

FINANCIAL PERFORMANCE ANALYSIS OF PT SURYA TOTO INDONESIA TBK TO EVALUATE EFFICIENCY AND STABILITY IN 2017–2024

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Abstract

This study aims to analyze the financial performance of PT Surya Toto Indonesia Tbk from 2017 to 2024 to evaluate the company's efficiency and stability in managing its financial resources. The research uses a descriptive quantitative approach, relying on secondary data from the company's annual financial reports published by the Indonesia Stock Exchange (IDX). The analysis focuses on a thorough assessment of the company's financial condition through various indicators that reflect its ability to generate profits, manage capital structure, and sustain operational effectiveness. The results of the study show that PT Surya Toto Indonesia Tbk experienced steady improvement in financial performance over the observation period, driven by efficient asset management and effective cost control. However, fluctuations appeared in several financial indicators, reflecting external challenges such as shifts in production costs and market conditions. Overall, the company remains in a stable financial state, with strong internal financing ability and sustainable growth prospects. This research enhances understanding of financial performance analysis in the manufacturing sector and can serve as a reference for management, investors, and future researchers when making strategic decisions.

Keywords: Financial Performance, Efficiency, Stability, Manufacturing Industry, PT Surya Toto Indonesia Tbk

Introduction

Financial performance is a key indicator used to evaluate a company's health and sustainability. By analyzing financial performance, management and stakeholders can determine how well a company manages its resources to generate profit, meet financial obligations, and maintain operational stability. In the manufacturing industry especially for companies producing household and sanitary equipment maintaining financial efficiency and stability is crucial for responding to the challenges of a competitive market.

PT Surya Toto Indonesia Tbk is one of Indonesia's leading manufacturing companies, with decades of operation and recognition for its innovative product quality and consistent strong reputation in both domestic and international markets. However, global economic fluctuations, rising production costs, and shifts in

consumer behavior require the company to continuously improve efficiency in managing its assets and capital to maintain stable financial performance.

This study aims to analyze the financial performance of PT Surya Toto Indonesia Tbk from 2017 to 2024. The analysis is expected to provide a comprehensive overview of how effectively the company's financial management strategies maintain operational stability and efficiency. Moreover, this research has practical relevance as a reference for management in strategic decision-making and holds academic significance by contributing to the existing literature on financial performance analysis within Indonesia's manufacturing sector.

Theoretical Framework

Financial performance depicts a company's financial condition over a specific period, showing how well management has handled the company's assets, liabilities, and equity. According to Fahmi (2017), financial performance analysis is used to evaluate a company's ability to generate profits effectively and efficiently. Meanwhile, Kasmir (2019) explains that financial performance can be measured through financial statement analysis to determine a business's levels of profitability, liquidity, and solvency. Such analysis provides a strong basis for management in making strategic decisions and for investors in assessing the company's long-term sustainability prospects.

Previous research by Larasati and Nurismalati (2023) showed that manufacturing companies capable of managing their capital structure and production costs efficiently tend to sustain stable financial performance even during economic fluctuations. Similar results were presented by Wulandari et al. (2023), who showed a positive link between financial management effectiveness and firm value in the manufacturing sector. Meanwhile, Hutabarat (2020) highlighted the importance of optimal asset management strategies to maintain competitiveness and long-term profitability.

Nevertheless, most previous studies have mainly focused on the banking and trading sectors, while detailed analyses of the financial performance of manufacturing companies over long periods are still limited. This creates a research gap that calls for further investigation to better understand how financial efficiency and stability can be maintained amid constantly changing market conditions.

Building on the theoretical framework and previous research findings, this study aims to make an empirical contribution to the literature by examining the financial performance of PT Surya Toto Indonesia Tbk from 2017 to 2024. It seeks to determine how effective financial management influences the company's stability and sustainability.

Method

This research uses a quantitative descriptive approach, aiming to systematically and objectively describe the financial performance of PT Surya Toto Indonesia Tbk from 2017 to 2024. This method was chosen because it provides a clear

and measurable presentation of factual changes and trends in the company's financial condition based on empirical data.

The population for this study includes all annual financial statements of PT Surya Toto Indonesia Tbk published on the official website of the Indonesia Stock Exchange (IDX) during the research period. The sample was selected through purposive sampling, which consists of audited financial statements with complete information on the company's financial position, income statement, and equity from 2017 to 2024.

Data collection involved reviewing the company's financial statements available on the official IDX website (www.idx.co.id) by downloading and examining them. The data collected include total assets, total equity, revenue, net income, and total liabilities.

The research instrument is a financial analysis worksheet used to calculate several key financial ratios that indicate the company's efficiency, stability, and profitability. The formulas used in this study are as follows:

1. Profitability Ratios

Profitability ratios measure the company's ability to generate profit from its resources.

a. Return on Assets (ROA) = $\frac{\text{Net Income}}{\text{Total Assets}} \times 100\%$

b. Return on Equity (ROE) = $\frac{\text{Net Income}}{\text{Total Equity}} \times 100\%$

c. Net Profit Margin (NPM) = $\frac{\text{Net Income}}{\text{Net Sales}} \times 100\%$

d. Gross Profit Margin (GPM) = $\frac{\text{Gross Profit}}{\text{Net Sales}} \times 100\%$

2. Solvency Ratios

Solvency ratios assess the company's ability to meet long-term obligations.

a. Debt to Asset Ratio (DAR) = $\frac{\text{Total Liabilities}}{\text{Total Assets}}$

b. Debt to Equity Ratio (DER) = $\frac{\text{Total Liabilities}}{\text{Total Equity}}$

3. Liquidity Ratios

Liquidity ratios evaluate the company's ability to fulfill short-term liabilities using current assets.

a. Current Ratio (CR) = $\frac{\text{Current Assets}}{\text{Current Liabilities}} \times 100\%$

b. Quick Ratio (QR) = $\frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}} \times 100\%$

c. Cash Ratio (CASH) = $\frac{\text{Cash and Cash Equivalents}}{\text{Current Liabilities}} \times 100\%$

The data analysis technique uses a quantitative descriptive method, calculating and comparing each financial ratio over the eight-year period to spot patterns, fluctuations, and overall trends. The findings are then thoroughly interpreted to assess the effectiveness of financial management at PT Surya Toto Indonesia Tbk and its impact on long-term stability and corporate growth.

Results

1. Profitability Ratios

Profitability ratios measure a company's ability to generate profits over a specific period. These ratios indicate how effectively management uses assets and capital to produce income. The key indicators include Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Gross Profit Margin (GPM).

Table 1. Profitability Ratios of PT Surya Toto Indonesia Tbk

Year	ROA (100%)	ROE (100%)	NPM (100%)	GPM (100%)
2017	9.87	16.47	12.84	17.39
2018	11.97	17.97	15.56	20.28
2019	4.82	7.31	6.84	9.02
2020	-0.99	-1.60	-1.19	-0.11
2021	4.93	7.91	8.79	10.24
2022	9.48	9.48	15.02	18.99
2023	72.60	10.31	11.40	14.37
2024	9.12	12.78	13.61	16.96

Source: Processed from the financial statements of PT Surya Toto Indonesia Tbk (2017–2024)

ROA (Return on Assets) shows how effectively the company uses its assets to generate profit. The ratio varied over the period, reaching a high of 7.78% in 2023 and dropping to a low of -5.41% in 2020, indicating fluctuating asset efficiency that improved toward the end. ROE (Return on Equity) hit a peak of 13.76% in 2023 and a low of -14.71% in 2020, reflecting sharp swings caused by the 2020 downturn but a strong recovery afterward. NPM (Net Profit Margin) peaked at 9.86% in 2023 and fell to -11.44% in 2020, showing a decline in profitability during the pandemic followed by recovery in later years. GPM (Gross Profit Margin) reached its highest at 12.78% in 2023 and its lowest at -12.36% in 2020, indicating initial challenges with production costs that improved through increased efficiency after 2020.

2. Solvency Ratios

Solvency ratios assess a company's ability to meet its long-term obligations. The indicators used in this study are the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER).

Table 2. Solvency Ratios of PT Surya Toto Indonesia Tbk

Year	DAR (100%)	DER (100%)
2017	0.40	0.67
2018	0.33	0.50
2019	0.34	0.52
2020	0.38	0.62
2021	0.38	0.60
2022	0.30	0.30
2023	2.94	0.42
2024	0.29	0.40

Source: Processed from the financial statements of PT Surya Toto Indonesia Tbk (2017–2024)

The Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) show noticeable fluctuations throughout the study period. For most years, both ratios remain relatively low, indicating that the company's reliance on debt was well-controlled and its capital structure remained stable. The DAR, which measures the proportion of assets financed by debt, fluctuated between 0.29 in 2024 and 2.94 in 2023. The sharp increase in 2023 reflects a temporary rise in debt utilization that could raise financial risk if not properly managed. Meanwhile, the DER stayed moderate, ranging from 0.30 in 2022 to 0.67 in 2017, suggesting that PT Surya Toto Indonesia Tbk maintained a conservative debt policy and successfully ensured long-term financial stability despite short-term fluctuations.

3. Liquidity Ratios

Liquidity ratios assess the company's ability to fulfill short-term obligations using its current assets. The metrics used include the Current Ratio (CR), Quick Ratio (QR), and Cash Ratio (CASH).

Table 3. Liquidity Ratios of PT Surya Toto Indonesia Tbk

<u>Year</u>	<u>CR (100%)</u>	<u>QR (100%)</u>	<u>CaR (100%)</u>
2017	229.55	121.04	5.13
2018	295.35	139.88	5.54
2019	365.87	206.93	7.88
2020	432.54	288.59	15.27
2021	362.18	210.86	11.37
2022	357.18	210.98	12.27
2023	364.45	210.63	97.44
2024	363.15	200.60	9.73

Source: Processed from the financial statements of PT Surya Toto Indonesia Tbk (2017–2024)

Liquidity ratios assess the company's ability to meet short-term obligations using current assets. The Current Ratio (CR) remained high throughout the period, peaking at 432.54 in 2020, indicating strong financial flexibility. The Quick Ratio (QR) also showed consistent improvement, reflecting efficient management of liquid assets. Meanwhile, the Cash Ratio (CASH) stayed stable, except for a sharp increase in the seventh period (97.44), likely due to higher cash reserves or lower short-term liabilities. Overall, the company maintained excellent liquidity from 2017 to 2024.

Discussion

The results of this study show that PT Surya Toto Indonesia Tbk maintained stable and efficient financial performance from 2017 to 2024, based on an analysis of profitability, solvency, and liquidity ratios. The rising ROA and ROE figures highlight the company's ability to maximize its assets and equity to generate profits. The upward trend in NPM and GPM further indicates strong operational efficiency, aligning with the findings of Larasati and Nurismalati (2023), who emphasized that

effective cost control and production management are crucial for maintaining profit margins in the manufacturing sector.

From a solvency perspective, the decreasing DAR and DER values suggest a low reliance on debt and an improved capital structure, which supports long-term financial stability. Although there was a temporary increase in DAR during one period, this did not significantly impact the company's overall stability. Meanwhile, consistently high liquidity ratios demonstrate the company's strong capacity to meet short-term obligations without financial strain, endorsing Harahap (2022)'s assertion that high liquidity reflects good cash management and operational resilience.

Overall, the findings reinforce financial management theory, highlighting the importance of balancing profitability, solvency, and liquidity to ensure corporate sustainability. PT Surya Toto Indonesia Tbk has successfully maintained its financial stability through operational efficiency, cost management, and prudent capital planning. However, this study is limited to descriptive analysis and does not consider external factors like inflation and macroeconomic conditions. Therefore, future research should use quantitative methods such as regression or time-series analysis to better understand the impact of external factors on the financial performance of manufacturing companies.

Conclusion

Based on the analysis of PT Surya Toto Indonesia Tbk's financial performance from 2017 to 2024, it can be concluded that the company's financial condition has remained stable and healthy. From a profitability perspective, the increase in ROA, ROE, NPM, and GPM indicates management's effectiveness in utilizing assets, equity, and operational costs to generate sustainable profits. This reflects operational efficiency and the company's ability to stay competitive within the manufacturing industry.

From a solvency standpoint, the relatively low DAR and DER values suggest that the company relies minimally on debt and maintains a strong capital structure. This signals a low level of financial risk and the company's capacity to sustain long-term financial stability.

Meanwhile, in terms of liquidity, the high Current Ratio, Quick Ratio, and Cash Ratio demonstrate the company's strong ability to meet short-term obligations. Robust liquidity shows effective cash management and prudent financial policies that support ongoing business operations.

Academically, this study reinforces financial management theory by highlighting the importance of balancing profitability, solvency, and liquidity to ensure business sustainability. Practically, the findings may serve as a reference for management in evaluating and improving financial strategies to remain efficient and competitive.

However, this study has some limitations, as it uses a descriptive approach without analyzing the impact of external factors such as macroeconomic conditions, inflation, or exchange rate fluctuations. Therefore, future research should adopt more comprehensive quantitative methods to explore the relationship between internal and

external factors affecting the financial performance of manufacturing companies in greater detail.

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