year, which can be judged as the company’s financial performance is good every year.

Key words: financial statement analysis, financial performance, economic value added, liquidity, profitability, solvency

Introduction

The Food and Beverage industry sector is one of the business sectors that continues to experience growth. Along with the increasing population growth in Indonesia, the volume of demand for Food and beverages continues to increase. The tendency of the Indonesian people to enjoy ready-to-eat food has caused many new companies to emerge in the food and beverage sector. Therefore, the competition between companies is getting stronger. With this increasingly intense competition, companies require companies to strengthen fundamentals so that companies can compete with other similar companies. When a company is not able to compete with global companies, it will result in a decrease in the volume of the company so the company will go bankrupt.

One of the many Food and Beverage companies is PT. Mayora Indah Tbk. As one of the three largest market capitalizations in the consumer goods sector in the food and beverage industry, in addition to PT. Indofood Sukses Makmur Tbk, and PT Indofood CBP Sukses Makmur Tbk.

To measure a company’s financial performance, investors usually look at the performance as reflected in the Financial Statements based on several methods of analysis results: such as Financial Ratios and Economic Value Added (EVA) methods as well as other methods that are relevant to the object of the company. The advantage of financial
ratio analysis is that it is possible to compare performance and financial condition accurately. The weaknesses of this analytical tool include that this analysis tool has not been able to satisfy the management, especially for funders (Nugraha, 2017).

Quoted from the CNBC Indonesia website, (29/10/2019) As of September 30, 2019, the total profit that can be pocketed by MYOR decreased by 0.37% on an annual basis to Rp 1.09 trillion, from the previous Rp 1.1 trillion at the end of September last year. Furthermore, if we look at the quarterly performance, it seems that the stagnant income level and the limited correction of MYOR’s net profit post were caused by the decline in financial performance in the third quarter of 2019. The company’s bottom line performance was depressed along with a significant increase in operating expenses which grew by 16.93% on an annual basis to a level of Rp 3.51 trillion from only Rp 3 trillion in the first 9 months of 2018. The cost items that caused operating expenses to soar were salaries and employee benefits, advertising and promotion costs, and write-offs of bad debts. This increase in expenses can lead to erosion of operating profit and a decline in financial performance. So that makes investors’ interest in the company also decrease.

In assessing the company’s financial performance, the company’s soundness level for shareholders is very important to know the actual condition of a company, so that the capital to be targeted is quite safe and obtains a favourable rate of return from the investment invested. So, an incorrect assessment of financial performance will lead to errors in investment decision-making for investors.

**Literature Review**

**Finance Management**

According to Fahmi (2018:2), financial management is a combination of science and art that discusses, examines and analyzes how a financial manager uses all company resources to seek funds, manage funds, and distribute funds with the aim of being able to provide profit or prosperity for the community, shareholders and business sustainability for the company.

According to Musthafa (2017:3), financial management explains several decisions that must be made, namely investment decisions, funding decisions or decisions to fulfill fund needs, and dividend policy decisions.

According to Cahyowati (2018:9), there are four functions of financial management, namely;

a. Financial management involves planning, analyzing, and controlling financial activities. Thus, within the company, these activities are not limited to the “Finance Department”.

b. Financial managers need to obtain funds from financial markets or financial markets. The funds obtained are then invested in various company activities, to fund company activities. If the activity of obtaining funds means the company issues financial assets, then the activity of investing funds makes the company have real assets.

c. From the activity of investing funds (called investment), the company expects to get a greater return from its sacrifice. In other words, it is expected to obtain "profit". Profits earned need to be decided to be returned to the owner of the funds (financial market), or reinvested in the company.

d. Thus the “financial manager” needs to make decisions about the use of funds (referred to as investment decisions), obtaining funds (referred to as funding decisions), and profit sharing (referred to as dividend policy).

According to Fahmi (2018:4), there are 3 objectives of financial management, namely;

a. Maximize company value.

b. Maintain financial stability under controlled conditions.

c. Minimize the company’s risk in the present and in the future

**Financial performance**

According to Fahmi, (2018:2) Financial performance is an analysis carried out to see the extent to which a company has implemented it using financial implementation rules properly and correctly.

According to Silalahi and Lilis (2017:3) financial performance is a formal business that has been carried out by a company that can measure the success of a company in generating profits, so that it can see the growth, prospects and potential of the company’s development.

**Financial Ratio Analysis**

According to Harahap (2015: 190) financial statement analysis is to describe financial statement posts (financial statements) into smaller units of information and see the relationship that is significant or has meaning between
one another, both quantitative data and non-quantitative data with The aim is to find out deeper financial conditions which are very important in the process of making the right decisions.

Meanwhile, according to Dwi Prastowo (2015: 52) financial statement analysis is a considerate process in order to help evaluate the current and past financial position and results of operations of the company, with the main objective of determining the most likely estimates and predictions regarding the financial condition and future performance of the company.

According to Kasmir, (2016: 66) The purpose of financial statement analysis is;

a. To find out the company’s financial position in a certain period, both assets, liabilities, equity, and operating results that have been achieved for several periods.

b. To find out what are the weaknesses of the company

c. To find out the strengths they have

d. To find out what corrective steps need to be taken in the future related to the company’s current financial position.

e. To evaluate the performance of management in the future whether it needs to be refreshed or not because it has been considered successful or failed.

f. Can also be used as a comparison with similar companies about the results they achieve.

**Economic Value Added**

Based on the EVA formulation, several steps must be taken by management to measure the company's performance using EVA, namely;

a. Calculating the cost of capital.

b. Calculating the size of the capital structure

c. Calculating WACC

d. Calculating EVA

**Method**

**Research Approach**

The research approach that the author uses is a descriptive quantitative research approach with a comparative method. This research was conducted at the company PT. Mayora Indah Tbk. PT Mayora Indah Tbk or Mayora Indah and Mayora Group are one of the consumer product business groups in Indonesia, which was established on February 17, 1977. The company is listed as a public company and has been publicly listed on the Indonesia Stock Exchange with the code IDX: MYOR since 4 July 1990.

According to Sugiyono (2015: 80), a population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and then drawn conclusions. The population in this study is PT Mayora Indah Tbk.

The sample is part of the number and characteristics possessed by the population (Sugiyono, 2015: 81). The sample is part of the object taken from the entire object under study and is considered to represent the entire population. In this study, the sampling technique used was the saturated sample technique.

According to Sugiyono (2015: 68) "saturated sampling technique is a sampling technique when all members of the population are used as samples".

The data that has been obtained is processed based on the variable indicators used. The method of economic value added and financial ratios, uses the measurement of the ratio of liquidity, profitability, and solvency. Then will compare the results of the calculations of the two methods. Then presented at the conclusion.

**Results and Discussion**

From the results that have been calculated, the current ratio at PT. Mayora Indah Tbk is above 2. In 2015 it was at 2.37, it fell slightly in 2016 to 2.25 and continued to gradually rise in the 2017-2019 period. If seen from these data, it can be concluded that the level of liquidity of PT. Mayora Indah Tbk is good. For the cash ratio at PT. Mayora Indah Tbk. In 2015, the value of the cash ratio was 0.53. It dropped to 0.4 in 2016. Then it gradually rose to a peak of 0.79 in 2019. If you look at the data, the cash ratio of PT. Mayora Indah Tbk is relatively good but will be overvalued in 2019. Because the value of 0.79 in the cash ratio can be assessed that the company does not maximize the use of current assets that are less than optimal. Next is the fast ratio, PT Mayora Indah has a fast ratio value in 2015 of 1.81. Then it dropped to 1.7 in 2016. Then it rose again the following year to 1.98 and dropped slightly to 1.95 in 2018. Then it jumped quite high in 2019 to 2.68. From these data, it can be judged that the level of liquidity of PT. Mayora Indah Tbk is high, and very high in 2019.
When viewed from the cash turnover ratio, PT Mayora Indah has a cash turnover ratio of 3.44 in 2015. Then it rose to a level of 3.78 in 2016. Then it continued to fall until 2019 at 2.77. From these data, it can be concluded that the cash turnover value in 2016 was the highest, at 3.78 times.

The last is the ratio of inventory turnover to working capital (Inventory to net working capital), PT. Mayora Indah Tbk had an inventory turnover ratio of 0.41 in 2015, then rose slightly to 0.44. Then it fell quite large in 2017 by 0.29. Subsequently, it rose again to the level of 0.43. Then it dropped slightly to the level of 0.31. This ratio is relatively more volatile than other ratios. This can be due to the operations of the company which is engaged in the food and beverage manufacturing industry, so it is very dependent on the supply of raw materials to be processed. So the amount of inventory per year will be different and tend to fluctuate.

If the conclusion is drawn, for the liquidity ratio of PT. Mayora Indah Tbk can be said to be good because even though there was a decrease in the level of liquidity in 2016, the level of liquidity can still be said to be good. And in the following years back up to a better level. Leverage When viewed from the Leverage proxy, or solvency. In particular, the Debt to Asset Ratio, PT Mayora Indah Tbk in 2015 had a DAR level of 0.54. This value continued to decline until the 2019 period, which was only 0.48. It can be said that half of the assets owned by PT Mayora Indah Tbk are financed by debt, and the other half is used from existing equity. It can be said that PT Mayora Indah Tbk uses its assets optimally.

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<tr>
<th>Variable</th>
<th>Variable Proksi</th>
<th>Total</th>
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<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016</td>
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<tr>
<td>Profitabilitas</td>
<td>0.085</td>
<td>0.073</td>
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<tr>
<td>Net Profit Margin</td>
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<td>0.104</td>
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<tr>
<td>Return on Investment</td>
<td>0.244</td>
<td>0.220</td>
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<tr>
<td>Return on Equity</td>
<td>0.244</td>
<td>0.220</td>
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From the results obtained, the net profit margin at PT Mayora Indah tends to be constant, 0.09 in 2015, and became the highest value during the research period, then dropped to 0.07 the following year. And it rose again to 0.08 in
remained constant until 2019. From this data, it can be concluded that the net profit margin of PT Mayora Indah Tbk is quite good, considering the food and beverage industry cannot take excessive profits.

Furthermore, when viewed from the return on investment proxy, PT Mayora Indah Tbk has a constant return value every year, which ranges from 0.1 to 0.11. This level of ROI indicates that the company can generate a return of around 10-11% per year and this can be assessed with a good level of profitability.

Finally, seen from the return on equity proxy, PT Mayora Indah Tbk has a fairly constant ROE level. In 2015, the ROE rate was 0.24. The next 2 years with the same magnitude, down slightly to 0.22. Then in 2018, it fell back to the level of 0.21 and in 2019 it fell again to the level of 0.20. The value range of 5 years can still be said to be constant.

The profitability ratio that has been obtained by the author states the level of profitability of PT. Mayora Indah Tbk tends to be consistent with a fairly good ratio in its industry, namely food, and beverage.

Leverage When viewed from the Leverage proxy, or solvency. In particular, the Debt to Asset Ratio, PT Mayora Indah Tbk in 2015 had a DAR level of 0.54.

This value continued to decline until the 2019 period, which was only 0.48. It can be said that half of the assets owned by PT Mayora Indah Tbk are financed by debt, and the other half is used from existing equity. It can be said that PT Mayora Indah Tbk uses its assets optimally.

If viewed from the Debt to Equity Ratio, the value also tends to decrease slowly. In 2015, the DER value was 1.18. The value fell in the next 2 years, to 1.06 and 1.03. Then it rose again slightly back to 1.06 in 2018. Then back down to the lowest value of 0.92. It can be said that with a DER value ranging between 0.9 and 1.1 it is considered good because the amount of liabilities owned is equal to the amount of existing equity. This means that the DER level at PT Mayora Indah Tbk is very good.

Finally, seen from the Long-term Debt to Equity Ratio or LtDER proxy. This valuation is almost the same as DER, but only in terms of its long-term liabilities to total equity. In 2015, the LtDER value was 0.58, then dropped to 0.44 in 2016. It fell again in 2017 to 0.42. However, in 2018 it rose again to 0.50 and rose again to the level of 0.55 in 2019. From this data, it can be said that the total long-term liabilities of PT Mayora Indah Tbk are around half of the total equity owned. This amount is considered very optimal, the amount of equity guaranteed is about half, this makes the risk of loss when the company is liquidated quite low.

From the 3 proxies studied, it can be concluded that the solvency level of PT Mayora Indah Tbk is classified as good because it has a ratio that is balanced with its assets and equity.

Table 2. Solvabilitas

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<tbody>
<tr>
<td>Profitabilitas</td>
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<tr>
<td>Debt to Asset Ratio</td>
<td>0.542</td>
<td>0.515</td>
<td>0.507</td>
<td>0.504</td>
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<tr>
<td>Debt to Equity Ratio</td>
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<td>1.028</td>
<td>1.059</td>
<td>0.923</td>
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<tr>
<td>Long Term Debt Equity Ratio</td>
<td>0.577</td>
<td>0.443</td>
<td>0.420</td>
<td>0.502</td>
<td>0.547</td>
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In the Economic Value Added or EVA variable, the company’s financial performance is assessed from how much value added to the company during one period. In 2015, PT Mayora Indah Tbk only generated added value of 127 billion rupiah. This seems to be redeemed in the next period. In 2016, the added value generated by the company was 716 billion rupiah, then the following year it continued to decline until 2018 by 416 billion rupiah. Then in 2019 it rose again by 656 billion rupiah.

Conclusion

Based on research on Comparative Analysis of Financial Performance Using the Approach of Financial Ratios and Economic Value Added Methods at PT. Mayora Indah, Tbk Period 2015 – 2019. The following conclusions were obtained;

a. By using the financial statement analysis method, the financial performance of PT Mayora Indah Tbk is classified as good in terms of liquidity, profitability, and solvency, because the value generated from the analysis is above
the industry average standard. Although this ratio had slightly decreased in 2016, it returned to its optimal ratio in the next period until 2019.

b. The financial performance of PT Mayora Indah Tbk seen from the EVA method shows that the company always provides added value every year, even though the amount is different every year. The decrease in added value was only in 2017–2018. It can be concluded that the financial performance of PT Mayora Indah Tbk is good every year because it always provides positive added value.

c. PT Mayora Indah Tbk both produced good financial performance. When viewed from the method of analysis of financial statements, as well as economic value added (EVA), every year, PT Mayora Indah has financial ratios that are considered good. And PT Mayora Indah generates added value every year, which can be judged that the company's financial performance is good every year.

References


