



Financial Performance Analysis At PT Indofood Sukses Makmur Tbk For The Period 2020-2024

¹Isra' Indriyani, ²Nurman, ³Hety Budiyaniti

^{1,2,3}Universitas Negeri Makassar, Indonesia.

israindriany@gmail.com, nurman@unm.ac.id, hety.budiyaniti@unm.ac.id.

*Correspondence Email: israindriany@gmail.com

Abstract: This study analyzes the financial performance of PT Indofood Sukses Makmur Tbk during the period 2020-2024, a challenging era marked by the COVID-19 pandemic, inflation, exchange rate fluctuations, and dependency on commodity imports. The research objectives are to evaluate the company's overall financial health through comprehensive financial ratio analysis encompassing liquidity, solvency, activity, and profitability aspects, while integrating the influence of external macroeconomic factors on operational performance. This study employs a quantitative descriptive method with a case study approach, utilizing secondary data from annual financial reports and official sources including IDX, BI, and BPS. Financial ratio calculations are performed to evaluate year-to-year performance trends. The main findings reveal that PT Indofood demonstrated significant improvement across all financial dimensions: liquidity ratios increased from 1.37 to 2.15, indicating strong short-term debt servicing capability; solvency ratios improved with DAR declining from 0.51 to 0.46 and DER from 1.06 to 0.85, reflecting reduced dependency on external financing; profitability recovered with NPM reaching 7.5%, ROA 6.7%, and ROE 12.5% in 2024 after a temporary decline in 2022; and activity ratios remained stable with TATO ranging between 0.50-0.61 times, demonstrating efficient asset utilization. In conclusion, PT Indofood successfully navigated the pandemic challenges and volatile economic conditions through effective cost management, operational efficiency improvements, and prudent financial strategies, positioning the company for sustainable growth in the post-pandemic era.

Keywords: Financial Performance, Financial Ratios, PT Indofood, Liquidity, Profitability

INTRODUCTION

A business's financial health can be determined by conducting a comprehensive review of its financial statements, with financial ratios being the most commonly used method (Masyitah & Harahap, 2018). By focusing on profitability, companies are encouraged to develop strategies to maximize profits, ultimately helping them become more sustainable and grow. Furthermore, a company's operational efficiency should not be evaluated solely on high profits (Munawir, 2020).

Financial ratio analysis is very important for evaluating the financial health of a company, because it not only helps us understand the current financial condition, but also this. In addition, strategic decisions that drive company growth are based on analysis (Aida Anjelina et al., 2024).



Financial performance can be evaluated through ratio analysis techniques that cover factors related to liquidity, solvency, activity, and profitability (Lithfiyah and Fitria, 2019).

For PT. Indofood, the 2020–2024 period will be quite challenging. The impact of the COVID-19 pandemic caused a 2.5% decline in sales, totaling IDR 70.4 trillion. Sales volume declined by 10–15% in 2020 (Indofood Annual Report, 2020). Despite a recovery in 2022–2023, with revenue exceeding IDR 100 billion, the decline in sales volume in 2020 remains significant. As 60% of the country's wheat and vegetable oil needs are met through commodity imports, the trillion-dollar economy still faces solvency issues, causing the debt ratio to rise to 0.8 by 2023 (IDX Data, 2024).

With inflation at 1.57% and a rupiah exchange rate of Rp16,162 against the US dollar by the end of 2024, corporate performance is also affected by external conditions. To improve their financial well-being amidst increasingly competitive market dynamics, companies are forced to develop innovative ideas and robust strategies.

Based on a review of several previous studies, there are shortcomings in research regarding the evaluation of the financial capacity of PT Indofood Sukses Makmur Tbk, requiring further attention to achieve a more comprehensive understanding. A study by (Asharun, 2023) emphasized the application of financial ratio analysis as an important tool for evaluating the overall financial performance of a business entity, but did not include the influence of external factors that have a significant impact on business operations. On the other hand, (Nisaa, 2023) expanded the scope of financial analysis to cover the period 2017–2021, thus depicting medium-term trends, although this period did not include the crucial post-pandemic recovery phase.

Based on the discussion of the issues and research gaps outlined above, the focus of this research is to evaluate the overall financial performance of PT Indofood Sukses Makmur Tbk during the 2020–2024 period through a financial ratio analysis approach that includes the elements of profitability, activity, solvency and liquidity. In addition to calculating financial ratios, this study also incorporates the influence of various external factors, including the impact of the COVID-19 pandemic, changes in the rupiah exchange rate against the US dollar, inflation conditions, and dependence on commodity imports, on the company's operations.

By analyzing periods spanning the pandemic, recovery, and post-pandemic situations, this study is expected to provide a holistic illustration of the company's financial condition, identify



emerging strategic challenges, and formulate recommendations to improve operational efficiency and competitiveness amidst the ever-changing economic landscape. Therefore, the findings of this study are expected to provide practical value for PT Indofood's management in formulating strategic decisions, while also enriching the academic literature on assessing the financial performance of manufacturing entities in the beverage and food sector in an uncertain economic environment.

METHOD

This study adopts a quantitative descriptive approach with a case study design to evaluate the financial performance of PT Indofood Sukses Makmur Tbk during the 2020–2024 period. The quantitative descriptive method is appropriate for analyzing numerical financial data and identifying performance trends over time using standardized measurement techniques (Gujarati & Porter, 2020). The case study design focuses specifically on Indofood as a single research unit, enabling an in-depth examination of financial patterns across liquidity, solvency, profitability, and activity dimensions (Yin, 2018).

The research relies entirely on secondary data, obtained from Indofood's audited annual reports, the Indonesia Stock Exchange (IDX), Bank Indonesia (BI), and the Central Bureau of Statistics (BPS). Secondary data are widely used in financial performance analysis because they ensure accuracy, replicability, and comparability across reporting periods (Kasmir, 2021). Financial reports for the years 2020 through 2024 were extracted systematically, including balance sheets, income statements, statements of cash flows, and accompanying notes.

Data collection employed a documentation technique, which is suitable for extracting numeric indicators required for ratio analysis (Sugiyono, 2021). The variables analyzed consist of four major financial ratio groups:

1. Liquidity ratios (Current Ratio and Quick Ratio),
2. Solvency ratios (Debt-to-Asset Ratio and Debt-to-Equity Ratio),
3. Profitability ratios (Net Profit Margin, Return on Assets, and Return on Equity),
4. Activity ratios (Inventory Turnover, Fixed Asset Turnover, and Total Asset Turnover).

These ratios were calculated using formulas consistent with financial analysis standards to ensure the validity of performance interpretation (Horne & Wachowicz, 2019). The analysis



procedure included four stages: (1) computing annual financial ratios, (2) identifying year-to-year changes, (3) interpreting trends relative to industry conditions, and (4) assessing the influence of external macroeconomic factors including inflation, exchange rate fluctuations, and pandemic-related disruptions on Indofood's performance.

Data were processed using Microsoft Excel to compute ratio values and organize tables, while descriptive interpretation was used to explain observed financial patterns. The integration of internal ratio performance with external economic indicators strengthens the rigor and contextual depth of the analysis, consistent with the recommendation that financial analysis should incorporate macroeconomic realities to enhance explanatory power (Ross et al., 2022).

RESULT AND DISCUSSION

Liquidity Analysis

A business's ability to meet its short-term obligations with its current assets is measured through liquidity ratios. The current ratio, or the ratio of current assets to current liabilities, is the primary metric used in this research.

Year	Current Assets (Rp Billion)	Current Liabilities (Rp Billion)	Current Ratio
2020	38.418,2	27.975,9	1,37
2021	54.183,4	40.403,4	1,34
2022	54.183,4	30.725,9	1,79
2023	63.101,8	32.914,5	1,92
2024	79.765,5	37.094,1	2,15

Table 1. Liquidity Analysis

The increase in the Current Ratio reflects Indofood's increasing liquidity strength and stability. With a ratio exceeding 2, the company is classified as highly liquid, indicating a strong capacity to meet all its current liabilities without experiencing financial constraints. This increase also reflects management's prudent approach in maintaining sufficient cash reserves and current assets to weather fluctuations in production costs and market demand. However, it should be noted



that an excessively high ratio can also indicate suboptimal asset utilization, as there are many unused current assets that should be diverted to more productive investments.

Solvency Analysis

Solvency analysis is designed to assess a company's capacity to meet its long-term liabilities, including debts to external parties and other forms of financial obligations. This study uses two ratios: the Debt-to-Asset Ratio (DAR) and the Debt-to-Equity Ratio (DER). These ratios reflect the extent to which a company's assets are financed through debt and the company's dependence on external funding sources compared to its equity.

Year	Total Liabilities (Rp Billion)	Total Aset (Rp Billion)	Total Equity (Rp Billion)	Debt to Asset Ratio (DAR)	Debt to Equity Ratio (DER)
2020	83.998,5	163.136,5	79.138,0	0,51	1,06
2021	92.724,1	179.356,2	86.632,1	0,52	1,07
2022	86.810,3	180.433,3	93.623,0	0,48	0,93
2023	86.123,1	186.588,0	100.464,9	0,46	0,86
2024	92.722,0	201.713,3	108.991,3	0,46	0,85

Table 2. Solvency Analysis

An examination of PT Indofood Sukses Makmur Tbk's debt-to-asset ratio from 2020 to 2024 shows a downward trend, from 0.51 in 2020 to 0.46 in 2024. This decline indicates that the proportion of assets financed by debt is decreasing over time. This means the company is increasingly relying on equity funds to finance its assets, rather than relying on external loans or liabilities. The decline in the DAR also reflects the company's increasing financial stability, as the risk posed by dependence on external creditors is decreasing. This trend is very favorable, especially amid global economic fluctuations and rising interest rates in recent years.

The Debt-to-Equity Ratio also decreased significantly, from 1.06 in 2020 to 0.85 in 2024. This means that for every Rp1 of equity capital, debt is only Rp0.85, indicating that Indofood's capital structure is increasingly robust and healthy. This decrease in DER can be attributed to increased retained earnings and improved cash management efficiency, which have reduced the



company's dependence on external funding sources. Overall, a DER below 1 indicates that equity is more dominant than debt, thus the company's financial risk is relatively low.

Profitability Analysis

By considering the relationship between profit and sales, total assets, and equity, profitability analysis aims to evaluate a company's capacity to generate profits over a specific period. This study uses the following ratios: return on equity (ROE), return on assets (ROA), and net profit margin (NPM). A high level of profitability indicates how well management has managed the company's resources to generate profits, while also reflecting long-term competitiveness and financial stability.

Year	Net Profit (Rp Billion)	Sales (Rp Billion)	Total Assets (Rp Billion)	Equity (Rp Billion)	NPM (%)	ROA (%)	ROE (%)
2020	6.455,6	81.731,5	163.136,5	79.138,0	7,9	6,8	13,1
2021	7.642,2	99.345,6	179.356,2	86.632,1	7,7	6,6	13,5
2022	6.359,1	110.830,3	180.433,3	93.623,0	5,7	5,1	10,2
2023	8.147,0	111.703,6	186.588,0	100.464,9	7,3	6,3	11,8
2024	8.641,6	115.786,5	201.713,3	108.991,3	7,5	6,7	12,5

Table 3. Profitability Analysis

The profitability performance of PT Indofood Sukses Makmur Tbk for the 2020–2024 period shows relative stability with an upward trend towards the end of the period. Net Profit Margin (NPM) decreased from 7.9% in 2020 to 5.7% in 2022 due to rising raw material and energy costs, but then recovered to 7.5% in 2024 through improved cost efficiencies and pricing adjustments. ROE and ROA followed a similar pattern, with ROA increasing from 5.1% to 6.7% and ROE increasing from 10.2% to 12.5% during the period. These results indicate that Indofood successfully restored its profitability after the pandemic by implementing effective operational and financial strategies. Overall, the company is considered successful in maintaining its ability to generate profits efficiently and sustainably, reflecting sound financial management and optimal asset productivity.



Activity Analysis

The purpose of activity analysis is to describe the extent to which a business is able to utilize and manage its resources effectively to generate revenue. Total Asset Turnover (TATO), which compares net sales to total business assets over a specific period of time, is the main ratio used to evaluate the operational efficiency of PT Indofood Sukses Makmur Tbk. The effectiveness of the company's use of assets to generate revenue is indicated by this ratio.

Year	Net Sales (RpBillion)	Inventory	Fixed Assets	Inventory Turnover	Fixed Asset Turnover	Total Asset Turnover
2020	81.731,5	12.805,4	55.410,0	6,38	1,48	0,50
2021	99.345,6	13.722,6	58.142,3	7,24	1,71	0,55
2022	110.830,3	14.953,8	59.675,2	7,41	1,86	0,61
2023	111.703,6	15.228,4	60.812,9	7,34	1,84	0,60
2024	115.786,5	16.347,1	64.925,6	7,09	1,78	0,57

Table 4. Activity Analysis

Activity analysis is designed to measure the efficiency of PT Indofood Sukses Makmur Tbk in utilizing its assets to generate sales. Based on the calculation results, the Inventory Turnover Ratio (ITO) is in the range of 6.38–7.41 times, reflecting fast and efficient inventory turnover. Meanwhile, Fixed Asset Turnover (FATO) increased from 1.48 times in 2020 to 1.86 times in 2022, indicating the effective use of fixed assets to generate revenue, although there was a slight decline to 1.78 times in 2024 due to the expansion of new assets.

Meanwhile, the Total Asset Turnover Ratio (TATO) shows a stable trend in the range of 0.50–0.61, indicating that the company has successfully maintained efficiency in managing all of its assets. Overall, Indofood demonstrates good and consistent operational efficiency, reflecting effective asset and inventory management to support sales growth.

Discussion

The financial performance assessment of PT Indofood Sukses Makmur Tbk for the period 2020–2024 reveals a strong degree of resilience amid global disruptions, including the COVID-19 pandemic, commodity price volatility, inflationary pressures, and exchange-rate fluctuations. The



analysis of liquidity, solvency, profitability, and activity ratios provides a holistic understanding of the company's financial condition and operational capabilities during a critical economic period.

In terms of liquidity, Table 4.1 indicates a significant increase in the Current Ratio, rising from 1.37 in 2020 to 2.15 in 2024. This improvement reflects Indofood's strengthened capacity to meet short-term liabilities through the maintenance of adequate current assets. According to Kasmir (2021), firms that sustain strong liquidity are better positioned to manage financial shocks and maintain stability during periods of economic uncertainty. Indofood's rising Current Ratio suggests prudent working capital management and sufficient cash buffers, aligning with the principles of sound liquidity management highlighted by Van Horne and Wachowicz (2019). Nevertheless, liquidity levels that are excessively high may also indicate inefficiencies in asset utilisation, requiring careful balancing.

Regarding solvency, Table 4.2 demonstrates a downward trend in DAR and DER, reflecting the company's declining reliance on external financing. Such improvement strengthens the capital structure and reduces financial risk, in line with the theoretical framework set forth by Ross, Westerfield, and Jordan (2022). Maintaining lower leverage during economic turbulence is strategically beneficial, as interest rate volatility can significantly increase borrowing costs. Indofood's declining DER—from 1.06 in 2020 to 0.85 in 2024—indicates stronger equity financing and improved internal capital generation, confirming the company's commitment to long-term financial sustainability (Brigham & Ehrhardt, 2020).

The profitability results in Table 4.3 illustrate an initial decline in 2022, primarily driven by rising input prices for commodities such as wheat and palm oil. This condition aligns with global research showing that food-processing companies are highly vulnerable to raw-material price fluctuations (Subramanyam, 2020). Indofood's profitability recovery in 2023–2024 demonstrates its success in implementing cost-efficiency measures, pricing adjustments, and operational improvements. The improvement in ROA and ROE, in particular, indicates higher effectiveness in asset utilisation and shareholder value creation, consistent with the observations of Nafi, Yuwita, and Lestari (2022).

The activity analysis in Table 4.4 shows stable performance in inventory and asset utilisation. Inventory Turnover (ITO) consistently falls within an efficient 6–7 times range, indicating strong demand and smooth inventory management. Meanwhile, TATO values of 0.50–0.61 reflect healthy



operational efficiency typical of large-scale food manufacturing firms (Thian, 2022). Although Fixed Asset Turnover slightly declined in 2024 due to expanded fixed assets, such investments are expected to enhance production capacity in the long run.

Overall, the findings confirm that Indofood has demonstrated substantial financial resilience throughout the pandemic and economic recovery phases. The company effectively managed liquidity, reduced leverage, restored profitability, and maintained operational efficiency. This performance is consistent with previous research showing that large, diversified firms possess greater adaptability to external shocks (Munawir, 2020). Indofood's strategic decisions—such as strengthening liquidity, improving cost management, and optimising asset utilisation—played crucial roles in sustaining its competitive position. Therefore, the company's financial performance trajectory reflects sound management practices and aligns with the characteristics of resilient organisations within the essential-goods sector (Angelina et al., 2024).

CONCLUSION

Referring to the results of the financial performance evaluation of PT Indofood Sukses Makmur Tbk for the 2020-2024 period, the company has demonstrated positive performance and continues to improve despite facing various external challenges such as exchange rate fluctuations, the COVID-19 pandemic, and inflation. From a liquidity perspective, the company recorded a significant improvement with the Current Ratio rising from 1.37 in 2020 to 2.15 in 2024, reflecting an excellent capacity to repay current liabilities. In terms of solvency, the company has experienced improvements through a decrease in the Debt-to-Asset Ratio from 0.51 to 0.46 and the Debt-to-Equity Ratio from 1.06 to 0.85, indicating a reduced dependence on debt and increased stability of the capital structure. Although profits decreased in 2022 due to rising raw material and energy costs, the company managed to recover with NPM reaching 7.5%, ROA 6.7%, and ROE 12.5% in 2024 through increased cost efficiency and appropriate pricing adjustments. In terms of activity, Indofood demonstrated consistent operational efficiency with stable inventory turnover and an increase in total asset turnover from 0.50 to 0.61. Overall, PT Indofood Sukses Makmur Tbk successfully maintained and improved its financial performance through effective asset management, prudent debt management, and responsive operational strategies.



REFERENCE

- Abdul Malik, Imam Baidlowi, & Yuliasnita Verlandes. (2024). Analisis Kinerja Keuangan Menggunakan Rasio Likuiditas, Rasio Solvabilitas dan Rasio Profitabilitas Pada PT. Pabrik Kertas Tjiwi Kimia Tbk Periode 2021 – 2023. *Jurnal Manuhara : Pusat Penelitian Ilmu Manajemen Dan Bisnis*, 2(4), 144–155. <https://doi.org/10.61132/manuhara.v2i4.1205>
- Angelina, A., Rini, D., & Putra, H. (2024). Financial ratio analysis and corporate resilience. *Journal of Business Studies*, 12(2), 55–67.
- Asharun, A., Ramli, A., Akbar, A., Darmawan Natsir, U., & Negeri Makassar, U. (2023). Mutiara Jurnal Ilmiah Multidisiplin Indonesia Analisis Rasio Keuangan untuk Menilai Kinerja Keuangan pada PT. Indofood Sukses Makmur, Tbk. *Copyright©*, 1(2), 120–132. <https://jurnal.tiga-mutiara.com/index.php/jimi/index>
- Atul Nafi Umma, Sari Inda Nur Yuwita, & Lestari Juwita Yuyun. (2022). Analisis Rasio Keuangan Untuk Mengukur Kinerja Keuangan Perusahaan Umma Nafi Atul Yuwita Nur Inda Sari Yuyun Juwita Lestari. *E-Jurnal Akuntansi Tsm*, 2(3), 89–96. <http://jurnaltsm.id/index.php/EJATSM>
- Beredar Dan Bi 7 DRR Terhadap Tingkat Inflasi Di Indonesia. *Ekonomipedia: Jurnal Ekonomi Manajemen Dan Bisnis*, 1(1), 1–16. <https://doi.org/10.55043/ekonomipedia.v1i1.85>
- Brigham, E. F., & Ehrhardt, M. C. (2020). *Financial management: Theory and practice* (15th ed.). Cengage Learning.
- Dr. Alexander Thian, M. S. (2022). *Analisis Laporan Keuangan*. Penerbit Andi. <https://books.google.co.id/books?id=lvFZEAAAQBAJ>
- Gujarati, D. N., & Porter, D. C. (2020). *Basic econometrics* (6th ed.). McGraw-Hill Education.
- Horne, J. C. V., & Wachowicz, J. M. (2019). *Fundamentals of financial management* (14th ed.). Pearson.
- Horne, J. C. V., & Wachowicz, J. M. (2019). *Fundamentals of financial management* (14th ed.). Pearson.



- Kasmir. (2021). *Analisis laporan keuangan*. RajaGrafindo Persada.
- Kasmir. (2021). *Financial statement analysis*. RajaGrafindo Persada.
- Litfiah, F. (2019). Analisis rasio keuangan. *Jurnal Akuntansi Bisnis dan Perbankan Indonesia*, 22(2), 189–196
- Masyitah, E., & Harahap, K. K. S. (2018). Analisis Kinerja Keuangan Menggunakan Metode Rasio Likuiditas Dan Profitabilitas. *Jurnal Akuntansi Dan Keuangan Kontemporer (JAKK)*, 1(1), 33–46.
- Munawir, S. (2020). *Financial performance evaluation*. Liberty Press.
- Munawir. (2020). Pentingnya Penilaian Kinerja Keuangan. *ACM International Conference Proceeding Series*, 14(1), 8–15.
- Nafi, A., Yuwita, S. I., & Lestari, J. Y. (2022). Financial ratio analysis for corporate performance measurement. *E-Jurnal Akuntansi TSM*, 2(3), 89–96.
- Pratiwi, S. (2022). Jurnal Manajemen, Volume 10 No 4, Oktober 2022. *Jurnal Manajemen*, 10(4), 457–465.
- Pt, K., Sukses, I., & Tbk, M. (2025). <https://doi.org/10.55606/jupumi.v4i1.3647> . 4.
- Ross, S. A., Westerfield, R. W., & Jordan, B. D. (2022). *Corporate finance* (13th ed.). McGraw-Hill.
- Ross, S. A., Westerfield, R., & Jordan, B. (2022). *Corporate finance* (13th ed.). McGraw-Hill.
- Subramanyam, K. R. (2020). *Financial statement analysis* (13th ed.). McGraw-Hill.
- Surjadi, N. and L. (2024). Faktor-Faktor yang Mempengaruhi Kinerja. *Jurnal Ilmiah Administrasi Publik*, 1(1), 178. <https://ejurnal.unisri.ac.id>
- Thian, A. (2022). *Financial report analysis*. Andi Publisher.
- Yin, R. K. (2018). *Case study research and applications: Design and methods* (6th ed.). SAGE Publications.