

## The Du Pont System in Measuring Financial Performance in The Food and Beverage Company Sub-Sector

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### ABSTRACT

This study aims to determine the assessment of financial performance in the food and beverage company sub-sector listed on the IDX for the 2020-2023 period using the du pont system analysis. This research is descriptive research with a qualitative approach. The approach in this study uses a comprehensive du pont system financial ratio. The results of this study indicate that the Du Pont System analysis in the food and beverage company sub-sector for the 2020-2023 period has poor financial performance because the *ROE* and *ROI* values fluctuate. Based on the results of the ratio using the du pont system analysis, the comparison of the financial performance of the food and beverage company sub-sector for the 2020-2023 period calculated using *NPM*, *TATO*, *EM*, *ROI*, *ROE* ate the best results at PT Multi Bintang Indonesia Tbk. While the year that has poor financial performance is at PT Sentra Food Indonesia Tbk.

**Keywords:** Du Pont Analysis, Financial Performance, Food and Beverage

### ABSTRACT

Penelitian ini bertujuan untuk mengetahui penilaian kinerja keuangan pada sub sektor perusahaan makanan dan minuman yang terdaftar di BEI periode 2020-2023 dengan menggunakan analisis du pont system. Penelitian ini merupakan penelitian deskriptif dengan pendekatan kualitatif. Pendekatan dalam penelitian ini menggunakan rasio keuangan du pont system yang bersifat menyeluruh. Hasil penelitian ini menunjukkan dengan analisis Sistem Du Pont pada sub sektor perusahaan makanan dan minuman periode 2020-2023 memiliki kinerja keuangan yang kurang baik karena nilai *ROE* dan *ROI* yang mengalami fluktuasi. Berdasarkan hasil rasio menggunakan analisis du pont system maka perbandingan kinerja keuangan sub sektor perusahaan makanan dan minuman periode 2020-2023 yang dihitung menggunakan *NPM*, *TATO*, *EM*, *ROI*, *ROE* makan hasil paling baik berada di PT Multi Bintang Indonesia Tbk. Sementara tahun yang memiliki kinerja keuangan yang kurang baik berada di PT Sentra Food Indonesia Tbk.

**Kata Kunci:** Du Pont Analisis, Kinerja Keuangan, Makanan dan Minuman

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## INTRODUCTION

Indonesia's economy is growing rapidly, driven by the food and beverage sector, which has an increasing number of consumers. The industry grew 2.54% from 2020 to 2021, reaching IDR 77.5 trillion, and showed a significant recovery in GDP. Companies need to maintain solid financial performance and mature financial management strategies for operational continuity. Financial managers must ensure the efficiency and effectiveness of company activities.

Related parties monitor the company's financial condition through financial reports. This study focuses on 26 food and beverage companies listed on the Indonesia Stock Exchange. The company's financial performance was assessed using the Du Pont System, which combines NPM, TATO, EM, ROI, and ROE ratios to evaluate profitability and return on equity. This method is useful for assessing the efficiency of asset use and making better business decisions, especially in the food and beverage sector with high *margins, turnover, and leverage*, which plays an important role in meeting basic needs and supporting national investment.

Based on previous research on Du Pont System analysis, some of the main findings include Nurwicaksono (2020) that at PT Indocement Tungal Perkasa Tbk, PT Semen Indonesia Tbk, PT Holcim Indonesia Tbk, and PT Semen Baturaja Tbk, the values of NPM, TATO, and ROA decreased significantly in 2016-2017, indicating poor financial performance due to inability to improve cost efficiency and asset management. Lufriansyah & Suhaimi (2021) that PT Wijaya Karya Beton was unable to generate profits even though sales increased from 2014-2019, due to poor cost control. Putu et al. (2021) stated that the financial performance of the pharmaceutical industry on the Indonesia Stock Exchange during 2019-2022 was considered unfavorable because the profits generated were not matched by effective asset management. The same thing was also conveyed by Karlinda & Ratnasari (2021) that at PT Astra Internasional, ROI showed quite healthy financial performance in 2015-2019, with an average ROI below the standard score of 30%. This research is different from the previous one by focusing on the food and beverage sub-sector which has a high asset turnover in generating sales. Unlike Adhitrie & Diatmika (2022) who used *Time Series* and *Cross Sectional* approaches to analyze the Du Pont System in the period 2022-2023, this research also applies similar methods to explore the sub-sector.

## RESEARCH METHODS

According to Sugiyono (2018) and Creswell (2021), descriptive research aims to determine the value of certain variables without comparing them with other variables. This research uses a descriptive qualitative approach, with secondary data from annual reports and financial reports published by the Indonesia Stock Exchange. The focus is on 26 food and beverage sub-sector companies during the 2020-2023 period, with the aim of comparing financial ratios and assessing the efficiency and effectiveness of financial performance. The research subjects are companies listed on the Indonesia Stock Exchange, with the object of research on balance sheets and profit/loss statements. The food and beverage sector was chosen due to its significant growth in Indonesia. The analysis was conducted using the Du Pont System method, which involves ratios such as Net Profit Margin (NPM), Total Assets Turnover (TATO), Equity Multiplier (EM), Return On Investment (ROI), and Return On Equity (ROE).

## RESULTS AND DISCUSSION

To analyze the financial performance of food and beverage companies listed on the Indonesia Stock Exchange, this study uses the Du Pont System. This method evaluates performance based on financial statements from the period 2020-2023, focusing on the ratios of Net Profit Margin, Total Asset Turnover, Equity Multiplier, Return On Investment, and Return On Equity.

### a) Net Profit Margin (NPM)

Net Profit Margin is calculated by dividing net profit by sales. The result of this calculation shows the company's ability to generate net profit from net sales and measures how efficient the company is in converting sales into net profit.

$$\text{NPM} = \frac{\text{Net Profit After Tax}}{\text{Net Sales}} \times 100\%$$

**Table 1. Net Profit Margin (NPM) Results 2020-2023 Period**

| Company                                       | 2020 | 2021 | 2022 | 2023    | Average | Industry Standard |
|---|------|------|------|---------|---------|-------------------|
| PT Tiga Pilar Sejahtera Food Tbk (AISA)       | 94%  | 1%   | -3%  | 1%      | 23%     | 20%               |
| PT Tri Bayan Tirta Tbk (ALTO)                 | -3%  | -2%  | -4%  | -9%     | -5%     | 20%               |
| Campina Ice Cream Industry Tbk (CAMP)         | 5%   | 10%  | 11%  | 11%     | 9%      | 20%               |
| PT Wilmar Cahaya Indonesia Tbk (CEKA)         | 5%   | 3%   | 4%   | 2%      | 4%      | 20%               |
| PT Sariguna Primatirta Tbk (CLEO)             | 14%  | 16%  | 11%  | 15%     | 14%     | 20%               |
| PT Wahana Interfood Nusantara Tbk (COCO)      | 2%   | 4%   | 2%   | -29%    | -5%     | 20%               |
| PT Delta Djakarta Tbk (DLTA)                  | 23%  | 28%  | 30%  | 27%     | 27%     | 20%               |
| PT Diamond Food Indonesia Tbk (DMND)          | 3%   | 5%   | 5%   | 3%      | 4%      | 20%               |
| PT Sentra Food Indonesia Tbk (FOOD)           | -18% | -16% | -25% | -26%    | -21%    | 20%               |
| PT Garudafood Putra Putri Jaya Tbk (GOOD)     | 3%   | 6%   | 5%   | 6%      | 5%      | 20%               |
| PT Buyung Poetra Sembada Tbk (HOKI)           | 3%   | 1%   | 0%   | -38107% | -9526%  | 20%               |
| PT Indofood CBP Sukses Makmur Tbk (ICBP)      | 16%  | 14%  | 9%   | 14%     | 13%     | 20%               |
| PT Era Mandiri Cemerlang Tbk (IKAN)           | 2%   | -1%  | 2%   | 1%      | 1%      | 20%               |
| PT Indofood Sukses Makmur Tbk (INDF)          | 11%  | 11%  | 8%   | 10%     | 10%     | 20%               |
| PT Mulia Boga Raya Tbk (KEJU)                 | 13%  | 14%  | 11%  | 8%      | 12%     | 20%               |
| PT Multi Bintang Indonesia Tbk (MLBI)         | 14%  | 27%  | 30%  | 32%     | 26%     | 20%               |
| PT Mayora Indah Tbk (MYOR)                    | 13%  | 14%  | 11%  | 8%      | 8%      | 20%               |
| PT Pantai Indah Kapuk Dua Industry Tbk (PANI) | 0%   | 1%   | 33%  | 36%     | 18%     | 20%               |
| PT Prima Cakrawala Abadi Tbk (PCAR)           | -34% | 1%   | 2%   | 3%      | -7%     | 20%               |

| Company   | 2020 | 2021 | 2022 | 2023 | Average | Industry Standard |
|---|------|------|------|------|---------|-------------------|
| PT Prashida Aneka Niaga Tbk (PSDN)                        | -6%  | -9%  | -4%  | 54%  | 9%      | 20%               |
| PT Palma Serasih Tbk (PSGO)                               | 3%   | 12%  | 13%  | 27%  | 14%     | 20%               |
| PT Nippon Indosari Corpindo Tbk (ROTI)                    | 5%   | 9%   | 11%  | 2%   | 7%      | 20%               |
| PT Sekar Bumi Tbk (SKBM)                                  | 0%   | 1%   | 9%   | 0%   | 3%      | 20%               |
| PT Sekar Laut Tbk (SKLT)                                  | 3%   | 6%   | 5%   | 4%   | 5%      | 20%               |
| PT Siantar Top Tbk (STTP)                                 | 16%  | 15%  | 13%  | 19%  | 16%     | 20%               |
| PT Ultrajaya Milk Industry and Trading Company Tbk (ULTJ) | 19%  | 19%  | 13%  | 14%  | 16%     | 20%               |

Source: Data processed by researchers, (2024)

The table above shows that the Net Profit Margin (NPM) of the 26 subsectors in the food and beverage industry changed every year. In general, although companies experience an increase in sales and total expenses, the increase in expenses is higher than sales, which causes net profit to tend to fall. This makes the company's NPM inconsistent. Some companies that show good performance with NPM above the industry average ( $\geq 20\%$ ) include PT Tiga Pilar Sejahtera Food Tbk, PT Delta Djakarta Tbk, and PT Multi Bintang Indonesia Tbk. However, PT Tiga Pilar Sejahtera Food Tbk experienced a decline in NPM from 94% in 2020 to only 1% in 2023. PT Delta Djakarta Tbk and PT Multi Bintang Indonesia Tbk also showed fluctuations, but remained above the industry average. In contrast, 23 other companies experienced a decline in NPM. For example, PT Tri Banyan Tirta Tbk, which recorded a ratio of -3% in 2020, continues to decline, and PT Buyung Poetra Sembada Tbk, which even reached -38107% in 2023. Some other companies, such as PT Indofood CBP Sukses Makmur Tbk and PT Indofood Sukses Makmur Tbk, also show a downward trend with a slight increase in some years. Overall, the food and beverage industry average shows that companies are underperforming in generating profits, with an average NPM below 20%. NPM is important, but it cannot be the only measure of performance, as other factors such as total expenses and sales also play an important role.

b) Total Asset Turnover

Total Asset Turnover is a ratio that assesses how effectively a company utilizes all of its assets to generate sales. This ratio shows the ability of the company's assets to create sales, or in other words, measures how many sales can be generated from each rupiah invested in total assets.

$$\text{TATO} = \frac{\text{Net Sales}}{\text{Total Asset}}$$

**Table 2. Total Asset Turn Over (TATO) Results 2020-2023 Period**

| Company                                 | 2020 | 2021 | 2022 | 2023 | Average | Industry Standard |
|---|------|------|------|------|---------|-------------------|
| PT Tiga Pilar Sejahtera Food Tbk (AISA) | 0,64 | 0,86 | 1,01 | 0,92 | 0,86    | 1.2 Times         |
| PT Tri Bayan Tirta Tbk (ALTO)           | 0,29 | 0,34 | 0,40 | 0,29 | 0,33    | 1.2 Times         |
| Campina Ice Cream Industry Tbk (CAMP)   | 0,88 | 0,89 | 1,05 | 1,04 | 0,97    | 1.2 Times         |
| PT Wilmar Cahaya Indonesia Tbk (CEKA)   | 2,32 | 3,16 | 0,36 | 3,35 | 2,30    | 1.2 Times         |
| PT Sariguna Primatirta Tbk (CLEO)       | 0,74 | 8,22 | 0,80 | 2,76 | 3,13    | 1.2 Times         |

| Company   | 2020 | 2021 | 2022 | 2023 | Average | Industry Standard |
|---|------|------|------|------|---------|-------------------|
| PT Wahana Interfood Nusantara Tbk (COCO)                  | 0,65 | 0,61 | 0,60 | 0,32 | 0,55    | 1.2 Times         |
| PT Delta Djakarta Tbk (DLTA)                              | 0,45 | 0,52 | 0,60 | 0,61 | 0,55    | 1.2 Times         |
| PT Diamond Food Indonesia Tbk (DMND)                      | 1,08 | 1,11 | 1,23 | 1,29 | 1,18    | 1.2 Times         |
| PT Sentra Food Indonesia Tbk (FOOD)                       | 0,84 | 0,86 | 0,85 | 1,52 | 1,02    | 1.2 Times         |
| PT Garudafood Putra Putri Jaya Tbk (GOOD)                 | 1,17 | 1,30 | 1,43 | 1,42 | 1,33    | 1.2 Times         |
| PT Buyung Poetra Sembada Tbk (HOKI)                       | 1,29 | 0,94 | 1,14 | 1,23 | 1,15    | 1.2 Times         |
| PT Indofood CBP Sukses Makmur Tbk (ICBP)                  | 0,45 | 0,48 | 0,56 | 0,57 | 0,52    | 1.2 Times         |
| PT Era Mandiri Cemerlang Tbk (IKAN)                       | 0,64 | 0,86 | 0,90 | 1,02 | 0,86    | 1.2 Times         |
| PT Indofood Sukses Makmur Tbk (INDF)                      | 0,50 | 0,55 | 0,61 | 0,60 | 0,57    | 1.2 Times         |
| PT Mulia Boga Raya Tbk (KEJU)                             | 1,33 | 1,36 | 1,21 | 1,23 | 1,28    | 1.2 Times         |
| PT Multi Bintang Indonesia Tbk (MLBI)                     | 0,68 | 0,85 | 0,92 | 0,98 | 0,86    | 1.2 Times         |
| PT Mayora Indah Tbk (MYOR)                                | 1,24 | 1,40 | 1,38 | 1,32 | 1,34    | 1.2 Times         |
| PT Pantai Indah Kapuk Dua Industry Tbk (PANI)             | 1,84 | 1,73 | 0,05 | 0,06 | 0,92    | 1.2 Times         |
| PT Prima Cakrawala Abadi Tbk (PCAR)                       | 0,45 | 1,49 | 2,22 | 2,62 | 1,70    | 1.2 Times         |
| PT Prashida Aneka Niaga Tbk (PSDN)                        | 1,17 | 2,78 | 0,90 | 1,75 | 1,65    | 1.2 Times         |
| PT Palma Serasih Tbk (PSGO)                               | 0,27 | 0,47 | 0,48 | 0,49 | 0,43    | 1.2 Times         |
| PT Nippon Indosari Corpindo Tbk (ROTI)                    | 0,72 | 0,78 | 0,95 | 0,97 | 0,86    | 1.2 Times         |
| PT Sekar Bumi Tbk (SKBM)                                  | 1,79 | 1,95 | 1,86 | 1,54 | 1,79    | 1.2 Times         |
| PT Sekar Laut Tbk (SKLT)                                  | 1,62 | 1,53 | 1,49 | 1,40 | 1,51    | 1.2 Times         |
| PT Siantar Top Tbk (STTP)                                 | 1,12 | 1,08 | 1,07 | 0,87 | 1,04    | 1.2 Times         |
| PT Ultrajaya Milk Industry and Trading Company Tbk (ULTJ) | 0,69 | 0,89 | 1,04 | 1,10 | 0,93    | 1.2 Times         |

Source: Data processed by researchers, (2024)

Based on the table above, the Total Asset Turnover of 26 food and beverage company subsectors in the 2020-2023 period shows fluctuations. A decrease in Total Asset Turnover value is generally caused by a higher increase in total assets than the increase in sales, which indicates challenges in maximizing the use of assets to generate net sales. However, a low Total Asset Turnover value does not necessarily indicate poor asset management. Of the 26 subsectors, nine companies have good Total Asset Turnover, above the industry standard  $\geq 1.2$  times. Some of them are PT Wilmar Cahaya Indonesia Tbk, PT Sariguna Primatirta Tbk, PT Garudafood Putra Putri Jaya Tbk, and PT Mayora Indah Tbk, showing optimal asset utilization efficiency. In contrast, some companies such as PT Tiga Pilar Sejahtera Tbk, PT Indofood CBP Sukses Makmur Tbk, and PT Ultrajaya Milk Industry and Trading Company Tbk are still below the industry standard, with Total Asset Turnover  $\leq 1.2$  times. This shows the challenges in maximizing assets, although the increase in fixed assets such as factories aims to increase production capacity.

c) Equity Multiplier (EM)

Equity multiplier is a ratio that measures the effectiveness of capital in supporting the company's total assets. The higher this ratio, the better the company's financial performance.

$$EM = \frac{\text{Total Aktiva}}{\text{Total Ekuitas}}$$

**Table 3. Equity Multiplier (EM) Result 2020-2023 Period**

| Company   | 2020 | 2021  | 2022  | 2023 | Average | Industry Standard |
|---|------|-------|-------|------|---------|-------------------|
| PT Tiga Pilar Sejahtera Food Tbk (AISA)                   | 243% | 215%  | 235%  | 191% | 221%    | 40%               |
| PT Tri Bayan Tirta Tbk (ALTO)                             | 297% | 299%  | 293%  | 304% | 298%    | 40%               |
| Campina Ice Cream Industry Tbk (CAMP)                     | 113% | 112%  | 114%  | 114% | 113%    | 40%               |
| PT Wilmar Cahaya Indonesia Tbk (CEKA)                     | 124% | 122%  | 111%  | 115% | 118%    | 40%               |
| PT Sariguna Primatirta Tbk (CLEO)                         | 147% | 13%   | 148%  | 152% | 115%    | 40%               |
| PT Wahana Interfood Nusantara Tbk (COCO)                  | 235% | 169%  | 237%  | 351% | 248%    | 40%               |
| PT Delta Djakarta Tbk (DLTA)                              | 120% | 130%  | 131%  | 129% | 128%    | 40%               |
| PT Diamond Food Indonesia Tbk (DMND)                      | 122% | 125%  | 127%  | 123% | 124%    | 40%               |
| PT Sentra Food Indonesia Tbk (FOOD)                       | 201% | 243%  | 246%  | 238% | 232%    | 40%               |
| PT Garudafood Putra Putri Jaya Tbk (GOOD)                 | 227% | 223%  | 219%  | 190% | 215%    | 40%               |
| PT Buyung Poetra Sembada Tbk (HOKI)                       | 137% | 148%  | 121%  | 158% | 141%    | 40%               |
| PT Indofood CBP Sukses Makmur Tbk (ICBP)                  | 206% | 216%  | 201%  | 192% | 204%    | 40%               |
| PT Era Mandiri Cemerlang Tbk (IKAN)                       | 192% | 183%  | 173%  | 192% | 185%    | 40%               |
| PT Indofood Sukses Makmur Tbk (INDF)                      | 206% | 207%  | 193%  | 186% | 198%    | 40%               |
| PT Mulia Boga Raya Tbk (KEJU)                             | 153% | 131%  | 122%  | 123% | 132%    | 40%               |
| PT Multi Bintang Indonesia Tbk (MLBI)                     | 203% | 266%  | 314%  | 245% | 257%    | 40%               |
| PT Mayora Indah Tbk (MYOR)                                | 175% | 175%  | 174%  | 156% | 170%    | 40%               |
| PT Pantai Indah Kapuk Dua Industry Tbk (PANI)             | 246% | 390%  | 216%  | 177% | 257%    | 40%               |
| PT Prima Cakrawala Abadi Tbk (PCAR)                       | 162% | 168%  | 168%  | 156% | 164%    | 40%               |
| PT Prashida Aneka Niaga Tbk (PSDN)                        | 637% | 1455% | 1804% | 230% | 1032%   | 40%               |
| PT Palma Serasih Tbk (PSGO)                               | 281% | 262%  | 246%  | 187% | 244%    | 40%               |
| PT Nippon Indosari Corpindo Tbk (ROTI)                    | 138% | 147%  | 154%  | 165% | 151%    | 40%               |
| PT Sekar Bumi Tbk (SKBM)                                  | 184% | 199%  | 190%  | 172% | 186%    | 40%               |
| PT Sekar Laut Tbk (SKLT)                                  | 190% | 164%  | 175%  | 157% | 172%    | 40%               |
| PT Siantar Top Tbk (STTP)                                 | 129% | 119%  | 117%  | 113% | 120%    | 40%               |
| PT Ultrajaya Milk Industry and Trading Company Tbk (ULTJ) | 183% | 144%  | 127%  | 113% | 142%    | 40%               |

Source: Data processed by researchers, (2024)

Based on the table above, the Equity Multiplier value of the food and beverage company sub-sector during the 2020-2023 period has fluctuated. Equity Multiplier is calculated by dividing the company's total assets by total equity, and increases if the company uses more debt to finance assets. For example, PT Prashida Aneka Niaga Tbk experienced a significant increase of up to 1455% in 2021 due to the high use of debt, although it then decreased in 2022 and 2023. Overall, most companies in this sub-sector, such as PT Indofood CBP Sukses Makmur Tbk and PT Mayora Indah Tbk, were able to manage capital well over the period, reaching the industry standard of an Equity Multiplier of 40%. This indicates a good performance in utilizing capital to support the company's assets.

d) Return On Investment

Return On Investment (ROI) is a ratio that measures how effectively the company generates profits from the total assets used. This ratio reflects the productivity of all invested funds, both from debt and equity. The lower this ratio, the worse the company's performance, and conversely, the higher the ratio, the better the performance.

$$\text{ROI} = \text{NPM} \times \text{TATO}$$

**Table 4. Return On Investment (ROI) Results 2020-2023 Period**

| Company                                       | 2020 | 2021 | 2022 | 2023  | Average | Industry Standard |
|---|------|------|------|-------|---------|-------------------|
| PT Tiga Pilar Sejahtera Food Tbk (AISA)       | 60%  | 0%   | -3%  | 1%    | 15%     | 30%               |
| PT Tri Bayan Tirta Tbk (ALTO)                 | -1%  | -1%  | -2%  | -3%   | -2%     | 30%               |
| Campina Ice Cream Industry Tbk (CAMP)         | 4%   | 9%   | 11%  | 12%   | 9%      | 30%               |
| PT Wilmar Cahaya Indonesia Tbk (CEKA)         | 12%  | 11%  | 1%   | 8%    | 8%      | 30%               |
| PT Sariguna Primatirta Tbk (CLEO)             | 10%  | 135% | 12%  | 40%   | 49%     | 30%               |
| PT Wahana Interfood Nusantara Tbk (COCO)      | 1%   | 2%   | 1%   | -10%  | -2%     | 30%               |
| PT Delta Djakarta Tbk (DLTA)                  | 10%  | 14%  | 18%  | 17%   | 15%     | 30%               |
| PT Diamond Food Indonesia Tbk (DMND)          | 4%   | 6%   | 6%   | 4%    | 5%      | 30%               |
| PT Sentra Food Indonesia Tbk (FOOD)           | -15% | -14% | -22% | -40%  | -23%    | 30%               |
| PT Garudafood Putra Putri Jaya Tbk (GOOD)     | 4%   | 7%   | 7%   | 8%    | 7%      | 30%               |
| PT Buyung Poetra Sembada Tbk (HOKI)           | 4%   | 1%   | 11%  | -322% | -77%    | 30%               |
| PT Indofood CBP Sukses Makmur Tbk (ICBP)      | 7%   | 7%   | 5%   | 7%    | 7%      | 30%               |
| PT Era Mandiri Cemerlang Tbk (IKAN)           | 1%   | 1%   | 2%   | 1%    | 1%      | 30%               |
| PT Indofood Sukses Makmur Tbk (INDF)          | 5%   | 6%   | 5%   | 6%    | 6%      | 30%               |
| PT Mulia Boga Raya Tbk (KEJU)                 | 18%  | 19%  | 14%  | 10%   | 15%     | 30%               |
| PT Multi Bintang Indonesia Tbk (MLBI)         | 10%  | 23%  | 27%  | 31%   | 23%     | 30%               |
| PT Mayora Indah Tbk (MYOR)                    | 11%  | 6%   | 9%   | 14%   | 10%     | 30%               |
| PT Pantai Indah Kapuk Dua Industry Tbk (PANI) | 228% | 1%   | 2%   | 2%    | 58%     | 30%               |

| Company   | 2020 | 2021 | 2022 | 2023 | Average | Industry Standard |
|---|------|------|------|------|---------|-------------------|
| PT Prima Cakrawala Abadi Tbk (PCAR)                       | 15%  | 1%   | 500% | 9%   | 131%    | 30%               |
| PT Prashida Aneka Niaga Tbk (PSDN)                        | -7%  | -11% | -4%  | 94%  | 18%     | 30%               |
| PT Palma Serasih Tbk (PSGO)                               | 1%   | 6%   | 6%   | 13%  | 7%      | 30%               |
| PT Nippon Indosari Corpindo Tbk (ROTI)                    | 4%   | 7%   | 10%  | 8%   | 7%      | 30%               |
| PT Sekar Bumi Tbk (SKBM)                                  | 0%   | 2%   | 4%   | 0%   | 2%      | 30%               |
| PT Sekar Laut Tbk (SKLT)                                  | 5%   | 10%  | 7%   | 6%   | 7%      | 30%               |
| PT Siantar Top Tbk (STTP)                                 | 18%  | 16%  | 14%  | 17%  | 16%     | 30%               |
| PT Ultrajaya Milk Industry and Trading Company Tbk (ULTJ) | 13%  | 17%  | 13%  | 16%  | 15%     | 30%               |

Source: Data processed by researchers, (2024)

Return On Investment (ROI) measures the company's ability to generate profits from all funds allocated to operational assets. The higher this ratio, the better the company's performance. Based on the data, PT Sariguna Primatirta Tbk's ROI increased from 10% in 2020 to 135% in 2021, driven by an increase in Net Profit Margin. However, in 2022, ROI dropped to 11% before rising back to 13% in 2023. The average ROI of this company is 42%. PT Multi Bintang Indonesia Tbk also showed an increase in ROI from 10% in 2020 to 31% in 2023, with an average of 23%, thanks to increases in Net Profit Margin and Total Asset Turnover. Both companies meet the industry standard with ROI  $\geq 20\%$ , indicating good performance. However, PT Sentra Food Indonesia Tbk is in poor condition with an average ROI of -23%, due to a decrease in Net Profit Margin and less effective in managing assets to generate profits.

e) Return On Equity

Return On Equity (ROE) is used to measure how effectively a business generates returns on its total invested capital. In the Du Pont System, the higher the ROE, the more profitable it is for shareholders, and vice versa.

$$ROE = ROI \times EM$$

**Table 5. Return On Equity (ROE) Results 2020-2023 Period**

| Company                                  | 2020 | 2021 | 2022 | 2023 | Average | Industry Standard |
|--|------|------|------|------|---------|-------------------|
| PT Tiga Pilar Sejahtera Food Tbk (AISA)  | 145% | 1%   | -8%  | 2%   | 35%     | 40%               |
| PT Tri Bayan Tirta Tbk (ALTO)            | -3%  | -2%  | -5%  | -8%  | -5%     | 40%               |
| Campina Ice Cream Industry Tbk (CAMP)    | 5%   | 10%  | 13%  | 13%  | 10%     | 40%               |
| PT Wilmar Cahaya Indonesia Tbk (CEKA)    | 14%  | 13%  | 1%   | 9%   | 9%      | 40%               |
| PT Sariguna Primatirta Tbk (CLEO)        | 15%  | 18%  | 17%  | 61%  | 28%     | 40%               |
| PT Wahana Interfood Nusantara Tbk (COCO) | 2%   | 4%   | 3%   | 62%  | 18%     | 40%               |
| PT Delta Djakarta Tbk (DLTA)             | 12%  | 19%  | 23%  | 21%  | 19%     | 40%               |
| PT Diamond Food Indonesia Tbk (DMND)     | 4%   | 7%   | 7%   | 5%   | 6%      | 40%               |
| PT Sentra Food Indonesia Tbk (FOOD)      | -31% | -34% | -53% | -95% | -53%    | 40%               |

|   |      |       |      |       |       |     |
|---|------|-------|------|-------|-------|-----|
| PT Garudafood Putra Putri Jaya Tbk (GOOD)                 | 8%   | 16%   | 16%  | 15%   | 14%   | 40% |
| PT Buyung Poetra Sembada Tbk (HOKI)                       | 6%   | 2%    | 14%  | -510% | -122% | 40% |
| PT Indofood CBP Sukses Makmur Tbk (ICBP)                  | 15%  | 14%   | 56%  | 14%   | 25%   | 40% |
| PT Era Mandiri Cemerlang Tbk (IKAN)                       | -2%  | 2%    | 3%   | 1%    | 1%    | 40% |
| PT Indofood Sukses Makmur Tbk (INDF)                      | 11%  | 13%   | 10%  | 11%   | 11%   | 40% |
| PT Mulia Boga Raya Tbk (KEJU)                             | 27%  | 25%   | 17%  | 12%   | 20%   | 40% |
| PT Multi Bintang Indonesia Tbk (MLBI)                     | 20%  | 61%   | 86%  | 77%   | 61%   | 40% |
| PT Mayora Indah Tbk (MYOR)                                | 19%  | 11%   | 15%  | 21%   | 17%   | 40% |
| PT Pantai Indah Kapuk Dua Industry Tbk (PANI)             | 561% | 4%    | 4%   | 4%    | 143%  | 40% |
| PT Prima Cakrawala Abadi Tbk (PCAR)                       | -25% | 2%    | 8%   | 14%   | 0%    | 40% |
| PT Prashida Aneka Niaga Tbk (PSDN)                        | -44% | -167% | -66% | 217%  | -15%  | 40% |
| PT Palma Serasih Tbk (PSGO)                               | 2%   | 15%   | 15%  | 25%   | 14%   | 40% |
| PT Nippon Indosari Corpindo Tbk (ROTI)                    | 5%   | 10%   | 16%  | 14%   | 11%   | 40% |
| PT Sekar Bumi Tbk (SKBM)                                  | 1%   | 3%    | 8%   | 0%    | 3%    | 40% |
| PT Sekar Laut Tbk (SKLT)                                  | 10%  | 16%   | 13%  | 10%   | 12%   | 40% |
| PT Siantar Top Tbk (STTP)                                 | 24%  | 19%   | 16%  | 19%   | 20%   | 40% |
| PT Ultrajaya Milk Industry and Trading Company Tbk (ULTJ) | 61%  | 25%   | 17%  | 18%   | 30%   | 40% |

Source: Data processed by researchers, (2024)

Return On Equity (ROE) measures the effectiveness of a company in generating profits from invested capital. ROE close to 40% indicates good performance in terms of efficiency and effectiveness, while close to 0% indicates poor capital management. In 2020, the company's ROE was 20%, increasing to 61% in 2021, indicating better efficiency. However, in 2022 and 2023, ROE decreased to 86% and 77% respectively, due to changes in ROI and Equity Multiplier (EM). PT Pantai Indah Kapuk Dua Industry Tbk showed a very high ROE, reaching 561% in 2020, but experienced a significant decline in the following year. PT Multi Bintang Indonesia Tbk has an average ROE of 61%, exceeding the industry standard of 40%, indicating efficient capital management. In contrast, PT Sentra Food Indonesia Tbk experienced a sharp decline in ROE to -95% in 2023, signaling an inability to manage investments well. PT Tri Banyan Tirta Tbk also showed a decline with an ROE of -8% in 2023. Companies such as PT Tiga Pilar Sejahtera Tbk and others did not show a significant decline but also did not meet the industry standard of 40%.

## Discussions

The Du Pont System is a comprehensive financial analysis tool that allows companies, particularly in the food and beverage sector, to evaluate their financial performance through a detailed breakdown of profitability metrics. This system, originally developed by the DuPont Corporation, integrates various financial ratios to provide insights into a company's operational efficiency, profitability, and overall financial health. In the context of the food and beverage industry, the Du Pont System can be particularly useful for

assessing how effectively companies utilize their assets and manage their profit margins to generate returns on equity (ROE) and investment (ROI) (Resmawan, 2023; Aris, 2023).

Research indicates that the Du Pont System's focus on key performance indicators—namely, net profit margin, asset turnover, and equity multiplier—enables a nuanced understanding of financial performance. A study analyzing 18 food and beverage companies listed on the Indonesia Stock Exchange from 2018 to 2020 found that the Du Pont analysis effectively highlighted variations in financial performance, allowing stakeholders to identify strengths and weaknesses in operational management (Aris, 2023). The ability to dissect financial performance into these components facilitates targeted strategies for improvement, making the Du Pont System a valuable tool for management decision-making (Resmawan, 2023; Aris, 2023).

Moreover, the Du Pont System's applicability extends beyond mere performance measurement; it serves as a diagnostic tool for identifying the drivers of profitability. For example, the relationship between profit margins and asset turnover can reveal operational inefficiencies or market positioning issues that may require strategic adjustments (Ahmed & Siddiqui, 2019; Rahmani & Mauluddi, 2020). In the food and beverage sector, where competition is fierce, understanding these dynamics is crucial for sustaining profitability and ensuring long-term growth (Aris, 2023; Loppies & Sagitaputra, 2020).

The integration of the Du Pont System into financial performance assessments not only aids in evaluating past performance but also informs future strategic planning. By analyzing trends over time, companies can better anticipate market shifts and adjust their operational strategies accordingly (Anggraini & Febrianty, 2022). This proactive approach is essential in the fast-paced food and beverage industry, where consumer preferences and market conditions can change rapidly.

In conclusion, the Du Pont System provides a robust framework for measuring and analyzing financial performance in the food and beverage sector. Its ability to break down complex financial data into actionable insights makes it an indispensable tool for managers seeking to enhance profitability and operational efficiency. As evidenced by various studies, including those focused on Indonesian companies, the Du Pont System not only facilitates performance evaluation but also supports strategic decision-making that is critical for navigating the competitive landscape of the food and beverage industry (Resmawan, 2023; Aris, 2023; Anggraini & Febrianty, 2022).

## CONCLUSIONS AND SUGGESTIONS

### Conclusion

The Du Pont System method is an alternative way to measure a company's financial performance, focusing on operational effectiveness. This study examines the financial performance of the food and beverage sub-sector for the period 2020-2023. The results show that in general, financial performance in this sub-sector is poor, characterized by fluctuations and decreases in ROE and ROI values. PT Multi Bintang Indonesia Tbk shows the best performance, while PT Sentra Food Indonesia Tbk has a poor performance.

### Suggestions

1. Investors are advised to use financial ratios such as *Total Assets Turnover*, *Net Profit Margin*, *Return On Investment*, and *Equity Multiplier* to assess the

- company's financial performance before investing. This helps investors decide whether to invest or withdraw investment from a company.
2. Companies are expected to pay attention to their financial performance by improving ratios such as *Total Assets Turnover*, *Net Profit Margin*, *Return On Investment*, and *Equity Multiplier*. Factors such as liquidity, financial leverage, and company size also need to be considered to improve financial performance.
  3. Future researchers are advised to extend the research period and use additional analysis methods such as *Gross Profit Margin*, *Break Even Point*, *Capital Budgeting*, *Working Capital*, *Leasing Analysis*, or *Funding Long Term* to obtain more comprehensive results.

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