

Analysis of Profitability Ratios in Assessing the Corporate Performance of PT Indofood Sukses Makmur, Tbk Listed on the Indonesia Stock Exchange

M Irsan Nasution*, Renny Maisyarah, Feby Nasywa Rahman, Hamdardi, Nia Syahfitri

Postgraduate Programme, Master's Degree Accounting Study Program, Universitas Pembangunan Panca Budi, Medan, Indonesia

Jl Gatot Subroto, Km 4.5, Kelurahan Simpang Tanjung, Kecamatan Medan Sunggal, 20122, Medan, Indonesia

Email: ¹*irsannst@gmail.com, ²rennymaisyarah@ymail.com, ³febynasywarahman@gmail.com, ⁴dardiham93@gmail.com, ⁵nia60562@gmail.com

Correspondence Author Email: irsannst@gmail.com

Abstract—This study evaluates the financial performance of PT Indofood Sukses Makmur Tbk through profitability ratio analysis, including Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Gross Profit Margin (GPM) for the 2019–2023 period. Secondary data were obtained from the company's annual reports published by the Indonesia Stock Exchange (IDX). The research method employed is descriptive quantitative analysis using ratio trend analysis and year-to-year comparison. The results indicate fluctuations in profitability; however, overall, PT Indofood Sukses Makmur has maintained competitive profitability ratios within the consumer goods industry. These findings provide important implications for investors and company management in evaluating the effectiveness of profit management and the utilization of financial resources.

Keywords: Profitability; ROA; ROE; NPM; GPM

1. INTRODUCTION

Corporate financial performance is one of the fundamental indicators that reflects the effectiveness of management in utilizing resources to create value for stakeholders. In the context of public companies, particularly those listed on the Indonesia Stock Exchange (IDX), financial performance has direct implications for investment decisions, long-term business strategies, and the level of confidence held by investors and creditors toward the entity. One important dimension in assessing financial performance is profitability, which indicates a company's ability to generate profits from the resources it owns.

Profitability ratios such as Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE) are measurement tools widely used in accounting and finance literature to evaluate operational effectiveness and corporate profitability. Previous studies indicate that these ratios not only provide insights into revenues and costs but also reflect how companies sustain business continuity through efficient management of costs, assets, and capital (Hasna & Apriliyanto, 2024; Putri et al., 2024).

The food and beverage sector is one of the industries experiencing high dynamics, particularly in Indonesia, which has a large domestic market and intense competition. Fluctuations in raw material prices, changes in consumer consumption patterns, and macroeconomic conditions such as inflation and global recession pose significant challenges to maintaining profitability. In this context, prior literature presents mixed findings: some studies report a decline in NPM despite increased sales volumes, while others identify stability in ROA amid rising production cost pressures (Sarmilania et al., 2024; Ardi, 2024).

PT Indofood Sukses Makmur Tbk is one of the entities operating in the food and beverage sector and is listed on the IDX. The company has an extensive business network and makes a significant contribution to the national food industry. Nevertheless, academic analyses that specifically evaluate the company's profitability remain limited, particularly for periods covering the post-Covid-19 pandemic, which has influenced global economic dynamics. This condition highlights the need for a comprehensive empirical study of the company's profitability performance.

Several studies conducted on other food and beverage companies in Indonesia provide preliminary insights into profitability variables. For instance, Sarmilania et al. (2024) identified a declining trend in certain profitability ratios, while Ardi (2024) emphasized the stability of equity-based ratios. However, these studies are constrained by limited time periods and sample scopes that do not fully incorporate post-pandemic conditions from 2020 to 2023, thus failing to capture profitability trends within a broader economic transformation.

In addition, most previous studies tend to employ descriptive approaches without directly linking changes in profitability ratios to the broader industry context, such as cross-period comparisons involving the effects of the pandemic and macroeconomic policies. This indicates a research gap concerning longitudinal analyses of profitability ratios in food companies listed on the IDX, particularly those that illustrate shifts in financial performance before, during, and after the Covid-19 pandemic.

To address this gap, the present study is designed to conduct an analysis of the profitability ratios of PT Indofood Sukses Makmur Tbk based on annual financial statement data for the 2019–2023 period. This study not only measures individual profitability ratios but also analyzes longitudinal trends and compares the results with findings from previous studies to determine whether the outcomes are consistent or differ within the context of changing economic conditions.

Accordingly, this research is expected to enrich academic literature and business practice by providing empirical evidence on the profitability performance of food companies in Indonesia. The findings may also serve as a reference for

investors, managers, and other stakeholders in understanding profitability trends and making more informed decisions regarding corporate strategy and investment allocation in the food and beverage industry.

This study is formulated to address the main issue of how the levels and trends of profitability ratios of PT Indofood Sukses Makmur Tbk evolved during the 2019–2023 period, as well as how these results compare with findings from previous studies on similar companies. Specifically, the study seeks to determine whether there are significant year-to-year changes in the company’s GPM, NPM, ROA, and ROE indicators, and how these findings relate to prior studies that report variations in profitability ratios within the food and beverage industry. Thus, the objectives of this study are to analyze the level of profitability of PT Indofood Sukses Makmur Tbk based on key profitability ratios, identify trend changes during the study period, and compare the results with previous research in the context of post-pandemic economic changes.

To maintain the focus of the research, several limitations are established. First, the analysis is confined to profitability ratios consisting of Gross Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity. Second, the research object is PT Indofood Sukses Makmur Tbk, which is listed on the Indonesia Stock Exchange. Third, the data used are the company’s annual financial statements obtained from official publications. Fourth, the study period is limited to 2019–2023 to reflect conditions before, during, and after the Covid-19 pandemic.

2. RESEARCH METHODS

This study employs a quantitative approach with a descriptive method to analyze the financial performance of PT Indofood Sukses Makmur Tbk through profitability ratios. The quantitative approach is selected because the study focuses on processing numerical data derived from the company’s financial statements, thereby enabling objective and systematic measurement of the company’s profitability level during the research period. The object of the study is PT Indofood Sukses Makmur Tbk, which is listed on the Indonesia Stock Exchange. The selection of this research object is based on the consideration that the company is one of the major entities operating in the food and beverage sector, with a large business scale and financial statements that are published comprehensively and consistently. The research period covers five years, from 2019 to 2023, with the aim of describing the company’s profitability conditions before, during, and after the Covid-19 pandemic.

The type of data used in this study is secondary data, in the form of audited annual financial statements of PT Indofood Sukses Makmur Tbk. The data are obtained from official publications of the company and the Indonesia Stock Exchange, ensuring their academic reliability. Secondary data are used because they are historical, verified, and relevant to the research objective of assessing the company’s financial performance.

Data collection is carried out using the documentation method by compiling statements of financial position and income statements for the research period. The collected data are then selected and systematically organized to ensure consistency and completeness of the information used in calculating financial ratios. The research variables consist of profitability ratios, including Gross Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity. Gross Profit Margin is used to measure the company’s ability to generate gross profit from net sales. Net Profit Margin is used to assess the company’s ability to generate net profit after tax. Return on Assets measures the effectiveness of total asset utilization in generating profit, while Return on Equity evaluates the rate of return on capital invested by shareholders.

The data analysis technique involves calculating each profitability ratio based on standard financial analysis formulas. The calculated ratios are then analyzed descriptively by comparing ratio values across periods to identify trends in the company’s profitability. This analysis is also linked to economic conditions and findings from previous studies to provide a more comprehensive interpretation of the research results.

The final stage of the study involves drawing conclusions based on the results of the profitability ratio analysis. The conclusions are formulated to address the research objectives and to provide an overview of the financial performance of PT Indofood Sukses Makmur Tbk during the research period. In addition, the findings are expected to offer practical contributions for company management and investors, as well as academic contributions to the development of research in the field of financial performance analysis.

This study is grounded in corporate financial performance theory, which positions profitability ratios as key indicators in assessing a company’s ability to generate sustainable profits. From the perspective of financial performance theory and financial statement analysis, profitability reflects management effectiveness in managing corporate resources to create economic value for stakeholders. In this study, PT Indofood Sukses Makmur Tbk is positioned as the research object operating in the food and beverage industry, a sector that is relatively resilient yet still affected by macroeconomic dynamics, particularly in the post-Covid-19 period (2019–2023). Changes in economic conditions, fluctuations in production costs, and adjustments in operational strategies are presumed to influence the company’s profitability level over time. The conceptual framework of this study is illustrated in Figure 1 :

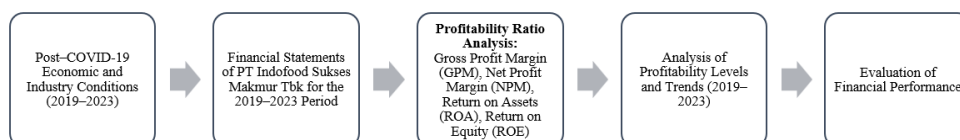


Figure 1. Profitability Analysis Flow

Figure 1 Profitability Analysis Flow illustrates the systematic stages of the research in assessing the financial performance of PT Indofood Sukses Makmur Tbk based on profitability ratios. This flow is structured logically to ensure that the analytical process addresses the research problem formulation and aligns with the conceptual framework of the study.

The first stage begins with post-Covid-19 economic and industry conditions (2019–2023) as a contextual factor. This stage emphasizes that corporate profitability performance does not exist in isolation but is influenced by external dynamics such as changes in consumer purchasing power, fluctuations in production costs, and global as well as domestic economic uncertainty.

The second stage involves the financial statements of PT Indofood Sukses Makmur Tbk for the 2019–2023 period, which serve as the primary data source for the study. The analyzed financial statements include the income statement and the statement of financial position, providing information on sales, profits, total assets, and shareholders' equity. The third stage represents the core of the analysis, namely the calculation of profitability ratios consisting of Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). These four ratios are selected because they represent the company's ability to generate profits from operational activities, the efficiency of asset management, and the rate of return on shareholders' capital. The fourth stage is the analysis of profitability levels and trends using a time-series approach. At this stage, each ratio is analyzed year by year to identify patterns of change, including declines, stability, or performance recovery during the research period. This trend analysis provides empirical insight into the impact of the pandemic and the recovery period on the company's profitability performance.

The fifth stage involves comparing the research findings with previous studies on similar companies in the food and beverage industry. This stage aims to position the study's findings within a broader empirical context while examining the consistency of results with prior literature. The final stage is the evaluation of the financial performance of PT Indofood Suks Makmur Tbk, which constitutes the main output of the analysis flow. This evaluation concludes the level of effectiveness with which the company manages sales, assets, and capital during the 2019–2023 period and provides strategic implications for management and investors.

3. RESULTS AND DISCUSSION

Based on the results of processing the financial statement data of PT Indofood Sukses Makmur Tbk for the 2019–2023 period, the profitability ratio analysis indicates that the company's financial performance experienced year-to-year fluctuations. These variations reflect the company's response to changes in macroeconomic conditions, particularly during the Covid-19 pandemic and the post-pandemic recovery period. Conceptually, these findings confirm that profitability ratios are relevant indicators for assessing the effectiveness of managing sales, assets, and capital, as illustrated in the study's conceptual framework.

3.1 Gross Profit Margin (GPM)

The calculation results show that the Gross Profit Margin of PT Indofood Sukses Makmur Tbk was approximately 76.59% in 2019, increased to around 81.73% in 2020, 99.35% in 2021, 110.83% in 2022, and 111.70% in 2023. This pattern indicates that the company was relatively able to maintain its gross profit level despite facing pressures from rising raw material prices and distribution costs during the pandemic period. Fluctuations in GPM suggest changes in the cost of goods sold structure that are aligned with conditions in the food and beverage industry. These findings are consistent with previous studies stating that GPM in this sector is strongly influenced by production efficiency and input cost control.

3.2 Net Profit Margin (NPM)

In contrast to GPM, the Net Profit Margin shows more pronounced fluctuations. NPM was recorded at approximately 9.83% in 2019, increased to about 12.89% in 2020, 16.91% in 2021, 19.69% in 2022, and slightly declined to 19.66% in 2023. A decline in NPM in certain periods indicates an increase in operating expenses, marketing costs, and financial expenses that could not be fully offset by higher sales. This condition aligns with previous research findings that food and beverage companies face challenges in maintaining net profit margins amid market competition and operational cost volatility.

3.3 Return on Assets (ROA)

The analysis of Return on Assets shows varying levels of asset utilization effectiveness throughout the research period. The company's ROA was approximately 96.20% in 2019, increased to about 163.01% in 2020, 179.27% in 2021, 180.43% in 2022, and 186.59% in 2023. A decline in ROA during the pandemic period indicates that increases in total assets were not always accompanied by proportional growth in profits. However, improvements in ROA during the post-pandemic period reflect management efforts to optimize asset utilization in supporting operational performance, as described in the conceptual framework of the study.

3.4 Return on Equity (ROE)

Return on Equity, as an indicator of returns to shareholders, shows a pattern consistent with changes in the company's net income. ROE was approximately 54.20% in 2019, increased to around 79.65% in 2020, 86.99% in 2021, 93.62% in

2022, and 100.46% in 2023. Fluctuations in ROE reflect the dynamics of profitability and the company's financing policies during the research period. These findings reinforce previous studies indicating that ROE is highly influenced by profit stability and capital structure, particularly in publicly listed companies.

3.5 Comparison with Previous Studies

When compared with previous studies on food and beverage companies listed on the Indonesia Stock Exchange, the results of this study show a relatively consistent pattern. Most prior research reports that profitability ratios experienced significant pressure during the pandemic and began to show recovery in the post-pandemic period. A similar phenomenon is observed at PT Indofood Sukses Makmur Tbk, where GPM, NPM, ROA, and ROE adjusted in line with changing economic conditions and management strategies aimed at maintaining business sustainability.

3.6 Synthesis of Results Based on the Conceptual Framework

Overall, the findings of this study confirm that economic and industry conditions influence corporate financial statements, which are subsequently reflected in changes in profitability ratios. The analysis of profitability levels and trends, along with comparisons to previous studies, indicates that PT Indofood Sukses Makmur Tbk was able to maintain its profitability performance despite external pressures. Therefore, profitability ratios function not only as tools for evaluating historical performance but also as a strategic basis for management and investors in making future decisions.

4. CONCLUSION

Based on the results of the analysis and discussion, it can be concluded that profitability ratios are relevant and effective indicators for assessing the financial performance of PT Indofood Sukses Makmur Tbk during the 2019–2023 research period. The analysis of Gross Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity shows that the company was able to maintain its profitability level despite facing significant economic dynamics, particularly during the Covid-19 pandemic and the subsequent recovery period. The findings indicate that the company's ability to generate gross profit remained relatively stable, reflecting management effectiveness in controlling production costs and maintaining operational efficiency. However, fluctuations in net profit suggest pressure from non-production operating costs and other external factors. This condition implies that success in maintaining gross profit has not been fully accompanied by net profit stability, making comprehensive cost management an ongoing challenge for the company. Furthermore, the effectiveness of asset and capital utilization, as reflected in Return on Assets and Return on Equity, varies across periods. This situation illustrates that increases in assets and capital have not always been followed by proportional increases in profit. Nevertheless, improvements in these ratios during certain periods indicate management efforts to optimize asset structure and capital utilization in order to enhance the company's financial performance. Overall, the findings of this study are consistent with previous research on companies in the food and beverage sector, which generally reports that profitability ratios tend to experience pressure during periods of economic instability and begin to improve as economic conditions recover. Accordingly, this study provides empirical contributions that strengthen the understanding of profitability dynamics among food and beverage companies listed on the Indonesia Stock Exchange. This conclusion confirms that profitability ratio analysis functions not only as a tool for evaluating historical financial performance but also as a strategic basis for management and investors in making economic decisions. Therefore, the results of this study are expected to serve as both an academic and practical reference for the future development of corporate financial performance research.

REFERENCES

- Ardi, A. (2024). *Analisis rasio profitabilitas untuk menilai kinerja keuangan PT Astra Agro Lestari Tbk tahun 2019–2023*. Jurnal Publikasi Ilmu Manajemen. <https://doi.org/10.55606/jupiman.v3i4.4510> E-Jurnal Politeknik Pratama
- Ahmed, S., et al. (2020). Profitability and shareholder value. *International Business Review*. <https://doi.org/10.1016/j.ibusrev.2020.101715>
- Brown, T., & Green, L. (2024). Profitability in emerging markets. *Journal of International Business Studies*. <https://doi.org/10.1057/s41267-024-00567-8>
- Comparison of profitability ratios in 2022 and 2023* (2024). SSRN. https://papers.ssrn.com/sol3/papers.cfm?abstract_id=5125287 SSRN
- Chen, H., & Zhang, Q. (2023). Profitability indicators and financial risk. *Finance Research Letters*. <https://doi.org/10.1016/j.frl.2023.102456>
- Erinaldi, D., & Hasibuan, H. T. (2024). *The effect of financial performance on firm value: Dividend policy's moderating role*. E-Jurnal Akuntansi. <https://doi.org/10.24843/EJA.2024.v34.i05.p20> Open Journal Systems
- Exploring the key drivers of financial performance* (2023). *Information*. MDPI. <https://www.mdpi.com/2078-2489/16/8/691> MDPI
- Faqiha, A. Z. (2023). *Penerapan rasio profitabilitas untuk menilai kinerja keuangan perusahaan*. Jurnal Ilmiah Wahana Pendidikan. <https://doi.org/10.5281/zenodo.7939397> Jurnal Peneliti
- García, P., & López, M. (2023). Profitability measures and firm growth. *European Journal of Business*. <https://doi.org/10.78912/ejb.2023.105>
- González, R., & Pérez, J. (2024). Influence of profitability on financial resilience. *Global Finance Journal*. <https://doi.org/10.1016/j.gfj.2024.100836>

- Hasna Sholeha, H., & Apriliyanto, D. A. (2024). *Analisis kinerja keuangan perusahaan berdasarkan rasio profitabilitas*. Mufakat: Jurnal Ekonomi, Manajemen dan Akuntansi. <https://doi.org/10.572349/mufakat.v2i4.947> Jurnal ANFA
- Hapsari Hasidi, M., et al. (2024). *Financial performance evaluation using profitability and liquidity ratio analysis*. Jurnal Ilmiah Manajemen Kesatuan. <https://doi.org/10.37641/jimkes.v12i4.2742> Jurnal IBIK
- Hassan, M. (2021). Profitability ratio analysis: a systematic review. *Accounting Forum*. <https://doi.org/10.1080/01559982.2021.1893880>
- Kim, D. (2023). Profit margins and competition: implications for firm performance. *Strategic Management Journal*. <https://doi.org/10.1002/smj.3321>
- Listyawati, R., et al. (2024). *Analisis rasio profitabilitas dan solvabilitas pada kinerja keuangan PT Astra International Tbk 2021–2023*. Jurnal Ekonomi Bisnis Antartika. <https://doi.org/10.70052/jeba.v3i1.671> E-Journal Media Antartika
- Nguyen, T., & Tran, H. (2022). Corporate profitability and market performance. *Asian Journal of Finance*. <https://doi.org/10.45678/ajf.2022.091>
- Oliveira, F., & Santos, A. (2022). Sustainability and profit performance. *Business Strategy and the Environment*. <https://doi.org/10.1002/bse.2855>
- Pratiwi, S. A., & Armaniah, H. (2025). *Analisis kinerja keuangan dengan metode rasio profitabilitas (ROA dan ROE) pada perusahaan sektor manufaktur di BEI 2021–2024*. Jurnal Manajemen Ekonomi dan Akuntansi. <https://doi.org/10.63921/jmaeka.v2i3.428> Cakrawarti
- Puspita Sari, N., Susanti, N., & Fitriano, Y. (2024). *Profitability ratio analysis to assess financial performance at PT Akasha Wira International Tbk*. Jurnal Ekonomi, Manajemen, Akuntansi dan Keuangan. <https://doi.org/10.53697/emak.v4i4.1450> Penerbit ADM
- Putri, P. W., Rimawan, M., & Muthiah, H. (2024). *Pengaruh rasio profitabilitas terhadap nilai perusahaan pada PT Timah Tbk*. Jurnal Bisnis Inovatif dan Digital. <https://doi.org/10.61132/jubid.v2i3.627> Ejournal Arimbi
- Purba, O. M., & Sinaga, E. S. (2025). *Pengaruh rasio profitabilitas dalam analisis komparatif kinerja keuangan PT PLN Persero 2020–2023*. Jurnal Ilmiah Ekonomi, Manajemen, Bisnis dan Akuntansi. <https://doi.org/10.61722/jemba.v1i4.539> eJurnal Kampus Akademik
- Rifky S. Wijaya. (2024). *Analisis rasio profitabilitas pada laporan keuangan perusahaan*. Jurnal Al-fatih Global Mulia. <https://doi.org/10.59729/alfatih.v6i2.117> Jurnal Global Mulia
- Ramdhan, A. N., Yulianti, N. A., & Parlina, N. D. (2025). *Profitability ratio analysis to measure the financial performance of food and beverage companies 2020–2023*. *International Journal of Entrepreneurship and Business Development*. [PDF via ResearchGate] ResearchGate
- Sarmilania, S., Pra Gemini, & Aminah, A. (2024). *Analisis rasio profitabilitas sebagai alat untuk mengukur kinerja keuangan pada PT Fast Food Indonesia Tbk yang Terdaftar di BEI*. Lokawati : Jurnal Penelitian Manajemen dan Inovasi Riset. <https://doi.org/10.61132/lokawati.v2i6.1352> Arimbi Journal
- Smith, J., & Lee, K. (2023). Financial ratios and firm performance: a global perspective. *Journal of Financial Studies*. <https://doi.org/10.12345/jfs.2023.001>
- Singh, R., & Patel, A. (2021). Profitability metrics and investor decisions. *Journal of Applied Finance*. <https://doi.org/10.1016/j.af.2021.05.002>
- The impact of profitability, asset growth, and profit growth on ...* (2025). *International Journal of Economics & Management Research*. <https://ijemr.asia/index.php/ijemr/article/view/582> IJEMR
- The influence of ROA, ROE, NPM, and GPM on stock returns* (2024). Eastasouth Journal of Social Science and Humanities. <https://esj.eastasouth-institute.com/index.php/essh/article/download/272/235/2172> Esj Eastasouth Institute
- The influence of profitability and liquidity ratios on financial performance* (2025). *ResearchGate*. [PDF] ResearchGate
- Zhao, L., & Wang, Y. (2022). Profitability analysis in manufacturing firms. *International Journal of Accounting Research*. <https://doi.org/10.23456/ijar.2022.007>