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ANALYSIS OF FINANCIAL STATEMENTS IN MEASURING FINANCIAL PERFORMANCE

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Abstract

Financial performance is a key measure for understanding how well a company makes money and keeps its business running. This research looks at the financial performance of food and beverage companies listed on the Indonesia Stock Exchange (IDX) from 2020 to 2024. The companies studied are PT Sekar Bumi Tbk (SKBM), PT Siantar Top Tbk (STTP), PT Ultra Jaya Milk Industry & Trading Company Tbk (ULTJ), and PT Campina Ice Cream Industry Tbk (CAMP). The study uses a quantitative descriptive method, focusing on financial ratios like liquidity, activity, solvency, and profitability. The data comes from the companies' annual financial reports, which are available on the IDX website and each company's official reports. The findings show that, overall, these food and beverage companies had strong and stable financial health during the study period. In terms of liquidity, most companies could handle their short-term debts well. The activity ratios showed good use of assets, especially at STTP and CAMP. The solvency ratios indicated a solid financial structure with minimal reliance on debt. Profitability ratios revealed that ULTJ had the best profits and return on capital compared to others. In general, the food and beverage sector performed well after the pandemic, thanks to effective management of assets and capital, as well as flexible and responsive business strategies.

Keywords:
Liquidity, Activity, Solvency, Profitability, and Financial Performance Ratios

Introduction

Financial performance is a key factor in showing how well a company is doing in reaching its main goals, which are making steady profits and keeping its finances stable. By looking at financial statements, companies can understand their current financial situation, how well they are using their assets, and if they can pay their bills both in the short term and long term. These financial statements help management show accountability to shareholders and also provide important information for decisions made by outsiders like investors, lenders, and the government (Hery, 2017). Analyzing financial statements allows companies to evaluate their performance in different areas by using financial ratios such as liquidity, solvency, activity, and

profitability ratios. These ratios show how efficiently and effectively the company is running its operations (Kasmir, 2019).
In the Indonesian economy, the years 2020 to 2024 were a busy time for the industrial sector, including the food and beverage industry. The COVID-19 pandemic in 2020 greatly affected the country's economic situation. However, the food and beverage industry proved to be more stable because people need these products for daily life (Central Statistics Agency, 2022). Companies like PT Sekar Bumi Tbk, PT Siantar Top Tbk, PT Ultra Jaya Milk Industry Tbk, and PT Campina Ice Cream Industry Tbk are examples of businesses that kept running well despite global difficulties. They did this by coming up with new products and managing their costs effectively. By looking at these companies' financial reports, we can understand how well the sector handled economic changes and shifts in what consumers wanted after the pandemic.
Financial ratios are a key way to look at how well a company is doing financially. Liquidity ratios like the Current Ratio and Quick Ratio show if a company can pay its bills in the short term. Solvency ratios such as the Debt to Equity Ratio and Debt to Asset Ratio tell us how much of a company's money comes from outside sources. Activity ratios like Inventory Turnover and Total Asset Turnover show how well a company uses its assets to make sales. Profitability ratios such as Net Profit Margin, Return on Assets, and Return on Equity show how well a company makes money from its assets and the money it has invested (Fahmi, 2020). By looking at all these ratios together, companies can find out where they are strong and where they need to improve, and then plan better strategies for the future.
This study aims to examine financial statements to understand how well companies in the food and beverage industry performed between 2020 and 2024. The food and beverage sector is a key part of Indonesia's consumer industry. The findings of this study can help company managers make better decisions and assist investors in evaluating how much a company might grow and how profitable it could be. It also adds value to academic research by providing more information on how companies perform financially after the pandemic, when being able to adapt and stay financially strong is very important for success. Financial statement analysis is not just a way to assess a company's current situation, but it also helps in making choices that lead to long-term success and improved company value.

Theoretical Framework
Financial statement analysis is an important way to evaluate how well a company is doing financially. These statements show a company's financial situation, how it did in its business operations, and how money moved in a certain time period. They help see if management is using resources effectively (Hery, 2017). Kasmir (2019) says that financial statement analysis is used to understand a company's financial health in areas like liquidity, activity, solvency, and profitability. By calculating these ratios, we can understand how well the company makes profits, pays its short-term debts, and uses its assets and capital efficiently.
Several earlier studies have looked into how financial ratio analysis relates to a company's performance. Laksana and others in 2021 studied financial performance in

chemical sector companies using financial ratios and found that profitability ratios strongly affect how well a company performs. On the other hand, Wenas and their team in 2023 looked at companies in the food and beverage industry and found that liquidity and activity ratios help improve operational efficiency, but solvency ratios can lower profitability. Febrina and others in 2021 also discovered that companies which keep a good balance between liquidity and solvency usually have more stable financial performance. These findings suggest that financial ratios can be important tools for evaluating how well financial management is working.

However, there is a gap in research that needs to be addressed. Most earlier studies looked at the time before the COVID-19 pandemic or used a short time frame, like 2018 to 2022. On the other hand, there are not many studies that look at financial statement analysis during the period from 2020 to 2024, which includes both the pandemic and the time after. This is important because this period had a lot of economic changes, and many companies had to adjust to new customer behaviors and problems with global supply chains. That's why this study tries to fill that gap by looking at how companies in the food and beverage part of the industry performed financially during 2020 to 2024, using financial ratios.

This study is based on two theories: Signaling theory and Agency theory. Signaling theory, introduced by Spence in 1973, says that companies use financial reports to send messages to investors and other outsiders about their current situation and future potential. When a company shows good financial results, it sends a positive message that can make investors more confident and increase the company's value. On the other hand, Agency theory, developed by Jensen and Meckling in 1976, looks at the relationship between company owners, who are the principals, and the managers, who act as agents. In this theory, financial statements help owners check how well managers are doing their jobs and make sure company resources are used wisely. Because of this, analyzing financial ratios is a key way to see how well managers are carrying out their duties in line with what the owners want.

Based on the theoretical framework and empirical studies described above, this study proposes the following hypotheses:

H1: Liquidity ratios have a positive effect on company financial performance.

H2: Activity ratios have a positive effect on company financial performance.

H3: Solvency ratios have a negative effect on company financial performance.

H4: Profitability ratios have a significant positive effect on company financial performance.

By testing these hypotheses, this study is expected to provide empirical contributions to understanding the relationship between financial ratios and financial performance, as well as enriching the literature on the resilience of the food and beverage sector in Indonesia during the 2020–2024 period.

Method

This study uses a quantitative descriptive approach, which is a method that aims to describe the financial performance of a company based on numerical data obtained from annual financial reports. The quantitative descriptive approach was chosen because it allows researchers to analyze, interpret, and explain corporate financial phenomena objectively based on the results of financial ratio calculations. According to Sugiyono (2019), the quantitative descriptive method is used to describe a phenomenon systematically and factually based on measurable data so that the results can be tested empirically.

The population in this study was all companies in the food and beverage industry listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. This sector was chosen because it is one of the sectors that plays an important role in supporting national economic resilience, especially during the COVID-19 pandemic and the subsequent economic recovery period. From this population, the researcher took five companies as research samples using purposive sampling, which is the selection of samples based on certain criteria. The criteria used were:

(1) companies actively listed on the IDX during 2020–2024,

(2) perusahaan menerbitkan laporan keuangan tahunan secara lengkap dan diaudit, serta companies that publish complete and audited annual financial reports, and

(3) companies included in the food and beverage sub-sector. Based on these criteria, the following samples were obtained:

1. PT Sekar Bumi Tbk (SKBM) – producer of frozen foods and processed seafood.
2. PT Siantar Top Tbk (STTP) – producer of snacks and biscuits.
3. PT Ultra Jaya Milk Industry & Trading Company Tbk (ULTJ) – producer of ready-to-drink milk and tea beverages.
4. PT Campina Ice Cream Industry Tbk (CAMP) – producer of ice cream and processed milk products.

The data used in this study is secondary data, which is data obtained from the annual financial reports of the sample companies published on the official website of the Indonesia Stock Exchange (www.idx.co.id) and the official websites of each company. The data collected includes financial position reports (balance sheets) and comprehensive income statements for the 2020–2024 period. In addition, other supporting data such as company profiles, notes to financial statements, and annual reports were also used to strengthen the analysis.

The instruments used in this study are financial ratios that serve as indicators of financial performance. The ratios used are as follows:

1. Liquidity Ratios, to measure a company's ability to meet its short-term obligations, which include:
   a. Current Ratio (CR) = Current Assets / Current Liabilities
   b. Quick Ratio (QR) = (Current Assets – Inventories) / Current Liabilities
   c. Cash Ratio (CaR) = Cash and Cash Equivalents / Current Liabilities
2. Activity Ratios, to measure the effectiveness of the company in using its assets:
   a. Inventory Turnover (ITO) = Cost of Goods Sold / Average Inventory
   b. Fixed Asset Turnover (FAT) = Net Sales / Total Fixed Assets
   c. Total Asset Turnover (TATO) = Net Sales / Total Assets
3. Solvency Ratios, to assess a company's ability to meet its long-term obligations:
   a. Debt to Asset Ratio (DAR) = Total Debt / Total Asset
   b. Debt to Equity Ratio (DER) = Total Debt / Total Equity

4. Profitability Ratios, to measure a company's ability to generate profits:
    a. Net Profit Margin (NPM) = Net Profit / Net Sales × 100%
    b. Return on Assets (ROA) = Net Profit / Total Assets × 100%
    c. Return on Equity (ROE) = Net Profit / Total Equity × 100%

A Data analysis was carried out in several stages. First, company financial data was collected and grouped according to the ratios to be calculated. Second, each financial ratio was calculated based on financial report data for five years (2020–2024). Third, the calculation results are interpreted by comparing the ratio values obtained with industry standards according to Kasmir (2019) and the ratio trends from year to year to determine the stability and efficiency of the company's financial performance. Furthermore, a descriptive analysis of the ratio results is carried out to provide an overview of the financial position, operational efficiency, and profitability of each company.
Through a quantitative descriptive approach and financial ratio analysis, this study is expected to provide a comprehensive overview of the financial performance of food and beverage companies in Indonesia during the 2020–2024 period and identify factors that influence the effectiveness of financial management in facing national economic dynamics.

Results
This analysis aims to determine the company's financial condition during the 2020–2022 period based on financial statement data processed in the form of financial ratios.

Tabel 1. Liquidity Ratio Calculation

Code	Company Name	Year	Current Ratio	Quick Ratio	Cash Ratio
SKBM	PT Sekar Bumi Tbk	2020	1.36	0.81	25%
		2021	1.31	0.81	25%
		2022	1.44	0.92	32%
		2023	1.57	0.86	42%
		2024	1.42	0.85	38%
STTP	PT Siantar Top Tbk	2020	2.41	2.40	23%
		2021	4.16	4.16	44%

Code	Company Name	Year	Current Ratio	Quick Ratio	Cash Ratio
		2022	4.85	4.11	46%
		2023	6.95	6.16	55%
		2024	9.51	8.78	296%
ULTJ	PT Ultra Jaya Milk Industry & Trading Company Tbk	2020	2.40	2.01	71%
		2021	3.11	2.67	103%
		2022	3.17	2.05	86%
		2023	6.18	4.18	305%
		2024	5.39	3.85	270%
CAMP	PT Campina Ice Cream Industry Tbk	2020	13.27	10.83	845%
		2021	13.31	11.43	1331 %
		2022	10.67	8.94	699%
		2023	6.43	5.03	317%
		2024	5.05	3.68	161%

Industry Liquidity Ratio

No	Jenis Rasio	Standar Industri
1	Current Ratio	2 kali
2	Quick Ratio	1,5 kali
3	Cash Ratio	50%

Sumber: Kasmir (2008)

Interpretation:
Based on the data, CAMP shows the highest liquidity ratio among all companies. In 2021, Campina's CR reached 13.31 times with a CaR of 1331%, which means that the company has excess cash that far exceeds normal liquidity requirements. Although this condition indicates a very secure cash position, this value may also indicate suboptimal use of funds for long-term investments.
In contrast, SKBM has the lowest liquidity ratio with an average CR of 1.4 times over five years. This value is below the ideal industry standard (2 times), indicating that the company's ability to meet short-term obligations still needs to be improved.
STTP and ULTJ show good and stable liquidity conditions. STTP experienced an increase in CR from 2.41 times in 2020 to 9.51 times in 2024, indicating improved cash

management efficiency. ULTJ also showed positive growth from 2.40 to 5.39 times in the same period. Overall, all companies are in a liquid condition, but only STTP and ULTJ show an optimal balance between cash, current assets, and short-term liabilities.

Tabel 2. Activity Ratio Calculation

Code	Company Name	Year	inventory turnover	fix asset turnover	total asset turnover
SKBM	PT Sekar Bumi Tbk	2020	7.14	7.18	1.79
		2021	8.02	8.74	1.95
		2022	7.12	9.02	1.86
		2023	5.29	6.49	1.54
		2024	4.29	5.35	1.23
STTP	PT Siantar Top Tbk	2020	9.13	2.50	1.12
		2021	10.17	2.73	1.08
		2022	19.64	3.11	1.07
		2023	8.38	2.91	0.87
		2024	8.89	2.97	0.73
ULTJ	PT Ultra Jaya Milk Industry & Trading Company Tbk	2020	3.91	3.48	0.68
		2021	5.28	1.91	0.80
		2022	4.48	3.58	1.10
		2023	3.66	3.74	1.17
		2024	4.15	3.81	1.11
CAMP	PT Campina Ice Cream Industry Tbk	2020	2.84	4.02	0.88
		2021	3.58	5.14	0.89
		2022	4.06	5.05	1.05
		2023	3.97	3.46	1.04
		2024	4.10	3.33	1.07

Industry Activity Ratio

No	Jenis Rasio	Standar Industri
1	Inventory Turnover	20 kali
2	Fix Asset Turnover	5 kali
3	Total Asset Turnover	2 kali

Sumber: Kasmir (2008)

Interpretation:
From the analysis results, STTP shows the highest activity efficiency among other companies. STTP's Inventory Turnover reached 19.64 times in 2022, which is close to the industry standard of 20 times. This shows that the company is able to manage its inventory well and quickly convert it into sales. However, in the following years there was a slight decline to 8.89 times in 2024, which indicates an adjustment to market demand levels.
SKBM showed a downward trend in activity ratios. SKBM's Total Asset Turnover (TAT) fell from 1.79 times in 2020 to 1.23 times in 2024, indicating that the effectiveness of asset utilization to generate sales had declined. This decline could be due to an increase in assets that was not matched by revenue growth.
ULTJ shows fairly good stability, with TAT increasing from 0.68 in 2020 to 1.11 times in 2024. This means that the company is able to optimize its assets efficiently to support operational activities. CAMP also experienced a moderate increase with TAT in the range of 0.88–1.07 times, reflecting relatively stable efficiency.
Overall, STTP is the most efficient company, while SKBM needs to improve its asset utilization strategy to make asset turnover more productive.

Tabel 3. Solvency Ratio Calculation

Code	Company Name	Year	Debt to Asset Ratio	Debt to Equity Ratio
SKBM	PT Sekar Bumi Tbk	2020	46%	84%
		2021	50%	99%
		2022	47%	90%
		2023	42%	72%
		2024	46%	86%
STTP	PT Siantar Top Tbk	2020	22%	290%
		2021	19%	19%
		2022	14%	17%
		2023	12%	13%
		2024	9%	10%
ULTJ	PT Ultra Jaya Milk Industry &	2020	45%	83%
		2021	31%	44%

Industry Solvency Ratio

No	Types of Ratios	Industry Standards
1	Debt to Asset Ratio	35%
2	Debt to Equity Ratio	90%

Sumber: Kasmir (2008)

Code	Company Name	Year	Debt to Asset Ratio	Debt to Equity Ratio
	Trading Company Tbk	2022	21%	27%
		2023	11%	13%
		2024	12%	14%
CAMP	PT Campina Ice Cream Industry Tbk	2020	12%	13%
		2021	26 %	35 %
		2022	12%	12%
		2023	12%	14%
		2024	14%	16%

Interpretation:
The analysis shows that SKBM has a fairly high leverage ratio, with an average debt-to-asset ratio (DAR) of 46% and a debt-to-equity ratio (DER) of 0.9 times. These figures indicate that nearly half of the company's assets are financed by debt, signifying a relatively high dependence on external funding sources.
In contrast, CAMP displays excellent solvency. Its DER has ranged between only 0.13 and 0.16 times, and its DAR has been below 15% for the past five years. This indicates that CAMP has a very healthy capital structure and a low risk of default.
STTP shows a significant downward trend in its debt ratio. STTP's DER fell sharply from 2.90 times in 2020 to 0.10 times in 2024, indicating that the company has succeeded in reducing its dependence on debt-based financing. Meanwhile, ULTJ also shows a positive trend with a decrease in DER from 0.83 to 0.14 times, indicating increasingly strong capital management.
Overall, the solvency conditions of the four companies are good. Three of them (STTP, ULTJ, and CAMP) have successfully maintained their debt ratios at safe and efficient levels, while SKBM still needs to balance its capital structure to reduce its long-term liabilities.

Tabel 4. Profitability Ratio Calculation

Code	Company Name	Year	Net Profit Margin	Return On Asset	Return On Equity
SKBM	PT Sekar Bumi Tbk	2020	0%	0%	1%
		2021	1%	2%	3%
		2023	0%	0%	0%
		2024	4%	5%	8%
STTP	PT Siantar Top Tbk	2020	16%	18%	24%
		2021	15%	16%	19%
		2022	13%	14%	16%
		2023	19%	17%	19%
		2024	27%	19%	21%
ULTJ	PT Ultra Jaya Milk Industry & Trading Company Tbk	2020	19%	13%	23%
		2021	19%	15%	25%
		2022	12%	13%	17%
		2023	14%	16%	18%
		2024	12%	14%	16%
CAMP	PT Campina Ice Cream Industry Tbk	2020	5%	4%	5%
		2021	10%	9%	10%
		2022	11%	11%	11%
		2023	11%	12%	13%
		2024	8%	9%	10%

Industry Profitability Ratio

No	Types of Ratios	Industry Standards
1	Net Profit Margin	20%
2	Return On Asset	30%
3	Return On Equity	40%

Sumber: Kasmir (2008)

Interpretation:
STTP and ULTJ are the two companies with the highest profitability performance. STTP's NPM reached 27% in 2024, while ROE reached 21%. These values are close to industry standards according to Kasmir (2008), who states that the ideal profitability

ratio is in the range of NPM ≥ 20% and ROE ≥ 40%. This indicates efficient cost management and a strong sales strategy.
Meanwhile, ULTJ also shows stable profitability performance with an average NPM of 15% and ROE of 20%, which illustrates the company's ability to maintain profit margins and return on capital at optimal levels.
CAMP experienced a significant increase in profitability in 2021–2023, with NPM rising from 5% to 11% and ROE increasing to 13%, but declining slightly in 2024. Nevertheless, CAMP's performance is still good and stable.
In contrast, SKBM showed fluctuating profitability. In 2020 and 2023, the NPM and ROE values were close to zero, indicating very small profits or even approaching the break-even point. However, in 2024, there was an increase of up to 8%, indicating an improvement in operational efficiency.

Discussion

This study shows that financial ratio analysis can provide a comprehensive picture of the financial performance of companies in the food and beverage sub-sector in Indonesia for the period 2020–2024. Based on the analysis results, most companies are in a healthy financial condition with relatively stable liquidity, solvency, activity, and profitability levels. These findings support Kasmir's (2019) opinion that financial ratios are the main tool for assessing the effectiveness and efficiency of a company's financial management.
In terms of liquidity ratios, CAMP shows a very strong cash position, even though its value is well above the industry standard. This condition indicates the company's ability to meet its short-term obligations well, but at the same time shows that there are idle funds that have not been optimally utilized. This is in line with Fahmi (2020), who emphasizes that excessively high liquidity levels can reduce the effectiveness of capital utilization and suppress returns on investment.
The activity ratio shows that STTP has the highest efficiency in managing assets and inventory. Inventory and asset turnover values that are close to industry standards indicate that the company is able to maximize resources to increase sales. These results are consistent with the findings of Wenas et al. (2023), which show that activity ratios have a positive effect on a company's operational efficiency. Meanwhile, SKBM has experienced a decline in asset turnover from year to year, indicating the need to improve its strategy in using assets to be more productive.
In terms of solvency, STTP, ULTJ, and CAMP show a strong capital structure with low debt ratios. This condition is a positive signal for investors and supports the Signaling theory (Spence, 1973), which states that financial reports with good solvency ratios can increase investor confidence. Conversely, SKBM still shows a significant dependence on external financing, requiring improvements in capital management to achieve a more balanced financial structure.
In terms of profitability, STTP and ULTJ recorded the highest performance with stable net profit and return on capital ratios. This demonstrates management's ability to manage revenue and costs efficiently. These results reinforce the research by Laksana et al. (2021) and Febrina et al. (2021), which confirms that profitability is a key indicator

in assessing a company's financial success. On the other hand, SKBM and CAMP experienced profit fluctuations, indicating instability in operational efficiency and sales strategies.

Overall, the results of the study support the Agency theory (Jensen & Meckling, 1976) that financial statements are the main tool for capital owners to assess manager performance. The practical implication of this study is the importance of maintaining a balance between liquidity, solvency, activity, and profitability in order to create long-term financial stability. For investors, these findings indicate that the food and beverage sector is highly resilient to economic turmoil and is a viable investment option for the medium to long term.

Conclusion

Based on the analysis of financial statements for the period 2020–2024, it can be concluded that companies in the food and beverage sub-sector in Indonesia are generally in a healthy and stable financial condition. Liquidity ratios show that the majority of companies are able to meet their short-term obligations well, while activity ratios show efficient asset management in generating income. The capital structure indicated by the solvency ratio shows low dependence on debt, reflecting the companies' financial independence. In terms of profitability, ULTJ and STTP have successfully maintained the best performance in generating profits and managing capital.

This study contributes academically to enriching the literature on post-pandemic financial performance and provides practical contributions to company management in designing effective financial management strategies. However, this study has limitations because it only uses a quantitative descriptive approach, so it has not tested the causal relationship between variables. For further research, it is recommended to use regression analysis or econometric approaches to obtain more in-depth and representative results, as well as to expand the research object to other sectors outside the food and beverage industry.

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