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ANALYZING FIRM PROFITABILITY IN EVALUATING FINANCIAL PERFORMANCE: EVIDENCE FROM AN INDONESIAN MANUFACTURING COMPANY

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ABSTRAK

Penelitian ini bertujuan untuk mengetahui bagaimana kinerja keuangan PT Mayora Indah Tbk. Dalam penelitian ini menggunakan data dari laporan keuangan mulai tahun 2021 hingga 2025. Metode penelitian yang digunakan adalah metode kualitatif deskriptif, data yang diperoleh melalui teknik dokumentasi dan literatur, serta literatur. Pendekatan pengambilan sampel yang diambil adalah sampling bertujuan. Berdasarkan hasil penelitian yang telah dilakukan dengan menggunakan perhitungan rasio profitabilitas, yaitu Gross Profit Margin (GPM), Net Profit Margin (NPM), Return On Assets (ROA), dan Return On Equity (ROE), di PT Mayora Indah Tbk. Indah Tbk. Dapat disimpulkan bahwa kinerja keuangan perusahaan di PT Mayora Indah Tbk setelah dihitung menggunakan empat indikator berdasarkan rata-rata industri dari Kashmir berada di bawah standar rata-rata industri. Jadi dapat disimpulkan bahwa kinerja keuangan perusahaan berada dalam kondisi "tidak baik".
Kata kunci: Laporan Keuangan; Rasio Profitabilitas; Laporan Keuangan GPM; NPM; ROA; ROE; PT Mayora Indah Tbk

ABSTRACT

This research aims to know how the financial performance of PT Mayora Indah Tbk. In This research uses data from the financial statements starting from 2021 to 2025.The research method used is a descriptive qualitative method, data obtained by documentation techniques and literature.and literature. The sampling approach taken is purposive sampling. Based on the results of research that has been done by using the calculation of profitability ratios, namely Gross Profit Margin (GPM), Net Profit Margin (NPM), Return On Assets (ROA), and Return On Equity (ROE), at PT Mayora Indah Tbk. Indah Tbk. It can be concluded that the company's financial performance at PT Mayora Indah Tbk after being calculated using the four indicators based on the average of the industry from Kashmir is below the industry average standard. So it can be concluded that the company's financial performance is in "not good".
Keywords: *Financial Statements; Profitability Ratios; Financial Statements GPM; NPM; ROA; ROE; PT Mayora Indah Tbk*

A. INTRODUCTION

Accounting is the process of recording, classifying, summarizing, processing, and presenting financial transaction data of an entity so that the resulting information is easy to understand and can be used as a basis for decision-making by various interested parties. Through this accounting process, all economic activities of a company—ranging from sales transactions, purchases, to financing—are summarized into systematic and accountable financial statements. For a business entity, financial statements serve as a "business language" providing a clear picture of the company's financial position, performance, and changes in financial position to stakeholders, both internal parties such as management and external parties such as investors, creditors, government, and the general public.

The food and beverage industry plays a significant role in Indonesia's national economy, given that its products are primary human needs with relatively stable demand over time. PT Mayora Indah Tbk, as a leading manufacturing enterprise listed on the Indonesia Stock Exchange under the ticker MYOR, holds a vital position in the food and beverage industry across both domestic and international markets. The company produces various product categories such as biscuits, candies, wafers, coffee, and health foods, all widely recognized locally and internationally. Its large business scale and extensive distribution network establish PT Mayora Indah Tbk as a major player in the national consumer goods industry.

Although widely recognized and possessing a solid market reputation, a company's popularity does not automatically reflect a sound financial condition. The financial performance of PT Mayora Indah Tbk needs to be thoroughly evaluated to ensure that company resources are managed efficiently and effectively. This issue becomes increasingly relevant considering that the 2020–2024 period was marked by external turbulence, particularly the Covid-19 pandemic, which significantly impacted global economic activity. Disruptions in the raw material supply chain, reduced consumer purchasing power, price hikes in key commodities such as wheat, sugar, and cocoa, alongside fluctuations in the Rupiah exchange rate, contributed to increased import costs for raw materials. These external conditions raise a fundamental question regarding PT Mayora Indah Tbk's capacity to sustain and enhance its profitability amid such pressures.

Initial observations of the company's financial statements reveal fluctuations in profitability levels that could impact the entity's long-term sustainability. These fluctuations are evident from unstable year-to-year movement across profitability ratios, including a downward trend in gross profit margin during the initial pandemic years (reaching its lowest point in 2023) and a sharp plunge in net profit margin in 2022 due to short-term financial obligation settlements. This phenomenon constitutes an essential research problem; if these profitability fluctuations are not properly understood and anticipated by management, it could undermine investor confidence, restrict credit access due to heightened risk perception, and weaken competitive standing within an increasingly aggressive food and beverage market.

Profitability ratios serve as a key metric to evaluate management effectiveness in generating profits from sales activities as well as investments made by shareholders through total assets. Without accurate and systematic analysis of these ratios, stakeholders like investors and creditors will struggle to evaluate whether asset and equity growth align with optimal profit generation. A mismatch between asset growth and profit capabilities serves as an early indicator of operational inefficiency, which, if left unchecked, can threaten long-term business continuity. Therefore, this study seeks to address how PT Mayora Indah Tbk's financial performance measures against profitability indicators during 2020–2024 and identify the factors underlying these fluctuations.

Financial statement analysis literature demonstrates that profitability ratio analysis is one of the most relevant methods to assess the financial health of manufacturing companies, particularly in measuring profit-generating capacity per unit of sales, assets, or equity (Kasmir, 2020). This approach offers a comprehensive overview across three main financial dimensions: operational efficiency (reflected by GPM and NPM), asset utilization effectiveness (reflected by ROA), and equity efficiency (reflected by ROE). Combining these four indicators simultaneously provides a more holistic diagnosis than relying on a single indicator.

Consequently, this research aims to measure and analyze the financial performance of PT Mayora Indah Tbk for the 2020–2024 period using four main profitability indicators—Gross Profit Margin (GPM), Net Profit Margin (NPM), Return On Assets (ROA), and Return On Equity (ROE)—and compare them with industry standards. The findings are expected to provide an objective assessment of resource management efficiency, offering practical insights for management in formulating performance improvements, for investors in evaluating investment viability, and for creditors in assessing creditworthiness.

This research offers both theoretical and practical benefits. Theoretically, it enriches the literature on financial statement analysis, specifically regarding the application of profitability ratios to manufacturing firms in the food and beverage sector listed on the Indonesia Stock Exchange. Practically, it provides management with evaluation input to refine strategic policies concerning operational efficiency and capital structure. For prospective investors, this research serves as a reference point for evaluating investment potential in MYOR stock, while creditors can utilize these insights to evaluate profit-generating capacity relative to debt service obligations.

B. LITERATURE REVIEW

Financial statements represent the final output of the accounting process, summarizing a company's financial health over a given period. A complete set of financial statements generally includes the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows, and notes to financial statements. Among these, the statement of financial position and statement of comprehensive income serve as primary data sources for this study, as both contain required line items to compute profitability ratios: net sales, cost of goods sold, gross profit, net profit, total assets, and total equity.

Financial statement analysis involves disaggregating financial statement items into smaller informative units and analyzing significant relationships between them to gain deeper insights into a firm's financial status. One of the most common techniques employed is financial ratio analysis, which compares figures across financial statements by dividing one value by another to derive interpretable ratios. Financial ratios are generally categorized into four main groups: liquidity ratios, solvency (leverage) ratios, activity ratios, and profitability ratios.

Profitability ratios aim to evaluate a company's capacity to generate profits relative to sales, assets, and equity. This ratio group plays a crucial role because profit serves as a primary indicator of managerial success in running operations and acts as a central consideration for investors evaluating future prospects. This study adopts four representative profitability ratios suitable for manufacturing companies:

Gross Profit Margin (GPM), Net Profit Margin (NPM), Return On Assets (ROA), and Return On Equity (ROE). Gross Profit Margin (GPM) reflects efficiency in managing direct production costs, making it sensitive to raw material price fluctuations and production efficiency. Net Profit Margin (NPM) provides a broader operational perspective by accounting for all business expenses—including operating, interest, and tax expenses—reflecting overall efficiency. Return On Assets (ROA) measures how effectively management utilizes total assets to produce income, while Return On Equity (ROE) serves as a key indicator for shareholders by measuring returns on invested equity capital. Using these four ratios simultaneously offers a comprehensive, multi-dimensional view of profitability.

To interpret ratio calculations meaningfully, industry average benchmark standards are required. Kasmir (2020) outlines general industry average standards for profitability ratios: GPM at 30%, NPM at 20%, ROA at 30%, and ROE at 40%. These benchmarks serve as reference points in this study to categorize performance as Excellent, Good, or Poor.

Profitability represents an important outcome of managerial decision-making because it reflects the firm's ability to transform available economic resources into financial returns. In the context of manufacturing companies, profitability is closely associated with the firm's ability to control production costs, utilize productive assets efficiently, maintain sales growth, and manage financing and operating expenses. Consequently, profitability should not be interpreted merely as the magnitude of accounting profit, but as an outcome of the interaction between operational efficiency, resource utilization, and financial decisions.

The relevance of profitability becomes increasingly important in evaluating manufacturing firms because manufacturing operations generally require substantial investment in fixed assets, inventories, production facilities, and working capital. An increase in sales, therefore, does not automatically indicate improved financial performance if it is accompanied by disproportionately higher production costs, inefficient asset utilization, or increasing financing expenses. From this perspective, profitability analysis provides information about the quality and efficiency of financial performance, rather than simply measuring the amount of profit generated.

Recent empirical studies support the importance of profitability as a multidimensional indicator of corporate performance. Ayuningtyas et al. (2021), examining Indonesian manufacturing firms, found that working capital management and firm characteristics were associated with differences in profitability. Their findings indicate that financial performance is influenced by how effectively firms manage resources rather than merely by their ability to generate revenue. Similarly, Pangestuti, Pridarsanti and Robiyanto (2021) demonstrated that liquidity and working-capital conditions were relevant to the profitability of Indonesian manufacturing companies. These findings suggest that profitability is an outcome of interconnected financial-management decisions.

a. Profitability and Operational Efficiency

Operational efficiency is an important theoretical explanation for differences in manufacturing profitability. Manufacturing firms face direct production expenditures, including raw materials, labor, energy, and manufacturing overhead. Inefficient cost management can reduce the financial return obtained from sales even when revenue continues to increase. Conversely, improvements in production efficiency can strengthen profitability without requiring proportional increases in sales.

The relationship between operational efficiency and profitability is particularly important under conditions of input-price volatility. Manufacturing companies that depend heavily on raw materials and energy may experience declining margins when input costs increase and firms are unable to transfer these increases to consumers. Therefore, profitability can be viewed as an indicator of the firm's capacity to maintain an appropriate balance between revenue generation and cost control.

Empirical evidence from Indonesian manufacturing firms reinforces this argument. Sany, Winata and Yasin (2023) reported that sales growth was positively associated with profitability, whereas leverage negatively affected profitability. The findings imply that increasing business activity contributes positively to financial performance when accompanied by appropriate financial management. More recent evidence from Indonesian manufacturing firms also indicates that sales growth can improve profitability, although the effect of capital structure may work in the opposite direction.

1. Financial Decisions and Profitability

Profitability is also closely related to financing decisions. According to the trade-off perspective of capital structure, debt can provide additional funds for business expansion but simultaneously creates fixed financial obligations. When debt levels become excessive, interest expenses and financial risk may reduce the firm's ability to generate net returns. Thus, the relationship between financing decisions and profitability is not necessarily linear.

Evidence from Indonesian manufacturing companies generally indicates a negative association between leverage and profitability. Sany et al. (2023) found that higher leverage reduced profitability, while a recent study covering Indonesian manufacturing firms during 2020–2024 similarly reported a significant negative effect of leverage on ROA. These findings are consistent with the argument that excessive dependence on external financing can place pressure on earnings through interest and other financial costs.

At the same time, profitability can influence financing capacity. More profitable firms tend to have greater internally generated funds, reducing their dependence on external debt. This creates a potential reciprocal relationship between profitability and capital structure. Consequently, profitability should be evaluated within the broader financial structure of the firm rather than viewed as an isolated accounting outcome.

2. Firm Resources and Profitability

The resource-based perspective provides another explanation for differences in profitability. Firms possessing valuable and efficiently managed resources may develop stronger capabilities to generate sustainable financial returns. In manufacturing, these resources include production technology, physical assets, human capital, organizational capabilities, supply-chain relationships, and financial resources.

Firm size may therefore influence profitability through economies of scale, bargaining power, access to financing, and more efficient utilization of production facilities. However, larger size does not automatically guarantee superior profitability. Increasing organizational complexity, administrative costs, and inefficient asset utilization may offset the advantages associated with scale. Ayuningtyas et al. (2021) found that firm size was relevant to profitability among Indonesian manufacturing companies, supporting the argument that firm characteristics can influence financial outcomes.

3. Research Gap

Although previous studies have examined determinants of profitability among Indonesian manufacturing companies, the findings remain heterogeneous. Working capital, leverage, firm size, liquidity, and sales growth do not consistently demonstrate the same magnitude or direction of influence across different manufacturing contexts. Moreover, much of the existing literature emphasizes statistical relationships between explanatory variables and profitability, while relatively fewer studies provide a comprehensive evaluation of a particular manufacturing company's profitability using several profitability dimensions simultaneously**.**

This study addresses this gap by focusing on the financial performance evaluation of an Indonesian manufacturing company through the simultaneous interpretation of GPM, NPM, ROA, and ROE. Importantly, these ratios are not redefined as separate theoretical constructs; rather, they are treated as complementary perspectives for interpreting the firm's profitability. The analysis therefore seeks to determine whether the company's profitability demonstrates consistency between production efficiency, overall cost management, asset utilization, and returns generated for shareholders.

Accordingly, the study contributes to the literature by shifting the emphasis from merely identifying whether profitability exists to understanding how profitability reflects the effectiveness of managerial resource utilization and financial decision-making. This approach is particularly relevant for manufacturing companies, where operational costs, asset intensity, working-capital requirements, and financing decisions jointly determine the sustainability of financial performance.

C. RESEARCH METHODOLOGY

This research employs a descriptive qualitative method, emphasizing the quality of analytical interpretation over mere numeric presentation. Qualitative research also prioritizes the process aspect rather than the results obtained. This is because the relationship between the parts being studied will be much clearer if observed in the process. The type of research used is descriptive research, namely research conducted by collecting data related to existing problems. The data used consists of secondary data, namely data obtained indirectly which is the financial report of the profitability of PT Mayora Indah Tbk for the 2020-2024 period. And also from several sources outside the financial statements of PT Mayora Indah Tbk.

A descriptive approach was chosen because the study's objective is to systematically, factually, and accurately explain PT Mayora Indah Tbk's financial performance using available data, without attempting to generalize across a broader population.

1. Object and Data Source

The object of this research is PT Mayora Indah Tbk, a food and beverage manufacturing company listed on the Indonesia Stock Exchange. The study relies on secondary data from audited annual financial reports (annual reports) covering 2020 through 2024, specifically the statements of financial position and comprehensive income. Data were collected via documentation methods from the official Indonesia Stock Exchange website (www.idx.co.id) and company publications, supplemented by literature studies from books and academic journals.

2. Population and Sample

Population comprises all annual financial reports published by PT Mayora Indah Tbk since its public listing. Sampling was conducted using purposive sampling based on explicit criteria aligned with research goals. The criteria required fully audited, published annual financial statements for the years 2020 through 2024, yielding five years of financial statements as the sample.

3. Operational Definition of Variables

The main research variable is corporate profitability, operationalized through four proxies: GPM, NPM, ROA, and ROE. Each variable is measured using quantitative figures drawn directly from audited balance sheets and income statements. Net sales and cost of goods sold determine gross profit and GPM. Net profit after tax—derived after deducting operating costs, finance charges, and corporate tax—serves as the numerator for NPM, ROA, and ROE, using net sales, total assets, and total equity as respective denominators.

4. Data Analysis Techniques

Data analysis follows a systematic process:

a. Data Collection and Tabulation: Key financial metrics (net sales, COGS, gross profit, net profit, total assets, total equity) are organized into structured worksheets across the 2020–2024 observation period.

b. Ratio Calculation: Calculations are performed using standard formulas:

$$GPM = \frac{Gross\ Profit}{Net\ Sales}\ x\ 100\ \%$$

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

$$ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}\ x\ 100\ \%$$

$$ROE = \frac{Net\ Profit\ After\ Tax}{Total\ Equity}\ x\ 100\ \%$$

c. Data Interpretation: Calculated values are compared against Kasmir's (2020) benchmark standards (GPM 30%, NPM 20%, ROA 30%, ROE 40%).

d. Performance Categorization: Performance is rated as "Excellent" (exceeds standards), "Good" (nears standards), or "Poor" (far below standards) based on the gap between company performance and benchmarks.

e. Trend Analysis and Conclusion: Time-series analysis identifies trend patterns, extreme values, and internal/external drivers to formulate conclusions

D. FINDING AND DISCUSSION

To find out the financial performance of a company, one way is to analyze its financial statements. Financial statements are the final result of the accounting process in a certain period of time, namely the results of collecting and processing financial data presented in the form of financial statements that can be used to help users in making decisions.

To find out the financial performance of our company, we can see it through information concerning the financial position, changes in financial position, and business results, an analysis of the profitability ratio in a company is also needed to find out the company's ability to overcome financial problems and be able to make quick and accurate decisions.

With the analysis of profitability ratio reports, management can find out the financial position, financial performance and financial strength of the company, financial report analysis is very useful for the company and its management, besides financial report analysis is also needed by other interested parties such as creditors, investors, and the government to assess the company's financial condition and development of the company. Ratio analysis is a ratio to measure the company's ability to meet the company's long-term obligations, in addition profitability is a ratio used to measure the company's ability to generate profits from sales.

The data used in this study is published financial report data, which relates to the company's activities for 5 periods, namely from 2020-2024. The data analysis technique in this study is to use financial ratio analysis in this case the profitability ratio and the ratio is interpreted into a measuring instrument, namely the industry average standard according to Kashmir (2020). As in the table below:

Table 1. ***Average Profitability Ratio Standard***

No	Jenis Rasio	Rata-rata Industri
1	*Return On Asset* (ROA)	30%
2	*Return On Equity* (ROE)	20%
3	*Gross Profit Margin* (GPM)	30%
4	*Net Profit Margin* (NPM)	40%

Source : Kashmir (2020)

Table 2. ***Standards or Criteria for Assessing Company Financial Ratios***

No	Jenis Rasio	Standar	Kriteria Penilaian
1	Gross Profit Margin	>30%	Sangat Baik

		30%	Baik
		<30%	Kurang Baik
2	Net Profit Margin	>20%	Sangat Baik
		20%	Baik
		<20%	Kurang Baik
3	Return On Asset	>30%	Sangat Baik
		30%	Baik
		<30%	Kurang Baik
4	Return On Equity	>40	Sangat Baik
		40%	Baik
		<40%	Kurang Baik

Source : Kashmir 2020

1. *Gross Profit Margin*

In 2020, GPM stood at 31.63%. However, a downward trend persisted, reaching a low of 22.30% in 2023 before recovering to 26.70% in 2024. The five-year average GPM recorded 27.05%.

Tabel 3. Gross Profit Margin

Year	Gross Profit (a)	Net Sales (b)	Ratio a/b)*100%
2020	7.917.240.946.515	25.026.739.472.547	31,63512752
2021	7.299.122.959.685	24.476.953.742.651	29,82038956
2022	6.922.983.508.403	27.904.558.322.183	24,80950757
2023	6.839.423.338.924	30.669.405.967.404	22,30047542
2024	8.407.777.758.683	31.485.008.185.525	26,70406725

Source: Financial Statements processed

The gross profit margin ratio of PT Mayora Indah Tbk in 2020 was 31.63%. In 2021, the ratio decreased to 29.82%, reflecting a decline of 1.81%. In 2022, the ratio further decreased to 24.80%, representing a drop of 5.2%. In 2023, the ratio was 22.30%, indicating a decrease of 2.5%. However, in 2024, the gross profit margin ratio increased to 26.70%, showing a rise of 4.4%.

Table: 4 Result Performance Category

Indicator	**Value**
GPM 2020	31.63%
GPM 2023 (Lowest)	22.30%
GPM 2024	26.70%
Average GPM 2020–2024	27.05%
Industry Standard (Kasmir, 2020)	30.00%
Performance Category	**Poor**

Discussion: The decline starting in 2021 stems from Covid-19 disruptions affecting sales volume and squeezing profit margins. Global supply chain issues drove up prices for primary raw materials—wheat, cocoa, sugar, and milk—while depressed consumer purchasing power limited immediate price transfer to consumers. Cost of Goods Sold grew faster than sales revenue, eroding gross margins through 2023. The 2024 recovery indicates improved production efficiency, renegotiated supplier contracts, and product mix adjustments toward higher-margin goods. Nevertheless, the 27.05% average GPM remains below the 30% industry target (a 2.95% deficit), placing this indicator in the "Poor" category.

2. *Net Profit Margin*

NPM displayed high volatility, moving from 8.14% in 2020 down to 4.33% in 2022, before rebounding to 10.30% in 2024. The average NPM stood at 7.55%

Tabel 5. Net Profit Margin

Year	Net Profit After Tax(a)	Revenue (b)	Rasio (a/b)*100%
2020	7.917.240.946.515	25.026.739.472.547	31,63512752
2021	7.299.122.959.685	24.476.953.742.651	29,82038956
2022	6.922.983.508.403	27.904.558.322.183	24,80950757
2023	6.839.423.338.924	30.669.405.967.404	22,30047542
2024	8.407.777.758.683	31.485.008.185.525	26,70406725
			27,05391346

Data Source: Processed Financial Reports

Based on the calculation of the net profit margin ratio for PT Mayora Indah Tbk, the company recorded a net profit margin of 8.14% in 2020. In 2021, the net profit margin increased to 8.57%, reflecting a growth of 0.43%. However, in 2022, the net profit margin declined to 4.33%, representing a decrease of 4.24%. In 2023, the net profit margin rose again to 6.42%, indicating an improvement of 2.09%. By 2024, the net profit margin further increased to 10.30%, marking a growth of 3.88%.

Table: 6 Result Performance Category

Indicator	**Value**
NPM 2020	8.14%
NPM 2022 (Lowest)	4.33%
NPM 2024	10.30%
Average NPM 2020–2024	7.55%
Industry Standard (Kasmir, 2020)	20.00%
Performance Category	**Poor**

Discussion: The sharp decrease in 2022 was driven by short-term debt repayments that increased financial burden and reduced net profit margins. Post-pandemic inflation in energy and logistics costs further pressured bottom-line profits. This shows that profit drops were influenced by capital structure obligations alongside core operational factors. The 2024 rebound to 10.30% reflects lower finance costs and improved expense management. However, the 7.55% average lags behind the 20% benchmark by 12.45%, categorizing performance as "Poor" and highlighting constraints on retained earnings growth.

3. Return On Asset

ROA fluctuated throughout the observation period, hitting a low point in 2022 at 6.08%.

Tabel 7. Return On Asset

Year	Net Profit After Tax (a)	Total Assets (b)	Rasio (a/b)*100%
2020	2.039.404.206.764	19.037.918.806.473	10,71232747
2021	2.098.168.514.645	19.777.500.514.550	10,60886593

2022	1.211.052.647.953	19.917.653.265.528	6,080297873
2023	1.970.064.538.149	22.276.160.695.411	8,843824414
2024	3.244.872.091.221	23.870.404.962.472	13,59370357
			9,967803853

Data Source: Processed Financial Reports

Based on the calculation of the return on assets (ROA) ratio for PT Mayora Indah Tbk, the company recorded an ROA of 10.71% in 2020. In 2021, the ROA slightly decreased to 10.60%, reflecting a decline of 0.11%. In 2022, the ROA further dropped to 6.08%, representing a decrease of 4.52%. However, in 2023, the ROA improved to 8.84%, showing an increase of 2.76%. By 2024, the ROA rose significantly to 13.59%, indicating a growth of 4.75%.

Table: 8 Result Performance Category

Indicator	**Value**
ROA 2022 (Lowest)	6.08%
Industry Standard (Kasmir, 2020)	30.00%
Gap from Industry Standard	20.04%
Performance Category	**Poor**

Discussion: The low ROA in 2022 was influenced by asset depreciation from new production equipment combined with suppressed net income. While asset expansions support long-term capacity, initial phases generate asset growth that outpaces near-term profit growth. The 20.04% gap below the 30% industry standard highlights asset utilization as an operational area needing improvement. Management focus should remain on optimizing capacity utilization across newly acquired asset investments.

4. Return On Equity

ROE registered 20.60% in 2020 and rose to 21.23% in 2024, displaying a more stable trend relative to other metrics.

Tabel 9. Return On Equity

Year	Net Profit After Tax (a)	Shareholders' Equity (b)	Rasio (a/b)*100%
2020	2.039.404.206.764	9.899.940.195.318	20,60016694
2021	2.098.168.514.645	11.271.468.149.958	18,61486442
2022	1.211.052.647.953	11.360.031.396.135	10,66064525
2023	1.970.064.538.149	12.834.694.090.515	15,34952469
2024	3.244.872.091.221	15.282.089.186.736	21,23317075
			17,29167441

Using the return on equity (ROE) ratio, PT Mayora Indah Tbk recorded an ROE of 20.60% in 2020. In 2021, the ROE decreased to 18.61%, reflecting a decline of 1.99%. In 2022, the ROE further dropped to 10.66%, showing a decrease of 7.95%. However, in 2023, the ROE improved to 15.34%, marking an increase of 4.68%. By 2024, the ROE rose significantly to 21.23%, indicating an increase of 5.89%.

Table. 10 Result Performance Category

Indicator	**Value**
ROE 2020	20.60%
ROE 2024	21.23%
Industry Standard (Kasmir, 2020)	40.00%
Performance Category	**Poor**

Discussion: Although total equity increased through retained earnings, equity efficiency remained below the 40% benchmark. Equity resources were absorbed by financial obligations during periods of liquidity pressure in 2021–2022. Despite exhibiting stability relative to internal metrics, the gap relative to industry standards suggests potential benefits from adjusting capital structure parameters to lower cost of capital.

5. Synthesis Across Indicators

Viewing these four indicators together highlights interconnectivity aligned with DuPont analysis principles. Input cost pressures impacted GPM, which subsequently flowed down to NPM alongside elevated operating and interest costs.

Compressed net margins then translated into lower ROA values as capital expenditures expanded total assets. Meanwhile, ROE stability was supported by existing equity reserves even as net income fluctuated. Overall, performance was shaped by both cost pressures and balance sheet structure factors.

Study limitations should be noted: secondary data reliance excludes proprietary internal operational detail, and standard general industry targets provide comparative context rather than narrow subsector benchmarks.

Based on the financial statements, PT Mayora Indah Tbk demonstrated relatively stable profitability. Although the company experienced a decline in profit during certain periods, it was able to recover and increase its profit afterward.

The financial performance of PT Mayora Indah Tbk can be considered very good when assessed using the industry average indicators proposed by Lukviarman. However, based on the criteria established by Kasmir, the company's performance was considered less favorable in terms of Return on Assets (ROA) and Return on Equity (ROE). This was mainly due to the relatively high expenses and liabilities incurred by the company, which affected its overall financial performance.

Profitability has a significant influence on financial performance, as reflected in the financial statements of PT Mayora Indah Tbk. Sales play an important role in determining the profit generated by the company, while debt and operating expenses can also affect its profitability. Therefore, effective profitability management is essential to achieving better financial performance.

E. CONCLUSION

Overall, the financial performance of PT Mayora Indah Tbk during the 2020–2024 period is evaluated as "Poor" based on profitability ratios, as GPM (27.05%), NPM (7.55%), ROA, and ROE averages consistently remained below general industry standards (Kasmir, 2020). This performance was heavily impacted by pandemic-related raw material price pressures during 2021–2022 alongside short-term debt servicing obligations. However, the positive trend reversal observed in 2024 reflects recovery efforts via cost control and debt management.

Key recommendations include strengthening supply chain efficiency, increasing utilization of newly added productive assets, and optimizing capital structure balance. Future research may expand scope by incorporating liquidity and leverage metrics while comparing performance against direct industry peers

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