



ANALYSING THE CONDITION OF PT INDOFOOD SUKSES MAKMUR TBK DURING 2020-2022

Retno Wantriani, Neneng Susanti

Universitas Widyatama, Indonesia

Email: retnowantriani@gmail.com

ABSTRACT

KEYWORDS

financial analysis,
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During the period 2020 to 2022, the financial reports reported by PT Indofood Sukses Makmur Tbk illustrate that this company was able to survive during the pandemic when almost all companies experienced a decline in turnover, so that quite a few companies went out of business. A company's resilience in maintaining financial performance greatly influences the company's condition so that it remains viable and stable when the country's economy is not doing well. The aim of this research is to determine the condition of the company PT Indofood Sukses Makmur Tbk in the 2020-2022 period using descriptive quantitative research. The problem formulation in this research is the condition of PT Indofood Sukses Makmur Tbk based on ratio analysis, comparison ratio, common size ratio, time series ratio and bankruptcy ratio. The research results show that the ratio analysis shows that the company has more internal cash compared to other current assets. This cash was obtained from short-term and long-term bank loans as well as bonds payable. For the activity ratio, it is indicated that the company is experiencing problems in collecting receivables from its colleagues. For the profitability ratio, the company has not been able to generate profits in accordance with industry standards. Regarding the comparison ratio, in general the comparison value during the research period decreased, as did the time series ratio which experienced a decrease. Meanwhile, in the bankruptcy ratio, the company is indicated as bankrupt but is experiencing a slow increase.

INTRODUCTION

A healthy company condition is the dream of all business actors, investors and all elements involved in it. A healthy company condition can be seen from the company's ability to pay the salaries of its employees on time or be able to pay all monthly cost obligations on time. In addition, there are other characteristics that show the company's condition can be said to be healthy, namely revenue growth, healthy profitability ratio, balanced amount of expenses and not much debt submission (Accounting.binus.ac.id, 2020). Healthy and unhealthy company conditions can be seen in the company's financial performance.

The company's financial performance can be seen from the financial statements containing the balance sheet and income statement. A company's financial statements are the center of information between the company and parties outside the company. Financial statements are reports that show the company's financial condition at this time or in a certain period (Ompusunggu & Febriani, 2023, p. 108). Financial statements are usually the result of an accounting process that can be used as a tool to communicate company financial data or company activities to various interested parties. The purpose of presenting this cash flow statement is to provide information that allows users of financial statements to assess the effect of activities on the company's financial position and on the amount of cash and cash equivalents (Sianipar, 2022). This information can also be used to evaluate the relationship between the three activities, namely operating activities, investment activities and financing activities.

A good analysis of the balance sheet and income statement can provide an overview of the capabilities that have been achieved or will be achieved by a company. This is because the balance sheet is prepared based on records of the company's financial activities in the past, the

balance sheet is an overview of the company's activities in a certain period. The items contained in the balance sheet describe all the results of the company's business activities. (Shofwatun et al., 2021, p. 60). Therefore, relevant information is needed and supported by data that can be accounted for its validity. The company's financial statements are very important for users because the information is useful in decision making.

One of the companies that provides periodic and complete financial reports is PT Indofood Sukses Makmur Tbk. The financial statements presented describe the company's performance from year to year. During the 2020 period, net sales grew by 6.70% and the company's profit was observed to increase by 30% (Market.bisnis.com, 2021, p. 1). Based on the financial statements as of December 2020, this issuer with the INDF stock code posted revenue of IDR 81.73 trillion where the previous year posted revenue of IDR 76.59 trillion or an increase of 93% (Tim Indofood Sukses Makmur Tbk, 2021). Furthermore, as of December 2021, PT Indofood Sukses Makmur Tbk recorded revenue of IDR 99.34 trillion, up from IDR 81.73 trillion or 82.27% (Indofood.com, 2021). Meanwhile, as of December 2022, the company led by Anthony Salim recorded revenue of IDR 110.83 trillion, an increase of 89.6% compared to the previous year which recorded revenue of IDR 99.34 trillion (Tantangan, 2022).

During the period 2020 to 2022, the financial statements reported by PT Indofood Sukses Makmur Tbk illustrate that this company can survive during the pandemic when almost all companies experience a decrease in turnover, so that not a few companies go out of business. The company's resilience in maintaining financial performance greatly affects the company's condition to remain resilient and stable when the country's economy is not doing well. If the company's condition can maintain financial performance at a fairly stable figure, it can invite investor interest in investing their capital. To see the condition of the company in the financial statements, measuring instruments are needed as indicators, namely liquidity ratios, comparison ratios, common size ratios, time series ratios and bankruptcy ratios. This measurement tool in the form of a ratio can make it easier for users of financial statements to assess the financial performance of a company, especially at PT Indofood Sukses Makmur Tbk.

Empirically, research related to financial performance analysis has also been examined by several researchers before. One of these researchers is Palenteng (Palenteng, 2023) with the title of the study Financial Ratio Analysis PT Indofood Sukses Makmur Tbk. The purpose of this study is to determine the financial performance of PT Indofood Sukses Makmur Tbk for the 2015-2021 period using secondary data in the form of financial statements of PT Indofood Sukses Makmur Tbk. The analytical tools used in this study are using liquidity ratios, solvency ratios, activity ratios, profitability ratios, and market price ratios. The result of the calculation of the liquidity ratio consists of quick ratio and cash ratio Rated less good, while current ratio Rated quite good. For solvency ratios consisting of: debt of asset ratio rated quite good, and debt to equity ratio rated less good. For activity ratios consisting of total asset turnover ratios, and fixed asset turnover are considered not good. For profitability ratio consisting of ratio return on asset, and ratio return on equity, and the net profit ratio is considered unfavorable. And for market to book ratio Rated quite good.

Research related to financial performance analysis at PT Indofood Sukses Makmur Tbk has also been researched by Fratiwi (Fratiwi, 2022) entitled Financial Performance Analysis at PT Indofood Sukses Makmur Tbk. The purpose of this study is to find out and analyze the financial performance of PT. Indofood Sukses Makmur Tbk by using its financial ratios. The method used in this study is quantitative method. For data collection techniques obtained through documentation on the financial statements of PT. Indofood Sukses Makmur Tbk in 2016-2020. The results of the study are seen from the liquidity ratio at PT. Indofood Sukses Makmur Tbk in the 2016-2020 period is in a fairly good condition because current ratio And the quick ratio is in good condition, but not for the cast ratio that is in good condition, while working capital to total asset In poor condition, it is due to the lack of working capital contained

in the company's assets. For solvency in 2016-2020 is in quite good condition because there are guarantees provided by capital to cover long-term debt. For the ratio of activities contained in PT. Indofood Sukses Makmur Tbk in 2016-2020 was in a bad condition because in turning around receivables was less effective in increasing sales so it took a long time when collecting receivables. As for the profitability ratio contained in PT. Indofood Sukses Makmur Tbk is in quite good condition, it is because the company is able to get net profit in generating investment.

In addition, similar research was also investigated by Ompusunggu (Ompusunggu & Febriani, 2023) entitled Financial Ratio Analysis to Assess Financial Performance at PT. Indofood Sukses Makmur, Tbk. on the Indonesia Stock Exchange (IDX) for the 2015-2022 period. The purpose of this study is to assess the job prospects of a company in the past and the future and assess the achievements of a company, then financial analysis is used which includes financial ratios and advantages and weaknesses in the financial sector. The research method used is a qualitative method, namely by comparing financial ratios in the object of research of PT. Indofood Sukses Makmur, Tbk. from 2015 to 2022 then interprets it. The source of the data is obtained through the official website of PT. Indofood Sukses Makmur is www.idnfinancials.com. Based on the results of the analysis and calculation of liquidity ratios, it can be seen that the company has a fairly good level of liquidity. Although the company had experienced a decrease in the liquidity ratio, the company was able to increase its liquidity ratio again so that the company was able to pay its obligations in the form of short-term debt with the assets they owned. PT. Indofood Sukses Makmur can also pay off long-term obligations, so that the company's condition is in good condition and the company is able to increase its profitability optimally so as not to endanger the shares of investors, it will also cause profits for every investor. When viewed from the level of activity, PT. Indofood Sukses Makmur, Tbk. has not been able to generate efficient sales, the volume of business reported by the company is also not optimal for the size of the investment owned, the company should strive to continue to improve its performance. With the results of this data, PT Indofood Sukses Makmur Tbk can compete with other companies and survive when the pandemic hit Indonesia in 2020.

Based on the background presentation above, the author is interested in researching the financial condition of PT Indofood Sukses Makmur Tbk in the task Advance Financial Management. The reason why the author chose PT Indofood Sukses Makmur Tbk as the object of research is because it sees the research period starting from 2020 to 2022 where during that period the Covid-19 pandemic occurred which caused both state-owned and private-owned companies to experience a sharp decline in financial performance and not a few of these companies laid off employees due to the company's unstable financial condition. However, among a number of companies that have quite concerning company conditions, PT Indofood Sukses Makmur Tbk was able to survive in difficult economic conditions as evidenced by the increase in opinion during the research period, namely from 2020 to 2022. This increase in revenue and stable company conditions can invite investors to invest in companies that are able to survive in difficult economic conditions.

The purpose of this study is to determine the condition of PT Indofood Sukses Makmur Tbk in the 2020-2022 period using various ratio analysis methods, namely ratio analysis, comparison ratio, common size ratio, time series ratio, and bankruptcy ratio. This research is expected to make a positive contribution to the development of Advance Financial Management science, especially related to the analysis of company financial statements measured using ratio analysis, comparison analysis, common size analysis, time series analysis, comparison analysis, and bankruptcy analysis.

RESEARCH METHOD

This research method includes ratio analysis techniques consisting of liquidity, leverage, activity, profitability, and valuation ratio analysis, as well as comparison, common size, time series, and bankruptcy analysis to assess the condition of PT Indofood Sukses Makmur Tbk for the 2020-2022 period. The liquidity ratio measures the company's ability to meet short-term obligations, the leverage ratio measures the extent to which assets are financed by debt, the activity ratio measures the efficiency of resource use, and the profitability ratio measures the company's ability to make a profit. The valuation ratio uses the Price Earning Ratio and Market Book Ratio to evaluate the value of a stock.

The comparative analysis technique involves comparing the results of ratio analysis from various years, while the common size analysis compares each item of financial statements to net sales or total wealth. Time series analysis compares historical data to project future financial conditions. Bankruptcy analysis uses the Altman Z-score model to measure the likelihood of bankruptcy by calculating indicators such as working capital to total assets, retained earnings to total assets, and sales to total assets.

RESULTS AND DISCUSSION

Liquidity Ratio Analysis

The results of data processing from the financial statements of PT Indofood Sukses Makmur Tbk as of December 31 every year, the Current Ratio value in 2020 has been calculated to produce a figure of 1.37 times, in 2021 it produces a Current Ratio of 1.34 times and in 2022 it produces a Current Ratio of 1.78 times. From this data, it shows that the Current Ratio value from 2020-2022 is below the industry standard value of 2 times, which means that the company is only able to meet its short-term financial obligations less than 2 times in accordance with established industry standards. This can be due to the reduced turnover obtained from company sales due to a decrease in people's purchasing power in 2020 to 2021 due to the Covid-19 pandemic that hit Indonesia. To increase the current ratio value, several steps are needed, which are as follows (Satumanfaat.com, 2023):

- a. Companies need to increase the receipt of receivables from colleagues who purchase products through credit
- b. The company can lower the amount of current liabilities
- c. The company can also increase inventory so that with this inventory the company can pay its obligations indirectly
- d. Companies can increase cash and cash equivalents by selling existing inventory of goods
- e. Companies can increase shareholder capital by selling shares

In addition, the current ratio can be increased to comply with industry standards by increasing the amount of current assets owned by the company and or reducing existing current liabilities (Pengertian.co.id, 2023). Meanwhile, in the author's opinion, to overcome the low current ratio value, companies need to change marketing methods by providing discounts on marketed products to attract public buying interest and maintain people's purchasing power through cooperation with distributors of retail products so that sales continue to run even in a pandemic situation. In addition, the company can negotiate with lenders to get relief in paying its short-term obligations such as tax debt, interest debt, money order debt etc.

The results of data processing from the financial statements of PT Indofood Sukses Makmur Tbk as of December 31 every year have been calculated Quick Ratio In 2020 it was 0.974 times, in 2021 it was 1.02 times and in 2022 it was 1.24 times. From these data shows that the value of Quick Ratio PT Indofood Sukses Makmur Tbk from 2020 to 2022 is below the industry standard of 1.5 times. The data shows that the company does not have enough liquid current assets to cover its current debt. This is proven by research conducted by

Palenteng entitled Financial Ratio Analysis of PT Indofood Sukses Makmur Tbk which says that the quick ratio value of PT Indofood Sukses Makmur is not good because it is below the limits of financial ratios, the cash ratio value of PT Indofood Sukses Makmur is not good because it is far above the limits of financial ratios (Palenteng, 2023). The author believes that this is due to a decrease in sales volume due to a decrease in people's purchasing power during the Covid-19 Pandemic since early 2020. To increase the value quick ratio, the company can increase the amount of its current assets by increasing cash, collecting accounts receivable, issuing inventory, or selling securities. In addition, companies can increase the value of the Quick Ratio by means of (Invesnesia.com, 2023b) :

- a. Increase sales and reduce production costs to improve cash flow
- b. Reduce inventory of unsold or unused items
- c. Improve accounts receivable management to be more effective and efficient
- d. Reduce short-term liabilities such as accounts payable and bank debt

The results of data processing from the financial statements of PT Indofood Sukses Makmur Tbk as of December 31 every year have been calculated Cash Ratio in 2020 it was 62%, in 2021 it was 73% and in 2022 it was 84.44%. From this data, the company is considered capable of paying debts with a cash amount adjusted to industry standards, which is at least 50%. The higher the cash ratio, the greater the cash available to pay off the company's debt. This is reinforced by a statement expressed by the Director of PT Indofood Sukses Makmur, Thomas Tjie who said that to pay the Company's liability obligations rely on internal cash, but if it is not sufficient, the Company makes a loan to the bank (Bisnis.tempo.co.id, 2020a).

The results of data processing from the financial statements of PT Indofood Sukses Makmur Tbk as of December 31 every year have been calculated working capital to total asset ratio in 2020 it was 6.4%, in 2021 it was 7.68% and in 2022 it was 13.38%. From these data, it shows that the working capital used by the company is insufficient for the company's operational activities so that the income received decreases which results in the profit obtained also decreases. To overcome capital limitations, the company can add working capital to total asset by the way (Temukanpengertian.com, 2023):

- a. Increase the turnover of product stock in the warehouse
- b. Increase revenue through the sale of the company's fixed assets
- c. Sale of company shares
- d. From sales or net income from operating results.
- e. Bond sales.
- f. Profit from short-term investments in the form of the sale of securities.
- g. For public companies, including conducting right issues (selling new shares) to get additional capital.
- h. Selling fixed assets whose use is considered not optimal or that is still feasible but is desired to increase its qualifications and grades.
- i. Grants from individuals and institutions. Like the government that has an interest in the success of a company

Leverage Ratio Analysis

Based on the results of data calculations from the financial statements of PT Indofood Sukses Makmur Tbk from December 31, 2020 to December 31, 2022, the results of the figures Debt to Total Asset Ratio by 51.48% in 2020, in 51.69% and in 2022 it decreased to 48.11%. Value Debt to Total Asset Ratio In the three-year research period, PT Indofood Sukses Makmur Tbk has a value above the industry standard of 35%, which means that most of the company's assets are funded by debt. Through taking on debt to fund these assets, companies dare to take considerable risks. The debt used by PT Indofood Sukses Makmur Tbk is trade debt obtained from PT Rimba Mutiara Kusuma (RMK), PT Wahana Inti Selaras, PT Asuransi Central Asia (ACA), PT Purwa Wana Lestari and PT Gapura Usahatama (Tim Indofood Sukses Makmur Tbk, 2021). The allocation of using these funds is to finance assets worth Rp. 46.05 trillion, which is short-term debt of Rp. 28.78 trillion and long-term debt of Rp. 17.26 trillion (Bisnis.tempo.co.id, 2020b). Meanwhile, according to news reports published by Republika.co.id said that in 2010 PT Indofood Sukses Makmur Tbk allocated funds of Rp. 5.2 trillion consisting of Rp. 1.1 trillion debt to banks and Rp. 4.1 trillion debt to shareholders to build new factories located in Jakarta, Palembang and Semarang to expand instant noodle products (Ekonomi.republika.co.id, 2010).

The results of data processing from PT Indofood Sukses Makmur Tbk's financial statements from December 31, 2020 to December 31, 2022 produced figures Debt to Equity In 2020 it was 106.14% and in 2021 it was 107.03% above the industry standard of 100%, this means that the capital used by the company is capital from debt. However, in 2022 the value of Debt to Equity decreased to 92.72% or below the industry standard of 100%, this shows that the capital used by the company is its own capital. To pay off this capital debt, PT Indofood Sukses Makmur Tbk conducted a public offering of global bonds worth IDR 24.68 trillion as stated by the company through an information disclosure on the Indonesia Stock Exchange in October 2021 (Trenasia.com, 2021). This public offering of debt securities denominated in United States dollars is offered by the company to investors abroad. The proceeds from the global bond issuance will be used by the company to finance the accelerated payment of part of Pinehall Company Ltd's loan facility worth USD 2.05 billion with a maturity of 5 years.

The results of data processing from the financial statements of PT Indofood Sukses Makmur Tbk from December 31, 2020 to December 31, 2022 recorded a value time Interest Ratio by 6.8 times in 2020, 5.85 times in 2021 and 2.46 times in 2022. Of the three grades time interest ratio This is above the industry standard of 1 time, indicating that the company is able to pay interest expenses using net operating profit. This is reinforced by news expressed by bisnis.tempo.co.id who said that PT Indofood and its group used internal cash and bank loans to finance capital expenditure. The budgeted capital expenditure of Rp. 8 trillion for PT Indofood Sukses Makmur Tbk and Rp. 4.7 trillion was disbursed for subsidiaries under PT Indofood as stated by the Director of PT Indofood Sukses Makmur Tbk in September 2020 (Bisnis.tempo.co.id, 2020a).

Activity Ratio Analysis

Based on the calculation of the activity ratio of PT Indofood Sukses Makmur Tbk, the value of inventory turnover In 2020 it was 4.93 times/year, in 2021 it was 5.27 times/year and in 2022 it was 4.65 times/year. Value inventory turnover In these three years, it is dominant below the industry standard of 5-10 times / year. To increase the amount of inventory turnover This, the company can do various ways, namely optimizing supporting factors such as improving and improving customer relationship management (CRM), improving sales and marketing management to evaluating inventory and distribution management (Rederp.co.id, 2023, p. 1).

Meanwhile, the value of the average day's inventory at PT Indofood Sukses Makmur Tbk is 68 days in 2020, 64 days in 2021 and 68 days in 2022. This figure is below the average day's inventory of its competitor, PT Garuda Food of 108 days, which shows that the daily turnover of goods at PT Indofood Sukses Makmur Tbk is faster when compared to Garuda Food.

The average collection period value at PT Indofood Sukses Makmur Tbk in 2020 is 32 times, for 2021 it is 30 times and in 2022 it is at 29 times. This figure is above the industry standard of 11 times which shows that the company is able to effectively manage debt.

The next ratio as part of the activity ratio is fixed assets turnover which resulted in numbers of 0.65 times in 2020, 0.79 times in 2021 and 0.88 times in 2022. This figure is below the industry standard figure of 5 times. This shows that the management of fixed assets in generating sales has not been effective. To optimize value fixed asset turnover, Companies need to buy new assets and issue new shares to support performance company. In addition, the addition of these assets will increase investor confidence in investing their shares in the company because the company is able to manage and add to their assets (Invesbro.id, 2023a, p. 1).

Then the next ratio as part of the activity ratio is total asset turnover, where in 2020 the value total asset turnover was at 0.5 times, in 2021 it was at 0.55 times and in 2022. This figure is lower than the industry standard by 2 times. The company has not been able to optimize the utilization of company assets to generate sales, this can also be caused by conditions during the research period experiencing the Covid-19 pandemic. As for the steps that can be taken by the company in increasing value total assets turnover is by (Invesbro.id, 2023b, p. 1):

1. Increase sales by expanding market share or improving product quality. This can help companies increase revenue and automatically increase the total value of asset turnover.
2. Reduce operational costs. Companies can reduce unnecessary operational costs such as rental costs, electricity costs or telephone costs, as this can help companies to save money and increase profits.
3. Optimize asset usage. To increase efficiency and automatically increase the total value of asset turnover, companies can optimize asset use by improving production processes or improving inventory management.

The next ratio that is part of the activity ratio is average payment period. In 2020 value average payment period It was 231 days, in 2021 it was 210 days and in 2022. This figure is above the average standard of 90 days. This can be caused by the payment of receivables from creditors who experience delays so that the number average payment period This is well above the average standard. The steps that can be taken by companies in reducing the average payment period are by: (Ilmumanajemenindustri.com, 2020, p. 1):

1. Increase the efficiency of collection of receivables so that cash inflows are faster and shorten the average payment period.
2. Improve inventory management efficiency so as to accelerate cash inflows and shorten the average payment peiode.
3. Improve the efficiency of accounts receivable management

Profitability Ratio Analysis

Based on the results of data processing in table 4.4, the gross profit margin value in 2020 and 2021 was 33 times and in 2022 was 31 times. This figure is above the industry standard of 28 times. This shows that the company is able to make profits as much as 31-33 times and is still safe because it is above the industry standard.

The operating profit margin in 2020 was at 68%, in 2021 it was 69% and in 2022 it was at 70%. This figure is above the industry standard of 10.80%. This shows that the operating profit margin value of PT Indofood Sukses Makmur Tbk has not been able to collect profits from operating costs due to high operating costs above industry standards. The high operational costs of a company can occur due to an increase in raw material prices, an increase in fuel oil, an increase in equipment rental prices and others.

As for the value net profit margin obtained by PT Indofood Sukses Makmur Tbk in 2020 and 2021 worth 11% and in 2022 worth 8%. Value net profit margin This is below the industry standard of 20%, this can happen due to the impact of the Covid-19 pandemic which hit all sectors of the economy, thereby reducing consumer purchasing power due to the PPKM factor launched by the government to reduce the number of Covid-19 sufferers. In addition, several factors can reduce the value net profit margin is the high utility costs related to the use of electricity, water, and air conditioning power consumption, high labor costs and operational costs as well as low product selling prices. To combat impairment net profit margin is to reduce utility costs, replace human labor by using machines to reduce payroll costs, reduce operational costs such as reducing or looking for substitute materials in the production process so that it does not impose its own burden on selling prices which results in reducing profits (Kledo.com, 2023a, p. 1).

For the results of ROI analysis, PT Indofood Sukses Makmur Tbk scored below the industry standard of 30%, this is due to the low value of profit margins, low sales volume, ineffective use of resources owned and the use of capital used cannot be optimal due to high operational costs. To overcome this, the company must be able to score profit margins in accordance with industry standards, increase sales volume, streamline resources in the company and utilize capital structures for operational activities to be effective. For ROE analysis that is printed below the industry standard of 40%, this shows that the company is not able to generate adequate profits from the capital invested by shareholders. The factors that cause low ROE value include branch expansion, debt ratios that eat away at ROE value and liquidity ratios and hampered receivables payments. The value of ROE can be increased by the way the company must be able to generate profits from the capital provided by investors, balance the company's activity ratio, reduce debt, and increase collection of receivables to borrowers.

The earning value per share of PT Indofood Sukses Makmur Tbk is observed to be lower than its competitor, GarudaFood. This shows that there is a decrease in net income and the number of outstanding ordinary shares is fixed, net income is monitored to remain and the number of ordinary shares outstanding increases and there is a decrease in the number of outstanding shares greater than the decrease in net income. To increase the EPS ratio is the way the company must be able to increase net income, reduce the number of shares, increase share price and increase dividends.

Market Ratio Analysis

Based on the results of data processing in table 4.5 related to the analysis of the assessment/market ratio at PT Indofood Sukses Makmur Tbk in 2020 it was at 9.31 times, in 2021 it was at 7.27 times and in 2022 it was at 9.28 times. Number price earning ratio This is below the industry standard of 20-25 times. If the PER figure is too low from the industry standard, investors will judge that the company is not able to generate profits and profits for investors, but if the PER value is very high it can reduce investor interest in investing in the company. The way to idealize the value of PER is to increase dividen payout rate So that the level of distribution has a value that can attract investors (Akseleran.co.id, 2021, p. 1). In addition, the company must be able to increase profit growth by (Invesnesia.com, 2023a, p. 1):

- a. The selling price should be able to drive profit margins
- b. Determine the goal in pricing, whether to increase profits or to increase sales volume
- c. Increase more intense communication with customers
- d. Creating more incentives to customers so that they faithfully use the products offered
- e. Companies must look for new distribution channels and opportunities to expand market share and opportunities
- f. Companies need to focus on brands, one way is to hold social services
- g. Motivate the marketing team to expand marketing

Meanwhile, the results of the market/book ratio data processing at PT Indofood Sukses Makmur Tbk in 2020 had a figure of 759.97 rupiah per share, while the market value/book ratio of PT GarudaFood as its competitor was 3.23 rupiah per share, in 2021 it was 641.02 rupiah per share, while the market value/book ratio PT GarudaFood as its competitor is 6.39 rupiah per share and in 2022 it is worth 630.67 rupiah per share, while the market value/book ratio at PT GarudaFood is 5.78 rupiah per share. From the results of data processing, it means that the market value / book ratio of PT Indofood Sukses Makmur Tbk is above the market price / book ratio of its competitor companies, meaning that the market value / book value ratio of PT Indofood Sukses Makmur Tbk is more expensive than competing companies, this is due to differences in product quality and more product variants to generate profits.

Comparative Analysis

Based on the results of data processing in table 4.6 related to comparative analysis, it was found that the percentage of liquidity ratio during the 2020-2022 period increased by 32.95%, this was due to the increase in all elements of the liquidity ratio and this indicates that the company is indicated to be able to meet its short-term obligations by using current assets. Then for the leverage ratio resulted in a decreased percentage of 26.07% which was shown through all elements of the leverage ratio decreased, this shows that PT Indofood Sukses Makmur Tbk is able to pay all loans in the form of debt using its assets and capital.

Furthermore, the activity ratio at PT Indofood Sukses Makmur Tbk was recorded to have increased by 13.75%, this shows that in carrying out the company's operations, there has been an increase in the value of the company's effectiveness both in terms of production for the provision of goods and the use of assets. Furthermore, the profitability ratio decreased by 89.67%, which means that the company's ability to obtain profits has decreased. The steps that the company needs to take in order to increase the value of the profitability ratio are: (Kledo.com, 2023b, p. 1):

- a. Eliminate services or products that do not benefit the business
- b. Reduce inventory
- c. Increase product prices
- d. Lower business costs
- e. Attracting new customers

The last is the comparison ratio value which recorded an increase of 36.61%. This shows that the value of the company's share price to earnings with its book value is very positive. This percentage provides a comparison value between the company's fundamental performance and business prospects which is reflected in the company's stock price that can attract investors in investing their shares.

Common Size Analysis

Based on the results of data processing calculations in table 4.7 related to analysis common size PT Indofood Sukses Makmur Tbk, in the largest current asset account in 2020, namely cash and cash equivalents of 45%, in 2021 of 54% and in 2022 of 47%. This shows that the company chooses to increase the amount of liquid cash when compared to inventory (29%) and receivables (20%). This cash is used by the company to pay short-term liabilities that have maturities under 1 year such as payroll debt, accrual expenses, and bank debt. In addition, this cash and cash equivalents are also used for capital sources as disclosed by Director of PT Indofood Sukses Makmur Tbk Thomas Tjie (Bisnis.tempo.co.id, 2020b, p. 1). In the conditions of the Covid-19 pandemic that occurred in 2020, companies have cash or in terms of "cash is the king" It can be an alternative financial solution during a pandemic.

For non-current asset accounts, the largest in 2020 and in 2021 was goodwill at 45%, and in 2022 at 47%. Goodwill is an added value possessed by companies that are not physically visible. This added value can come from various factors such as brand, customer, management advantage and technological advantage. The stronger these factors, the higher the goodwill value of the company. The calculation of numbers for goodwill itself can be done using certain formulas involving various variables such as acquisition price, fair market value and book value. It is a reason why the largest non-current assets owned by PT Indofood Sukses Makmur Tbk are goodwill. This is because PT Indofood Sukses Makmur Tbk is a food and beverage producer company that has good quality, safe and halal for consumption using selected raw materials through a strict and hygienic process. PT Indofood Sukses Makmur Tbk strives to maintain product quality, brand quality, management quality and technology quality in order to maintain customer trust. Because of this, the company's good name as a food and beverage producer is very guarded and considered by the company which is a public company so that it is always visible in the eyes of other business actors, investors and the general public as end users.

Then for short-term liability accounts at PT Indofood Sukses Makmur Tbk in 2020 are short-term bank debt of 53%, in 2021 it is owned by short-term bank debt of 33% and in 2022 it is still occupied by short-term bank debt of 50%. This bank debt is used by the company to be used as business capital and internal cash to finance short-term liabilities such as employee salary debt, interest debt, tax debt and others.

For long-term liability accounts at PT Indofood Sukses Makmur Tbk in 2020, the largest percentage was owned by bank debt at 65%, in 2021 the largest percentage was in short-term bank debt at 33% and in 2022 the largest percentage was bond debt at 77%. From this data, it can be concluded that the company has bank debt and bond debt that is quite dominant when compared to other accounts. The purpose of the company having a large debt is to increase business capital and finance operational costs in producing its products. While bond debt is a bond with a term of more than one year and a certain interest rate issued by the company to attract funds from the public to cover company financing. A bond contains a contract between the lender (financier) and the lender (issuer) (Katadata.co.id, 2022, p. 1). This bond debt is used as funds to increase production capital or stored as internal cash.

The next account is equity. In the calculation results, the largest equity in PT Indofood Sukses Makmur Tbk in 2020 is distributable equity of 35%, in 2021 it is still the same, namely distributable equity of 36% and in 2022 it is still occupied by distributable equity of 36%. This

shows that the company has funds from sales in previous years that have not been used as business capital or internal cash.

Time Series Analysis

Based on the results of data processing in table 4.11 related to the analysis of current asset time series at PT Indofood Sukses Makmur Tbk, it shows that in 2021 the percentage of total current assets was 41% and in 2022 it decreased to 1.28%. This happened due to a decrease in the amount of current assets in 2022 used to pay its short-term liabilities such as bank debt, salary debt, accrual expenses to tax debt.

Based on data processing in table 4.11 related to the time series analysis of non-current assets at PT Indofood Sukses Makmur Tbk, it shows that in 2021 the total percentage of non-current assets is 0%. Likewise, in 2022 it has a total percentage of 0%, which means that non-current assets owned by PT Indofood Sukses Makmur Tbk have not decreased or increased the number of assets or fixed non-current assets.

Based on data processing in table 4.12 related to the analysis of short-term liability time series at PT Indofood Sukses Makmur Tbk, it shows that in 2021 the total percentage of short-term liabilities is 5% and this figure increases to 7% in 2022. This shows that the company's total short-term liabilities increased by 2% or the company increased the amount of its debts. This additional debt, especially short-term bank debt, is used by the company to pay its short-term obligations such as bank debt, accrual expenses and third party trade debts.

Based on the results of data processing in table 4.13 of the time series of long-term liabilities at PT Indofood Sukses Makmur Tbk shows that in 2021 the percentage of total long-term liabilities was 12% and in 2022 it decreased to 7%. This figure shows that there is a decrease in the number of long-term liabilities because the company can fulfill its obligations to pay long-term liabilities such as bond debt, bank debt, rental liabilities, annual tax liabilities and debts to related parties. This ability to pay using cash and cash equivalents is quite dominant when compared to the acquisition of receivables and asset sales.

Based on the results of data calculations in table 4.14 time series equity at PT Indofood Sukses Makmur Tbk shows that in 2021 the percentage of total equity was 11% and in 2022 it decreased to 9% or decreased by 2%. This is evidenced by a decrease in unrealized profit from 18% to 5%, undetermined funds from 19% to 12% and equity can be distributed from 14% to 12%. This decrease means that the capital owned by the company is used to finance production costs and operational costs and partly to pay short-term liabilities such as bank debt that has a maturity of less than 1 year, to pay accrual expenses and employee salaries.

Bankruptcy Analysis

Based on the results of data processing in table 4.15 related to the analysis of the Z-Score value at PT Indofood Sukses Makmur Tbk, bankruptcy analysis in 2020 resulted in a Za number of 1.73 with a classification of "Bankrupt". In 2021 it produced a Za number of 1.72 with a classification of "Bankrupt" and in 2022 it produced a Za number of 1.86 with a classification of "Potential Prone to Bankrupt". From the three research periods, it can be taken on average that the bankruptcy analysis at PT Indofood Sukses Makmur Tbk is at 1.77 with a classification of "Bankrupt". This shows that the company experienced a decline in financial performance during the study period caused by several factors, namely:

1. The condition of the national economy that experienced a decrease in purchasing power due to the imposition of restrictions on the movement of community activities (PPKM) so that the company experienced a decrease in performance.
2. As a result of the implementation of PPKM, product export activities abroad became hampered because the destination country imposed a lockdown system so that import activities were stopped.

3. Because it is engaged in the manufacturing sector, PT Indofood Sukses Makmur Tbk has a large stock of inventory but this inventory stock does not immediately turn into capital again, due to the interruption of distribution activities.
4. With the implementation of PPKM, shopping activities that were previously carried out by the community became greatly reduced as a result of which goods in wholesale centers and shops were not sold quickly. For business actors who buy goods by way of credit, this will hinder the repayment of receivables for debtor companies so that business capital in the form of goods does not rotate quickly.
5. If trade receivables are not immediately paid to the creditor, it is certain that the company will experience "bad credit" which has an impact on cash turnover.

The anticipatory steps so that a company does not experience bankruptcy are (Ajaib.co.id, 2020, p. 1):

1. Conduct periodic evaluations that look at all aspects of the company. If necessary, a thorough audit is carried out.
2. Listen well to consumer demand, especially reasonable consumer demand.
3. Make massive savings that are done by cutting unnecessary budgets.
4. Continue to innovate to maintain consumer appeal
5. Looking for investors to invest so that this fund can be a relief fund for the company
6. Make loans to banks using asset guarantees.

CONCLUSION

The study reveals that PT Indofood Sukses Makmur Tbk's financial condition for 2020-2022 is a mix of liquidity, leverage, activity, profitability, and valuation. Liquidity ratios show a low ability to meet short-term obligations, while cash ratio is good. Leverage analysis shows most assets are financed by debt, but the company can pay interest. Activity analysis shows low asset and inventory management efficiency. Profitability ratio shows a gross profit margin above industry standards, but net profit margin is below standard. The company's bankruptcy ratio is in the "Bankrupt" classification, with an average score of 1.77. The authors recommend conducting internal and external analysis to achieve ideal conditions and increasing research periods to obtain more diverse data.

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