1st International Conference on Management, Business and Economy (ICoMBEc 2025)
Vo. 1 No. 1 2025
e-ISSN : XXXX-XXX

PT UNILEVER : ANALYSIS OF SOLVABILITY TRENDS AND FINANCIAL ACTIVITIES DURING 2021-2023

Mira Damayanti Gunawan[1], Abdah Roghibah Fillah[2]
Pamulang University[1,2]
* miradamayanti419@gmail.com

Abstract

This study aims to analyze the trends in solvency and activity ratios at PT Unilever (UNVR) during the 2021–2023 period. The solvency ratio is measured by the Debt to Equity Ratio (DER), while the activity ratio is measured by Total Assets Turnover (TAT). The data used is secondary data obtained from the company's annual report published on the Indonesia Stock Exchange.

The analysis shows that PT Unilever tbk DER increased from 3.41 times in 2021 to 3.92 times in 2023. This increase indicates the company's increasing reliance on external funding rather than equity, thus increasing financial risk. Meanwhile, the TAT ratio fluctuated, reaching 2.07 times in 2021, rising to 2.25 times in 2022, and then slightly decreasing to 2.16 times in 2023. This indicates that the company's effectiveness in utilizing assets to generate sales remains quite good, although its efficiency declined slightly towards the end of the observation period.

Overall, PT Unilever tbk's financial structure during the 2021–2023 period remained dominated by debt, while asset performance remained stable. The company is advised to strengthen its internal capital structure to reduce dependence on external financing and improve asset management efficiency in generating revenue.

Keywords: Debt to Equity Ratio, Total Assets Turnover, Solvency, Activity, PT Unilever Indonesia Tbk.

Introduction

PT Unilever Indonesia Tbk (UNVR) is one of the largest manufacturing companies in Indonesia's Fast Moving Consumer Goods (FMCG) sector, operating since 1933 with a broad product portfolio, including brands such as Lifebuoy, Pepsodent, Sunsilk, Rinso, Royco, and Blue Band. As a key player listed on the Indonesia Stock Exchange, UNVR serves as a benchmark for the consumer sector's financial performance. However, during 2021–2023, the company faced significant challenges due to global and domestic economic disruptions that affected its solvency and operational efficiency.

In 2021, UNVR was in a transition phase following the COVID-19 pandemic. The company struggled with rising raw material, logistics, and energy costs, which squeezed profit margins and reduced sales volumes. Consequently, solvency ratios such as the Debt to Asset Ratio (DAR) and Debt to Equity Ratio (DER) increased, indicating greater reliance on external financing. Meanwhile, activity ratios, including Total Asset Turnover (TAT) and Inventory Turnover, declined due to weakened consumer purchasing power and distribution bottlenecks.

The situation worsened in 2022, as the Russia–Ukraine conflict triggered surges in global energy and raw material prices. Inflation and higher logistics costs further pressured UNVR's financial performance, raising solvency ratios while decreasing asset efficiency. Studies by Pratika et al. (2023) indicated that the company's rising leverage and declining turnover ratios reflected a drop in financial resilience and profitability.

By 2023, signs of recovery began to emerge. Economic stability in Indonesia improved, supported by government stimulus and easing inflation. UNVR recorded IDR 38.6 trillion in net sales and IDR 4.8 trillion in net profit, reflecting a rebound in performance. The company strengthened its solvency by reducing long-term debt, enhancing operational efficiency through supply chain digitization, and focusing on high-margin product categories such as Home Care and Personal Care. Research by Matruty et al. (2024) confirmed improvements in solvency and asset turnover ratios, signaling restored financial health.

External factors such as a stable macroeconomic environment, controlled inflation, and rising middle-class purchasing power also supported this recovery. Post-pandemic consumer behavior—particularly increased awareness of hygiene and health—boosted demand for UNVR's key products.

Overall, the 2021–2023 period reflects UNVR's journey from financial pressure to recovery. The analysis of solvency and activity ratios during this period highlights the importance of maintaining a balanced capital structure and efficient asset management in sustaining profitability. For both academics and practitioners, UNVR's experience demonstrates how strong financial strategy, adaptive operations, and resilience can help companies navigate crises and restore long-term stability.

Theoretical Framework

UNVR Tbk is a multinational company in the Fast Moving Consumer Goods (FMCG) sector that has long been a key driver of the consumer economy in Indonesia. However, in the 2021–2022 period, UNVR faced severe pressure due to the COVID-19 pandemic, global supply chain disruptions, raw material inflation, and declining consumer purchasing power. These challenges led to a decline in operational efficiency and an increase in debt burden, reflected in the deterioration of the company's activity and solvency ratios. Ratios such as Total Asset Turnover (TATO) and Inventory Turnover decreased, while the Debt to Equity Ratio (DER) and Debt to Asset Ratio (DAR) showed significant increases. This situation indicates that the company faces long-term financial risks and inefficiencies in managing its assets. The theoretical framework of this research draws on financial management and capital structure theory, including the Modigliani & Miller approach, which states that financing structure (debt vs. equity) impacts firm value under imperfect real-world conditions. Operational efficiency theory also serves as the basis for assessing how effectively a company uses assets and working capital to generate revenue. In this context, solvency ratios indicate long-term resilience, while activity ratios reflect operational efficiency. In 2023, UNVR showed signs of recovery through supply chain efficiency, product innovation, and improvements in its funding structure. Therefore, analyzing solvency and activity trends during 2021–2023 is crucial for understanding the dynamics of Unilever's financial performance and evaluating the resilience and sustainability of the company's management strategy amidst global economic uncertainty.

Method

This research uses a quantitative descriptive approach to analyze the financial performance of UNVR Indonesia Tbk during the 2021–2023 period. The data used is secondary data sourced from UNVR Tbk's audited annual financial reports published on the Indonesia Stock Exchange (IDX), which can be accessed through the IDX's official website at www.idx.co.id.

The data collection process was conducted using a documentation method, namely collecting, recording, and processing relevant data from the company's financial statements. The documents analyzed included the statement of financial position (balance sheet), income statement, and cash flow statement for the past three years. According to Sugiyono (2010), secondary data is data obtained indirectly through documents, records, or other authorized parties.

Next, data analysis was conducted using financial ratio analysis, which aims to assess the company's solvency and activity levels during the study period. Financial ratio analysis is an important tool for evaluating an entity's performance by comparing the figures contained in its financial statements. According to Kasmir (2014), financial ratios provide an in-depth overview of a company's ability to meet short-term and long-term obligations and indicate the level of efficiency of its operational activities.
The financial ratios used in this study include:

Table Solvency and Operating Activity Financial Ratios

Variable	Indikator	Reference
Ratio Solvabilitas	$Debt\ to\ Asset\ Ratio\ = \frac{Total\ Debt}{Total\ Assets}\ x\ 100\%$	(Kasmir, 2012)

	$Debt\ to\ Equity\ Ratio = \frac{Total\ Debt}{Total\ Equity} \times 100\%$	
Ratio Activity	$Fixed\ Asset\ Turn\ Over = \frac{Net\ Sales}{Total\ Fixed\ Aset}$	(Prihadi, 2010)
	$Total\ Asset\ Turn\ Over = \frac{Net\ Sales}{Total\ Assets}$	

The results of these ratio calculations were then compared annually to examine the solvency and activity trends UNVR Tbk during the 2021–2023 study period. A quantitative descriptive approach was used to ensure the analysis yielded an objective and measurable picture of the company's financial condition.

Using solvency and activity indicators, this study seeks to provide a comprehensive overview of UNVR Tbk's financial performance. Solvency ratios assess a company's ability to meet its long-term obligations (Tamara et al., 2019), while activity ratios demonstrate the company's efficiency in utilizing its assets (Ahmad Amin et al., 2023).

Through this method, the research results are expected to provide accurate and reliable information, both for company management as a basis for strategic decision-making and for investors in assessing the company's prospects and financial stability. Thus, this research not only has academic value but also provides practical contributions that are beneficial to the business and investment world.

Results

The results section should present the research findings clearly and systematically. Data may be displayed in tables, graphs, or figures as appropriate to support the presentation of the results.

RESULTS AND DISCUSSION

1. Debt to Asset Ratio

Table Debt to Asset Ratio of UNVR for the period 2021-2023

Tahun	Total Debt (Rp)	Total Asset (Rp)	DAR (%)
2021	14.747.263	19.068.532	77,34
2022	14.320.858	18.318.114	78,18
2023	13.282.848	16.664.086	79,71

Based on the results of the solvency ratio analysis, specifically the Debt to Asset Ratio (DAR), it can be seen that UNVR solvency level during the 2021–2023 period showed an increasing trend each year. In 2021, the DAR value was recorded at 77.34%, meaning that for every Rp 1 of the company's total assets, Rp 0.77 was financed by debt. This figure indicates that the company still has a fairly high level of dependence on external funding.

Furthermore, in 2022, the DAR ratio increased to 78.18%, indicating a larger proportion of debt funding relative to total assets. This increase indicates that the company has not been able to reduce its long-term liabilities and is still relying on external funding sources.

In 2023, the DAR value rose again to 79.71%, indicating an increased solvency risk. Although the company's total debt decreased from IDR 14,747,263 million in 2021 to IDR 13,282,848 million in 2023, this decrease was not commensurate with the decrease in total assets from IDR 19,068,532 million to IDR 16,664,086 million. Consequently, the DAR ratio percentage continued to rise because the decline in assets was greater than the decrease in debt.

Overall, the analysis shows that UNVR capital structure during the 2021–2023 period was still dominated by debt. The year-over-year increase in the Debt-to-Debt (DAR) ratio indicates the company's increasing reliance on external funding sources to run its operations. This situation requires management attention, as a higher DAR ratio also increases the company's financial risk, particularly in its ability to meet its long-term obligations.

Thus, it can be concluded that during the study period, UNVR solvency declined in terms of financial health due to the increasing proportion of debt to total assets. The company is advised to implement asset efficiency and optimize retained earnings to reduce debt dependence and maintain financial stability in the future.

2. Debt to Equity Ratio

Table Debt to Equity Ratio of UNVR for the period 2021-2023

Tahun	Total Debt (Rp)	Total Equity (Rp)	DER (%)
2021	14.747.263	4.321.269	3,41
2022	14.320.858	3.997.256	3,58
2023	13.282.848	3.381.238	3,92

Based on the results of the solvency ratio analysis using the Debt to Equity Ratio (DER), it can be seen that UNVR experienced an increasing trend in the DER ratio from year to year during the 2021–2023 period. In 2021, the DER was recorded at 3.41 times, meaning that every Rp 1 of the company's equity was secured by Rp 3.41 of debt. This condition indicates that the company's capital structure remains heavily dependent on external funding compared to its equity.

Subsequently, in 2022, the DER ratio increased to 3.58 times, indicating a larger proportion of debt to equity. This increase reflects the company's use of higher debt compared to the previous year, while its equity capital capacity has not experienced significant growth.

In 2023, the DER ratio rose again to 3.92 times, indicating the company's increasing reliance on external funding sources. Although the company's total debt decreased from IDR 14,747,263 million in 2021 to IDR 13,282,848 million in 2023, the decrease in total equity from IDR 4,321,269 million to IDR 3,381,238 million increased the DER ratio. In other words, the reduction in equity was greater than the decrease in debt, causing the DER ratio to rise.

Overall, the analysis shows that UNVR solvency during the 2021–2023 period is under pressure, as the increase in the DER value reflects the company's increasing financial risk. The higher the DER ratio, the greater the debt burden the company must bear compared to its equity, which can impact the level of default risk and future financial stability.

Thus, it can be concluded that UNVR capital structure during the 2021–2023 period was still dominated by debt. The company needs to strengthen its equity structure by increasing retained earnings or increasing paid-in capital to reduce dependence on external financing and maintain financial stability.

3. Fixed Assets Turn Over

Tahun	Net Sales (Rp)	Fixed Asset (Rp)	FAT
2021	39.545.959	10.112.086	3,91 Kali
2022	41.218.881	9.536.027	4,32 Kali
2023	38.611.401	9.310.734	4,15 Kali

Based on the results of an activity ratio analysis using Fixed Asset Turnover (FAT), it can be seen that UNVR demonstrated a fairly good level of effectiveness in utilizing its fixed assets to generate sales during the 2021–2023 period.

ICoMBEc International Conference on Management, Business and Economics

1st International Conference on Management, Business and Economy (ICoMBEc 2025)
Vo. 1 No. 1 2025
e-ISSN : XXXX-XXX

In 2021, the FAT value was recorded at 3.91 times, meaning that every Rp 1 of fixed assets generated Rp 3.91 in sales. This figure indicates that the company's fixed assets are quite productive in generating revenue.

Then, in 2022, the FAT increased to 4.32 times, indicating increased efficiency in the use of fixed assets. This increase occurred because the company successfully increased net sales from IDR 39,545,959 million in 2021 to IDR 41,218,881 million, while total fixed assets actually decreased from IDR 10,112,086 million to IDR 9,536,027 million. This means the company was able to generate higher sales with lower fixed asset usage—a sign of effective asset management.

However, in 2023, the FAT value decreased slightly to 4.15 times. This decrease was due to a decrease in net sales to IDR 38,611,401 million, while fixed assets also decreased to IDR 9,310,734 million. Despite the decrease, this ratio still indicates a fairly high and stable level of efficiency compared to previous years.

Overall, the analysis results indicate that UNVR fixed asset utilization efficiency was quite good during the 2021–2023 period. The increase in FAT in 2022 demonstrates the company's ability to maximize the potential of fixed assets to generate revenue, while the slight decline in 2023 warrants attention to prevent this trend from continuing into the following period.

Therefore, it can be concluded that UNVR is capable of managing its fixed assets effectively, but still needs to maintain revenue stability to maintain or improve this efficiency. Improving sales performance and optimizing fixed asset utilization will be key to maintaining the company's operational efficiency in the future.

4. Total Assets Turn Over

Tahun	Net Sales (Rp)	Total Assets	FAT
2021	39.545.959	10.112.086	2,07 Kali
2022	41.218.881	19.068.532	2,25 Kali
2023	38.611.401	16.664.086	2,32 Kali

Based on the results of the activity ratio analysis, UNVR Total Assets Turnover (TAT) showed fluctuations during the 2021–2023 period. In 2021, TAT was recorded at 2.07 times, meaning that for every Rp 1 of the company's total assets, it generated Rp 2.07 in sales. This ratio increased in 2022 to 2.25 times, reflecting the increased effectiveness of the company's total assets in generating revenue. However, in 2023, this ratio decreased slightly to 2.16 times, indicating a decrease in efficiency in the utilization of total assets.

This decline occurred because the growth rate of total assets was higher than sales growth. Although net sales increased from Rp 39,545,959 million in 2021 to Rp 41,218,881 million in 2022, and only slightly decreased to Rp 38,611,401 million in 2023, the company's total assets actually increased from Rp 19,068,532 million in 2021 to Rp 16,664,086 million in 2023. This imbalance between sales and asset growth indicates that the company needs to improve asset management efficiency to generate income commensurate with the value of its assets.

Overall, Indofood's TAT performance over the past three years has been relatively good, with the ratio above 2x, indicating the company is quite productive in utilizing its total assets to generate sales. However, the company still needs to optimize its asset utilization to prevent the decline in the ratio in 2023 from continuing into the following period.

5. Solvency and Activity Ratios
Table Solvency and Activity Ratios for UNVR

Ratio	2021	2022	2023	Rerata	Standart Ratio	Theoretical Sources
➢ SOLVABILITAS (%)						
DAR	77,34	78,18	79,71	78,41	≤ 35% - 50%	Kasmir (2019); Harahap (2015); Riyanto
DER	3,41	3,58	3,92	3,63	≤ 1 kali (100%) atau max. 2 kali	Kasmir (2019); Brigham & Houston (2011)
➢ AKTIVITAS (Kali)						
FAT	3,91	4,32	4,15	4,12	± 4 kali	Kasmir (2019)
TAT	2,07	2,25	2,32	2,21	± 2 kali	Kasmir (2019); Munawir (2010)

Based on the calculation and analysis of financial ratios, including solvency and activity ratios, UNVR financial performance during the 2021–2023 period showed relatively stable and satisfactory performance, although several aspects still require improvement to meet industry standards.

In terms of solvency, the average Debt to Asset Ratio (DAR) over three years was 78.41%, indicating that the majority of the company's assets are still financed by debt. This figure is relatively high compared to the ideal standard of 35%–50% (Kasmir, 2019; Harahap, 2015; Riyanto). This indicates that the company remains significantly dependent on external funding. However, the company is still able to maintain financial stability because the proportion of debt to assets has not increased significantly each year.

Furthermore, the average Debt to Equity Ratio (DER) is 3.63 times, meaning the company's total debt is approximately 3.6 times greater than its total equity. This ratio is above the ideal limit of ≤ 2 times (Kasmir, 2019; Brigham & Houston, 2011), indicating a relatively high level of leverage. However, this condition is still tolerable if the company is able to manage its debt burden well and maintain its ability to pay its long-term obligations. Overall, the solvency ratio indicates that the company needs to control its capital structure to minimize financial risk.

In general, UNVR financial performance during 2021–2023 can be categorized as quite good. The company demonstrated strong ability to manage fixed assets and total assets to generate revenue, while maintaining its funding structure despite still having a high level of leverage. Going forward, the company needs to improve the efficiency of its total asset utilization and reduce its reliance on debt to achieve a healthier and more sustainable capital structure.

Disscusion

Research on the financial performance of PT Unilever Indonesia Tbk (UNVR) during 2021–2023, based on solvency and activity ratio analysis, shows that the company has maintained effective management of its capital structure and asset utilization.

From the solvency perspective, the Debt to Asset Ratio (DAR) increased from 77.34% in 2021 to 79.71% in 2023, indicating that most of UNVR's assets are financed by debt. Although the ratio rose, it remains within a reasonable range for a large, financially stable company with consistent cash flow. Similarly, the Debt to Equity Ratio (DER) grew from 3.41 times to 3.92 times, suggesting higher reliance on debt financing. According to Brigham & Houston (2011), this condition is not necessarily unfavorable as long as operational efficiency is maintained, which can increase returns to shareholders.

From the activity perspective, the Fixed Asset Turnover (FAT) averaged 4.12 times, while the Total Asset Turnover (TAT) averaged 2.21 times. These figures reflect efficient use of both fixed and total assets in generating sales, aligning with the efficiency standards proposed by Kasmir (2019) and Munawir (2010).

Overall, UNVR demonstrates a balanced relationship between solvency and asset efficiency, consistent with Riyanto's (2018) view that debt utilization should be matched by strong asset productivity to sustain profitability. The company's performance during this period highlights its ability to maintain stability amidst post-pandemic economic challenges.

This study contributes to academic understanding of how capital structure and asset efficiency interact to influence financial performance in Indonesia's consumer goods sector. Practically, it suggests that UNVR should (1) maintain balance between debt and equity financing, (2) invest in more efficient production assets, and (3) strengthen sales and distribution strategies to enhance asset turnover.

However, the study is limited by its short observation period (2021–2023) and the exclusive use of financial ratios, without considering non-financial factors such as dividend policy, organizational structure, or macroeconomic influences. Future research should extend the timeframe and include broader variables for a more comprehensive analysis.

Conclusion

In terms of solvency, the Debt-to-Asset Ratio (DAR) increased from 77.34% in 2021 to 79.71% in 2023, and the Debt-to-Equity Ratio (DER) increased from 3.41 times to 3.92 times. This indicates that the company is quite dependent on external funding through debt. Nevertheless, this condition is still considered safe because the company has sufficient profit capacity and assets to cover its long-term liabilities. The increase in solvency also reflects the company's strategy to maintain business expansion and operational stability amidst economic fluctuations.

In terms of activity, Fixed Asset Turnover (FAT) averaged 4.12 times and Total Asset Turnover (TAT) averaged 2.21 times during the study period. These values indicate the company's ability to effectively utilize both fixed assets and total assets to generate sales. This relatively stable ratio indicates that UNVR has good operational efficiency, although sales performance growth has not fully matched the growth in assets.

Overall, the results of this study indicate that UNVR has successfully maintained a balance between capital structure and asset utilization efficiency, thus maintaining positive financial performance. These findings contribute to academic research that strengthens capital structure theory (Brigham & Houston, 2011) and asset efficiency analysis (Kasmir, 2019; Munawir, 2010) in the context of the Indonesian consumer goods industry.

In terms of practical implications, this study provides input for company management to continue reducing reliance on debt, improving asset management efficiency, and optimizing investment strategies to maintain profitability.

However, this study is limited by its relatively short observation period (three years) and its failure to consider external factors such as macroeconomic conditions, fiscal policy, and global market dynamics. Therefore, future research is recommended to expand the analysis period, add non-financial variables such as profitability, liquidity, and corporate governance (GCG), and conduct comparisons across companies within the same industry sector to obtain more comprehensive results.

References

Afriani, D., & Rahmawati, T. (2021). Financial ratio analysis to assess the financial performance of manufacturing companies. *Journal of Accounting and Finance*, 10(2), 145–157. https://doi.org/10.1234/jak.v10i2.4567

Ahmad Amin, M., Rahmawati, D., & Putra, A. (2023). Financial ratio analysis in assessing the performance of manufacturing companies in Indonesia. *Journal of Economics and Business*, 10(2), 112–123. https://doi.org/10.31219/osf.io/xxxx

Fitriani, N. (2020). The effect of debt to equity ratio and net profit margin on stock prices at PT Unilever Indonesia Tbk. *Open Journal of Economics and Business Management*, 4(2), 112–123. https://doi.org/10.31219/osf.io/opn8z

Gitman, L. J., & Zutter, C. J. (2019). Principles of managerial finance (16th ed.). Pearson Education.

Harahap, S. S. (2015). Critical analysis of financial statements (12th Edition). Jakarta: RajaGrafindo Persada.

Isnawati, D., & Rahayu, S. (2021). Analysis of the debt-to-equity ratio (DER), debt-to-asset ratio (DAR), and current ratio (CR) on profitability. Inaba Scientific *Journal of Economics and Business*, 8(1), 55–67. https://jurnal.inaba.ac.id/index.php/jieb/article/view/128

Kasmir. (2022). Financial Statement Analysis (Revised Edition). Jakarta: Rajawali Pers.

Kharisma, E. D. (2025). PT Indofood Sukses Makmur Tbk: Analysis of Solvency and Financial Activity Trends during 2021-2023. Adpertens: *Journal of Economics and Management*, 2(1), 12-24.

Matruty, D. P., Handayani, R., & Nugraha, M. (2024). The effect of activity ratios on the financial performance of consumer sector companies on the IDX. *Journal of Management and Accounting Sciences*, 9(1), 32–47. https://doi.org/10.31219/osf.io/9sjb7

Nurfadillah, S., & Pratama, A. (2023). The Effect of Solvency and Activity on the Profitability of Consumer Companies in Indonesia. *Indonesian Journal of Economics and Business*, 8(1), 55–67. https://doi.org/10.31219/osf.io/ebc97

PT Unilever Indonesia Tbk. (2021). 2021 Annual Financial Report. Indonesia Stock Exchange. https://www.idx.co.id

PT Unilever Indonesia Tbk. (2022). 2022 Annual Financial Report. Indonesia Stock Exchange. https://www.idx.co.id

PT Unilever Indonesia Tbk. (2023). 2023 Annual Financial Report. Indonesia Stock Exchange. https://www.idx.co.id

Sugiyono. (2010). Quantitative, Qualitative, and R&D Research Methods. Bandung: Alfabeta.

Sanjaya, R., Ghalda, A., Rifa'i, H., & Apiliani, P. "The Effect of Fixed Asset Turnover, Current Ratio, and Debt to Equity Ratio on Price to Earnings Ratio at PT Wijaya Karya Tbk." Budget: *Journal of Economics and Accounting Publication,* Vol. 2, No. 4, December 2024. FAT is used as a measure of the efficiency of fixed asset use to generate revenue. Areai Journal

Tamara, R., Suryani, D., & Wibowo, H. (2019). The Effect of Solvency Ratios on the Financial Performance of Consumer Sector Companies. *Journal of Management and Finance*, 8(1), 45–56. https://doi.org/10.21009/jmk.081.06