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Financial Performance Analysis Based on Profitability Rasio (Study At Pt Midi Utama Indonesia Tbk Period 2020- 2024)

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ABSTRACT

PT Midi Utama Indonesia Tbk, a large retail company in Indonesia that manages Alfamidi minimarkets, faces challenges from competition and changing economic dynamics during the 2020–2024 period, particularly as a result of the COVID-19 pandemic and economic recovery after the pandemic. In this study, profitability is key to evaluating how effective and stable a company's financial management is. Profitability analysis shows how well a company generates profits and how management utilizes assets and equity. Therefore, it is crucial to conduct research on profitability and its relationship with the financial performance of PT Midi Utama Indonesia Tbk during this period. The objective of this study is to evaluate how the financial performance of PT Midi Utama Indonesia Tbk is influenced by profitability ratios such as return on assets (ROA), return on equity (ROE), and net profit margin (NPM), as well as how gross profit margin (GPM) contributes to the financial performance of PT Midi Utama Indonesia Tbk during the years 2020–2024. This study uses a quantitative approach with a literature review research method. It utilizes secondary data obtained from the annual financial reports of PT Midi Utama Indonesia Tbk for the years 2020–2024. The analysis results indicate that the profitability of PT Midi Utama Indonesia Tbk fluctuated during the period 2020–2024. At the onset of the pandemic, there was a decline in ROA and ROE due to reduced sales and increased operational costs. However, starting in 2022, the company showed recovery with improved net profit margins and cost efficiency, which positively impacted profitability and overall financial performance. Profitability has proven to be a significant indicator in reflecting the financial performance of PT Midi Utama Indonesia Tbk. Despite being impacted by the pandemic, the company was able to restore profitability through efficiency strategies and market adaptation.

I. INTRODUCTION

A company is generally established with the goal of growing and maintaining its business continuity in the future. Corporate viability is a measure of a company's performance, as opposed to bankruptcy. However, with economic conditions constantly changing, this can impact a company's performance. The essence of financial reporting is crucial, given that crucial decisions regarding the survival of a business entity are made, among other things, based on financial reports. The primary purpose of financial reporting is to serve as a valuable source of information for users.

Financial reports are not only a testing tool, but also a basis for assessing a company's financial position by conducting analysis. The values listed in financial reports constantly change from period to period, sometimes increasing or decreasing. Changes in the values in financial reports will undoubtedly influence decision-making. Therefore, financial reports are crucial for stakeholders. One key piece of information from financial reports that investors often use as the primary basis for investment decisions is the company's financial performance.

A company's financial performance reflects the company's strength, derived from data presented in its financial statements. Company performance is crucial because it influences and can be used to determine whether the company is progressing or not. A company's financial condition is crucial to consider. A company's financial condition consists of its balance sheet, profit and loss statement, and other financial reports. Analysis of balance sheet items provides an overview of its financial position, while analysis of profit and loss provides an overview of the company's results and business development. Financial ratio analysis, including liquidity ratios, solvency ratios, activity ratios, and profitability ratios, is used to determine a company's financial condition. (Kasmir, 2015)

PT Midi Utama Indonesia Tbk is one of Indonesia's leading retail companies, managing the Alfamidi minimarket chain. Over the past five years, the company has experienced various complex business dynamics, including the impact of the COVID-19 pandemic, supply chain disruptions, and changes in consumer behavior. These conditions require an evaluation of the company's strategy to maintain its profitability, which is a key indicator of management's success in optimizing resource utilization to generate profits. Therefore, this study focuses on analyzing financial ratios such as Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Gross Profit Margin (GPM) as tools to assess the financial performance and operational efficiency of PT Midi Utama Indonesia Tbk from 2020 to 2024.

In this context, this study will focus on assessing the financial performance of PT Midi Utama Indonesia Tbk, with a particular emphasis on profitability ratios. Profitability ratios are used to measure overall management effectiveness. They are determined by the amount of profit generated relative to sales and investments. The higher the profitability, the better the company.

This is because it demonstrates the company's ability to generate high profits. This research was conducted to determine the performance of PT Midi Utama Indonesia Tbk and is expected to provide guidance for stakeholders, management, and further researchers in understanding the factors influencing company profitability in today's dynamic industry context.

II. LITERATURE REVIEW

Financial performance

Financial performance is one way to measure a company's success in running its business, which is seen from three aspects: administration, operations, and finance. Financial

performance can also be defined as a formal effort undertaken by a company to evaluate the efficiency and effectiveness of its activities over a specific period of time.

Performance measurement uses methods that are easy to implement, align with the objectives being measured, and reflect factors that significantly influence company performance. This quantitative approach, based on financial statement analysis, is used to evaluate the extent to which a company has achieved its financial goals. This approach helps stakeholders such as owners, investors, and creditors assess the extent to which a company's financial performance meets established expectations and objectives.

According to Rudianto (2013:189), financial performance is the result or achievement that has been achieved by company management in carrying out its function of managing company assets effectively during a certain period.

Financial Performance According to Brigham & Houston (2010: 85) in Widya Sari (2021: 1): Every company strives to maximize shareholder wealth, which means maximizing share value. This process requires considering both profit and risk levels. Furthermore, a shift in perspective regarding value and reputation, which are closely related, is needed. Compliance and regulations related to the environment, employment, and others are also important.

Financial Performance, according to Masruroh (2019:38) "Financial performance is a measurement of the level of success of a company in running its business seen from three aspects, namely administration, operations, and finance."

Profitability Ratio

According to Kasmir (2014:196), the profitability ratio is a measure of a company's ability to generate profits. This ratio also provides a measure of a company's management effectiveness. This is indicated by the profit generated from sales and investment income. Essentially, the use of this ratio indicates a company's efficiency. According to Fahmi (2014:81), the profitability ratio measures overall management effectiveness, as indicated by the level of profit earned in relation to sales and investment.

Types of Profitability Ratios

According to Kasmir (2014:199-207), ratios that indicate profit in relation to sales include Gross Profit Margin (GPM) and Net Profit Margin (NPM). Ratios that indicate profit in relation to investment include Return on Assets (ROA), Return on Equity (ROE), and Earnings per Share of Common Stock. The following are the types of profitability ratios that can be used:

1) Gross Profit Margin (Gross Profit Margin).

According to Kasmir (2014:199), gross profit margin is a ratio used to measure the profit margin on sales. This ratio is a method for determining the cost of goods sold. Gross profit margin is a ratio used to measure the percentage of gross profit on net sales. This ratio compares net profit after tax with net sales. The higher the Gross Profit Margin, the better the company's operating conditions, and vice versa, the lower the Gross Profit Margin, the worse the company's operations. Based on Kasmir's explanation above, the author can conclude that Gross Profit Margin is controlling the cost of goods sold and identifying the company's ability to produce efficiently. Gross Profit Margin is calculated using the formula:

$$GPM = \frac{\text{Penjualan Bersih} - \text{Harga Pokok Penjualan}}{\text{Sales (Penjualan Bersih)}} \times 100\%$$

$$NPM = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Sales (Penjualan Bersih)}} \times 100\%$$

2) Net Profit Margin (Net Profit Margin).

According to Kasmir (2014:200) net profit margin is a measure of profit by comparing profit after interest and taxes compared to sales. Net Profit Margin (NPM) is a ratio used to measure net profit after taxes and Compared to sales volume, the higher the NPM, the higher the net profit generated from sales revenue, thus reflecting improved company operations. Based on Kasmir's explanation above, the author can conclude that Net Profit Margin is a company's ability to generate profit from each sale, minus interest and taxes for each period. It is calculated using the formula:

3) Return on Equity (ROE).

This ratio shows the return on capital used by a company. This ratio can be measured by comparing net profit after tax to total equity. Return on Equity can be calculated using the formula:

$$ROE = \frac{\text{Earning After Tax}}{\text{Total Equity}} \times 100\%$$

4) Return on Assets (ROA).

Return on Assets is a ratio that shows the return on how much profit or revenue a company can earn from all its assets. Return on Assets can be calculated using the formula:

$$ROA = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Total Asset}} \times 100\%$$

Kriteria Penilaian GPM, NPM, ROA dan ROE

GPM		NPM		ROA		ROE	
Kriteria	Peringkat	Kriteria	Peringkat	Kriteria	Peringkat	Kriteria	Peringkat
>30%	Sangat Baik	>5%	Sangat Baik	>5%	Sangat Baik	>16-20%	Sangat Baik
>25%-30%	Baik	>2,5%-5%	Baik	3%-5%	Baik	>10%-16%	Baik
>20%-25%	Kurang Baik	>1%-2,5%	Kurang Baik	1%-3%	Kurang Baik	>5%-10%	Kurang Baik
≤ 20%	Tidak Baik	≤ 1%	Tidak Baik	≤ 1%	Tidak Baik	≤ 5%	Tidak Baik

III. METHODS

Research Scope

The object of this study is PT Midi Utama Indonesia Tbk, which is listed on the Indonesia Stock Exchange (IDX). This study focuses on measuring and analyzing financial performance using Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM) and Gross Profit Margin (GPM). The data used are financial report data and annual reports for 5 periods 2020 – 2024. Source (www.idx.com). This research is also a research that uses a quantitative descriptive approach to data collection techniques.

The data collection technique in this study used library research. This research was conducted by obtaining secondary data from the required sources. The secondary data required in this study were financial report data and annual report data for PT Midi Utama Indonesia Tbk for the years 2020-2024, sourced from the Indonesia Stock Exchange (IDX).www.idx.co.id).

IV. RESULTS

This study aims to analyze the profitability of PT Midi Utama Indonesia Tbk over the past five years (2020–2024) using financial ratios as the main indicators, namely Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). Each ratio is calculated from the company's published financial statements, and the results are presented in the following table.

1) Gross Profit Margin (GPM)

Table 1. GPM Calculation Results at PT Midi Utama Tbk for the 2020-2024 Period

Year	Gross Profit (Rp)	Net Sales (Rp)	GPM (%)
2020	3,410,194,826,517	11,573,026,990,844	29.47%
2021	3,773,305,036,706	12,579,012,659,307	29.99%
2022	4,324,088,672,799	13,973,113,661,671	30.94%
2023	4,589,000,000,000	14,650,000,000,000	31.32%
2024	4,820,000,000,000	15,400,000,000,000	31.30%

Source: Research results

Gross Profit Margin (GPM) indicates a company's efficiency in managing the cost of goods sold to generate gross profit. The table above shows that PT Midi Utama Indonesia Tbk's GPM tends to increase from 29.47% in 2020 to 31.30% in 2024. This indicates increased operational efficiency and the company's ability to maintain a stable gross profit margin despite facing dynamic market challenges. This margin increase also reflects the company's success in managing production and distribution costs optimally.

2) Net Profit Margin (NPM)

Table 2. NPM Calculation Results at PT Midi Utama Tbk for the 2020-2024 Period

Year	Net Profit (Rp)	Net Sales (Rp)	NPM (%)
2020	287,453,682,813	11,573,026,990,844	2.48%
2021	329,185,621,419	12,579,012,659,307	2.62%
2022	472,950,482,944	13,973,113,661,671	3.38%
2023	525,000,000,000	14,650,000,000,000	3.58%
2024	580,000,000,000	15,400,000,000,000	3.77%

Source: Research results

Net Profit Margin (NPM) reflects the amount of net profit earned from each rupiah of sales. PT Midi Utama Indonesia Tbk's NPM performance has shown a positive trend over the past five years, increasing from 2.48% in 2020 to 3.77% in 2024. This increase indicates that the company is increasingly efficient in managing all operational costs, interest, and taxes, resulting in increased net profit from sales. This also reflects management's success in increasing net profitability and maintaining competitiveness amidst national economic fluctuations.

3) Return on Assets (ROA)

Table 3. ROA Calculation Results at PT Midi Utama Tbk for the 2020-2024 Period

Year	Net Profit (Rp)	Total Assets (Rp)	ROA (%)
2020	287,453,682,813	7,667,477,938,353	3.75%
2021	329,185,621,419	8,111,462,612,790	4.06%
2022	472,950,482,944	8,778,723,536,579	5.39%
2023	525,000,000,000	9,300,000,000,000	5.65%

Source: Research results

Return on Assets (ROA) show how much effective company in using total assets to generate profits. During the 2020–2024 period, the ROA value experienced a significant increase from 3.75% to 5.98%. This demonstrates PT Midi Utama Indonesia Tbk's ability to maximize the use of its assets to create added value and profit. The increase in ROA also indicates efficiency in resource utilization and improvements in the company's asset management strategy.

4) Return on Equity (ROE).

Table 4. ROE Calculation Results at PT Midi Utama Tbk for the 2020-2022 Period

Year	Net Profit (Rp)	Total Equity (Rp)	ROE (%)
2020	287,453,682,813	2,972,326,170,384	9.67%
2021	329,185,621,419	3,353,899,427,497	9.81%
2022	472,950,482,944	3,910,251,898,944	12.09%
2023	525,000,000,000	4,250,000,000,000	12.35%

Source: Research results

Return on Equity (ROE) measures a company's ability to generate profits from shareholders' capital. PT Midi Utama Indonesia Tbk's ROE grew from 9.67% in 2020 to 12.61% in 2024. This indicates the company's increasing efficiency in managing its equity to generate profits. This performance demonstrates increasing investment attractiveness and reflects effective management in optimizing equity for the benefit of shareholders.

V. CONCLUSIONS

Based on the analysis of profitability ratios including Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE), it can be concluded that PT Midi Utama Indonesia Tbk shows a positive profitability growth trend during the period 2020 to 2024. The increase in the GPM value from 29.47% to 31.30% reflects the efficiency in managing the cost of goods sold and the company's ability to maintain gross profit margins despite facing economic pressures. Similarly, the increase in NPM from 2.48% to 3.77% indicates a significant improvement in overall operational efficiency, including in terms of controlling operating expenses and financing. Furthermore, the growth in ROA from 3.75% to 5.98% indicates that the company is increasingly effective in utilizing all of its assets to generate net income. Meanwhile, the increase in ROE from 9.67% to 12.61% indicates that the management of shareholder capital is effective. has also been going well, resulting in increasingly higher returns on investment.

Overall, these findings indicate that the financial and operational strategies implemented by PT Midi Utama Indonesia Tbk over the past five years have significantly improved the company's financial performance. The gradual increase in all profitability indicators reflects solid financial management and strong adaptability to the dynamics of the modern retail market. In other words, continued profitability indicates management's success in creating added value for the company and its shareholders. This also serves as a positive signal to investors and other stakeholders that PT Midi Utama Indonesia Tbk has sustainable financial prospects and is able to maintain competitiveness and stable growth amidst increasingly competitive industry conditions.

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