



# Financial statement analysis was conducted to assess the financial performance of PT Unilever Indonesia Tbk in the 2018-2022 period using the Current Ratio, Debt Equity Ratio, and Return on Asset

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## ABSTRACT

Financial performance is a formal effort to evaluate the efficiency and effectiveness of a company in generating profits. The method used is a qualitative method using a descriptive approach; the subject in this study is PT Unilever Indonesia Tbk and the object in this study is the financial statement data of PT Unilever Indonesia Tbk. The data source used in this study is secondary data taken from the official website of PT Unilever Indonesia Tbk. This study aims to determine the financial performance of PT Unilever Indonesia Tbk using the Current Ratio, debt-to-equity ratio, and return on assets. It is expected to provide helpful information for companies and investors in making investment decisions. Based on the attached data, it shows that during the 2018-2022 period, the average Ratio of each Ratio in PT Unilever Indonesia Tbk is as follows: at the liquidity ratio of current assets of 8,178,740 and current liabilities of 12,488,997. At the Ratio of total debt solvency of 14,415,546 and total equity of 5,223,178. The profitability ratio of total assets amounted to 56,794,724, and net profit amounted to 6,955,753. From the results of this study, the Company's financial performance shows a low level of liquidity, a higher level of risk due to the use of more considerable debt, and suboptimal operational performance. Therefore, companies must pay attention to cost management, debt management, and sales activities to improve financial performance. The Company should increase sales to enhance efficient financial performance. This research is expected to make theoretical contributions to the literature in this context, including in the context of economic and banking management.

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## 1. INTRODUCTION

Financial management combines science and art that discusses, studies, and analyzes how a company manager finds funds, manages funds, and divides funds intended to profit or prosper for shareholders or business sustainability (Zaman, 2021). Financial management is a process of carrying out financial management activities by moving the energy of others. This activity can be started by planning, organizing, implementing, and supervising (Iskandar, 2019). Financial

management that successfully manages a company will increase the value of the company and vice versa; if financial management is not successful in a company, it will cause errors in financial reporting, which will cause the company (Arini & Safri, 2022)

Financial performance is a formal effort to evaluate the efficiency and effectiveness of companies generating profits (Jajuli et al., 2023; Lase et al., 2022). Financial performance is a picture of a company's achievements. Financial performance can be obtained from the information obtained from financial statements (Gu et al., 2024; Nirawati et al., 2022). A financial statement is a report that describes the financial position of the results of an accounting process during a specific period, which is used as a communication tool for interested parties (Gu et al., 2023; Nababan & Sutanto, 2022; Nguyen et al., 2023). Financial statements consist of income statements, statements of changes in capital, balance sheets, and cash flow statements for parties with an interest in a company it is in. It can affect the company's financial condition (Polii et al., 2019; Supsermpol et al., 2023).

Financial statement analysis is critical to knowing the company's health level (Puji & Taufiq, 2020). Financial ratio analysis is analyzing activities: Comparing the financial statements of an account with other accounts in financial statements (Rahmah & Komariah, 2016; Zhang et al., 2023). Analyzing financial statements helps management identify shortcomings and weaknesses and make rational decisions to improve performance to achieve business goals (Nirawati et al., 2022; Zhang et al., 2023).

Return on Asset (ROA) is a profitability ratio of a company's ability to generate profits from assets used (Almira & Wiagustini, 2020; Hariyanto, 2022). ROA provides information about how efficiently a company is carrying out its business activities. This Ratio shows the ability of the capital invested in the overall assets to generate profits for all shareholders (Hawaldar et al., 2022; Zaman, 2021). Return on purchases calculates the return on investments based on net income divided by the company's assets, both inside and outside (Kusmawati, Pamulang, & Selatan, 2022).

The Liquidity Ratio is proxied by the Current Ratio (CR). The current Ratio is usually used to determine a company's ability to fulfill its obligations (Mahardika & Marbun, 2016). The current Ratio is a ratio to the company's ability to pay short-term obligations or debts that will soon mature when collected. The higher the current Ratio, the better the company can produce its existing debt by using current assets that are not so large (Colline, 2022; Irman, Purwati, et al., 2020). The liquidity ratio formula used by the Current Ratio is Current Assets divided by Current liabilities (Hadi & Amzul, 2023; Charisma, 2020).

Solvency Ratio measures the extent to which company assets are financed with debt (Parmuji & Akbar, 2021). This Ratio helps know the amount of funds provided by borrowers (creditors) with company owners. The higher this Ratio indicates, the higher the risk of failure that may occur at the company, and vice versa; the lower this Ratio suggests, the lower the risk of loss that may arise at the company (Roni, 2014). Debt Equity Ratio This Ratio is also referred to as a ratio that looks at the comparison of company debt, obtained from the comparison of total debt divided by total assets. The lower, the better because it is safe for creditors during liquidation (Gunawan et al., 2022; Zulkarnain et al., 2022; Kusmawati et al., 2021).

PT Unilever Indonesia Tbk was established and has been operating since 1933. Continuing to develop and innovate, PT Unilever Indonesia has become the leading fast-moving consumer goods company in the Indonesian market. Unilever Indonesia has over 40 brands divided into two business segments: Home and Personal Care and Nutrition and Ice Cream. PT Unilever Indonesia went public in 1982, and its shares are listed and traded on the Indonesia Stock Exchange. PT Unilever Indonesia has nine factories located in Cikarang and Rungkut. The nine factories have received halal certification from the Indonesian Ulama Council (MUI). Since December 5, 1933, PT Unilever Indonesia has grown to become one of the leading Fast Moving Consumer Goods (FMCG) companies in Indonesia that always accompanies people's daily lives through various products, such as Pepsodent, Lux, Lifebuoy, Dove, Sunsilk, Clear, Rexona, Vaseline, Rinso, Molto, Sunlight and others. Unilever Indonesia first offered its shares to the public in 1981 and was listed on the Indonesia Stock Exchange on January 11, 1982. Currently, Unilever

Indonesia, headquartered in Tangerang, has over 40 brands and nine factories in the Jababeka industrial area, Cikarang, and Rungkut, Surabaya. PT Unilever Indonesia's factories and products have also received halal certification from the Indonesian Ulema Council (MUI). More than 4,000 employees contribute to the development of our business. Employees are an essential asset to the Company, and PT Unilever Indonesia believes that continuous capacity building of employees can help the Company remain competitive.

This study aims to determine the financial performance of PT Unilever Indonesia Tbk by using the current Ratio, debt-to-equity Ratio, and return on assets. It is expected to provide helpful information for companies and investors in making investment decisions. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management.

## 2. RESEARCH METHOD

In this study, the author uses qualitative research with a descriptive approach. This study is about analyzing financial statements to evaluate the performance of PT. Unilever Indonesia Tbk, from 2018 to 2022. That is a method that processes data from the official website of PT. Unilever New Zealand. The subject of this study is PT Unilever Indonesia Tbk. The object of this study is the financial statement data of PT. Unilever Indonesia Tbk, period 2018 to 2022. The study time starts from October 2023 to December 2023. The data source used in this study is secondary data. Secondary data accompanies relevant data and information in the financial statements of PT. Unilever Indonesia Tbk posted on the official website of PT Unilever Indonesia Tbk, namely [www.unilever.co.id](http://www.unilever.co.id). Sample selection by purposive sampling method, which assigns respondents to be sampled based on specific criteria. The sample criteria include manufacturing companies listed on the Indonesia Stock Exchange (IDX); data analysis uses statistical or computer formulas. Some variables that can be explained include variables used in research, such as Return On Assets, Debt to debt-to-equity Ratio, and Current Ratio.

## 3. RESULTS AND DISCUSSIONS

The financial performance analysis results based on the PT profitability ratio are presented below. Unilever Indonesia Tbk, periode 2018 hingga 2022 in full can be seen below.

**Table 1.** Data Description of PT Unilever Indonesia Tbk

Year	Current Asset	Current Liability	Total Debt	Total Equitas	Total Asset	Net Profit
2018	8.325.029	11.134.768	11.944.837	7.578.133	19.552.970	9.109.445
2019	8.530.334	13.065.308	15.367.509	5.281.862	206.499.371	7.382.873
2020	8.828.360	13.357.536	15.597.264	4.937.368	20.534.632	7.163.536
2021	7.642.208	12.445.152	14.747.263	4.321.269	19.068.532	5.758.148
2022	7.567.768	12.442.223	14.420.858	3.997.256	18.318.114	5.364.761
Jumlah	40.893.699	62.444.987	72.077.731	26.115.888	283.973.619	34.778.763
maximum	8.828.360	13.357.536	15.597.264	7.578.133	206.499.371	9.109.445
minimum	7.567.768	11.134.768	11.944.837	3.997.256	18.318.114	5.364.761
rata-rata	8.178.740	12.488.997	14.415.546	5.223.178	56.794.724	6.955.753

Source: Data processed by researchers in 2023

The data in the table above shows that from 2018 to 2022, the highest values in each Ratio at PT Unilever Indonesia Tbk are as follows: on the liquidity ratio located on the current liabilities side of 13,357,536 in 2020. The solvency ratio situated on the total debt side was 15,597,264 in 2020. The profitability ratio of total assets amounted to 206,499,371 in 2019.

Meanwhile, from 2018 to 2022, the lowest values in each Ratio at PT Unilever Indonesia Tbk are as follows: the liquidity ratio is located on the current asset side of 7,567,768 in 2022. The

solvency ratio situated on the total equity side is 3,997,256 in 2022. The profitability ratio located on the net profit side is 5,364,761 in 2022. Based on the data attached to the table, it shows that during the 2018-2022 period, the average Ratio of each Ratio in PT Unilever Indonesia Tbk is as follows: the liquidity ratio of current assets is 8,178,740 and current liabilities is 12,488,997 at the Ratio of total debt solvency of 14,415,546 and total equity of 5,223,178. The profitability ratio of total assets amounted to 56,794,724, and net profit amounted to 6,955,753. The financial performance of PT Unilever Indonesia Tbk is based on the liquidity ratio. The following calculation results using liquidity ratios based on PT Unilever Indonesia's financial statements for the period 2018 to 2022 can be seen in the table as follows:

**Table 2.** The financial performance of PT Unilever Indonesia Tbk is based on the liquidity ratio

Year	Current Assets	Current Debt	Current Ratio
2018	8.325.029	11.134.768	0.75%
2019	8.530.334	13.065.308	0.65%
2020	8.828.360	13.357.536	0.66%
2021	7.642.208	12.445.152	0.61%
2022	7.567.768	12.442.223	0.60%

Source: Data processed by researchers in 2023

The result of the Current Ratio in 2018 was 0.75%; in 2019, it decreased by 0.1% to 0.65. The decrease in the value of the Ratio was caused by the increase in company debt, which was higher than total current assets. In 2020, it increased by 0.01% to 0.66%. This ratio increase was due to the rise in smallholder assets. In 2021, it decreased by 0.05% to 0.61%; in 2022, it also decreased by 0.01% to 0.60%. The analysis above shows that financial performance is not good because the data shows the Company's ability to pay its current obligations is not enough

**Table 3.** Financial Performance of PT Unilever Indonesia Tbk Based on Solvency Ratio

Year	Debt	Ekuitas	Debt Equity Ratio
2018	11.944.837	7.578.133	1.58%
2019	15.367.509	5.281.862	2.91%
2020	15.597.264	4.937.368	3.16%
2021	14.747.263	4.321.269	3.41%
2022	14.420.858	3.997.256	3.58%

Source: Data processed by researchers 202in 3

The result of Debt To Equity Ratio in 2018 was 1.58%. In 2019 it increased by 1.33% to 2.91%. In 2020 it increased by 0.25% to 3.16%, and in 2021 it increased by 0.25% to 3.41%. In 2022, it increased again by 0.17% to 3.58%. The increase in this Ratio is due to the rise in debt and a decrease in own capital. From the analysis, it can be concluded that the debt-equity Ratio increases yearly, showing that with expanding debt-to-equity, RaCompanye Company increasingly depends on debt to finance its operations.

**Table 4.** Financial Performance of PT Unilever Indonesia Tbk Based on Profitability Ratio (ROA)

Year	Assets	Net Profit	Return On Asset
2018	19.552.970	9.109.445	0.47%
2019	20.6499.371	7.382.873	0.36%
2020	20.534.632	7.163.536	0.35%
2021	19.068.532	5.758.148	0.30%
2022	18.318.114	5.364.761	0.29%

Source: Data processed by researchers in 2023

Based on the table above, in 2018, the ROA obtained was 0.47%. In 2019, the ROA result achieved by 0.36% decreased by 0.11% from 2018. In 2020, the ROA achieved a 0.35% decrease by 0.01% from 2019. In 2021, it dropped again by 0.05% to 0.30%; in 2022, it decreased by 0.01% to 0.39%. From this analysis, it can be concluded that PT Unilever Indonesia's Return On Assets falls yearly; the impact on financial performance is the decline in its ability to generate profits from its assets.

#### 4. CONCLUSION

Based on the results of research at PT. Unilever Indonesia Tbk from 2018-2022, the decline in the current Ratio of congratulations in 2018-2022 indicates a poor level of liquidity, while the increase in the debt to equity ratio during 2018-2022 suggests the Company has more debt to finance its assets. This can indicate the level of risk. They may struggle to pay their obligations. In addition, a decrease in the return on assets ratio indicates suboptimal sales activity and operating expenses that are too large. Therefore, the results of this study conclude that the Company's financial performance shows a low level of liquidity, a higher level of risk due to the use of more significant debt, and suboptimal operational performance. Therefore, companies need to pay attention to cost management, debt management, and sales activities to improve financial performance, and sales should be increased to enhance efficient financial performance. It also gets better value in the future, so investors are interested in investing-Company's company. Financial managers should be able to utilize financial ratios to measure the Company's performance in making decisions in profit planning. Also, pay more attention to debt so that there is no increase in debt every year. Suggestions For future research it is necessary to examine Netprofit margin, debt to Asset Ratio and Return On Equity. This research is expected to make theoretical contributions to the literature in this context, including in the context of financial and banking management

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