

## **Ratio analysis of financial statements for performance assessment**

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### **ABSTRACT**

This study aims to analyse financial statements to assess the financial performance and identify the years in which PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk demonstrated strong performance. The research was conducted by analysing annual financial reports, and the research type used is descriptive analysis. The data used is secondary data, namely data obtained from company records and presented as period financial reports. Furthermore, the author's data analysis technique uses financial ratio analysis tools on the data. The overall research results of PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk for the period 2021-2022 are considered good because the company shows that its current assets exceed its current liabilities so that the company has no difficulty in paying off its current liabilities. The companies PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk generate profits quite well, where the company's total invested assets continue to increase so that the company shows improvement.

**Keywords:** financial statements, financial performance, financial ratios

## 1. Introduction

Nowdays, all private companies have the opportunity to become joint stock companies by listing their shares on the stock exchange or offering their shares to the public [1]. This allows the public to own the company of their choice by investing their capital or shares and listing it on the capital market can be considered as an indicator of economic development to obtain funds to accelerate the investment and production process [2].

Transparency is the principle of openness that allows citizens to know and have access to the most complete information about their finances [3]. The element of openness is the most basic and most needed element in all capital markets. Capital is one of the most important elements in any business. Entrepreneurs can take their business to the next level with large capital [4].

The financial statements of a company are the centre of information between the company and external stakeholders [5]. Financial statements are reports that show the current financial condition of a company or a certain period [6]. Financial reports are usually the result of an accounting process and can be used as a tool to communicate financial information and activities of a company to various parties. The purpose of public economic reports is to provide an overview to outsiders regarding the development prospects and results of companies whose shares are sold to the public, and on that basis the public can make decisions to buy or not buy shares. can consider it. I rented it to the company. For prospective shareholders and potential creditors, it is the basis for evaluation and decision analysis, so that they can compare the company's performance from year to year, whether the company's performance has increased and vice versa [7]. If the performance of a company increases every year, investors may be more interested in investing in the company's shares.

On the other hand, managers must have analytical tools to achieve company goals and make the right decisions. Financial analysis is the basis for assessing the success and achievements of the company. With the help of financial analysis, companies can also manage their financial situation and build a business framework [8]. Financial analysis, which includes key indicators as well as the strengths and weaknesses of the financial sector, is used to assess the past and future employment prospects of a company and its success. A financial ratio is a measure that combines two accounting numbers and is determined by dividing one number by the other.

Financial analysis allows companies to identify the strengths and weaknesses of the company in business operations. Financial ratios can show whether a company has enough cash to meet its financial obligations, a large amount of receivables, capital investment plans, efficient inventory management, and a healthy capital structure [9]. Financial analysts can plan and conduct financial analysis to ensure the continuity of each company's operations and maximise investor wealth.

The two companies currently listed on the Indonesia Stock Exchange (IDX), PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk, are the subjects of this research. Both companies are FMCG (Fast Moving Consumer Goods) companies. In evaluating their financial performance, it is essential to compile and report their financial position over a specific period. In this regard, the objective of this study is to analyse and assess the financial performance of these companies, focusing on their financial position in terms of capital utilization and growth. The financial performance is commonly evaluated through indicators such as liquidity, solvency, and profitability. The basic financial statements, including the balance sheet, income statement, and cash flow statement, serve as the foundation for this analysis. The main indicators used in financial statement analysis for this study are liquidity ratios, solvency ratios, profitability ratios, and activity ratios.

Although many previous studies have analyzed the company's financial performance using financial ratios, there are still gaps in the research. Financial ratio analysis was utilized in a number of earlier studies to examine financial performance. For example, examined PT Kimia Farma Tbk's financial performance without comparing it to that of other businesses in the same

sector [10]. The study's findings align with those of previous research, which indicated that profitability ratios play a crucial role in evaluating a company's financial resilience during periods of economic instability [11]. In contrast, examined PT Eastparc Hotel Tbk in the early stages of the COVID-19 epidemic, concentrating more on the external economic factors influencing financial stability than the company's financial management tactics [12].

## 2. Method

The type of research used in this study is descriptive analysis with quantitative data. This approach involves the collection, analysis, and interpretation of numerical data to provide a clear description of the financial performance of PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk during the 2021-2022 period. The data used in this research is secondary data, sourced from the annual financial reports of both companies.

To assess the financial performance, the study employs financial ratio analysis as the main tool. This involves calculating and analyzing various financial ratios, including liquidity ratios, solvency ratios, profitability ratios, and activity ratios, to evaluate the companies' performance over the period in question. These ratios help to understand the financial health of the companies, including their ability to meet short-term obligations, manage debt, generate profits, and utilize assets efficiently.

## 3. Results and Discussion

### Liquidity Ratio

#### Current Ratio

The current ratio measures how available a company's current assets are relative to its overall current liabilities. Consequently, the current ratio is determined as the difference between total current assets and total current liabilities. The current ratio formula and related calculations use the following formula:

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

**Table 1.** Average value of the company's current ratio

| No                                    | Name of company               | 2021 | 2022 | Average |
|---------------------------------------|-------------------------------|------|------|---------|
| 1                                     | PT Indofood Sukses Makmur Tbk | 1,34 | 1,78 | 1,56    |
| 2                                     | PT Mayora Indah Tbk           | 2,32 | 2,62 | 2,47    |
| Average Company Current Ratio by Year |                               | 1,83 | 2,2  | 2,02    |

Source : Secondary data processed, 2024

Table 1 above shows the average current ratio values of the two companies for 2021 and 2022. PT Indofood Sukses Makmur Tbk has an average current ratio of 1.56, while PT Mayora Indah Tbk has a higher current ratio of 2.47. The overall company average current ratio for both years is 2.02. A higher current ratio indicates better short-term liquidity, which indicates that the company is able to meet its short-term obligations more easily.

In 2021, PT Indofood Sukses Makmur Tbk has a current ratio of 1.34, while PT Mayora Indah Tbk has a current ratio of 2.32. In 2022, PT Indofood Sukses Makmur Tbk increased its current ratio to 1.78, while PT Mayora Indah Tbk also increased to 2.62. This increase reflects the better ability of both companies in managing their current assets to meet short-term liabilities.

PT Mayora Indah Tbk consistently shows a higher current ratio compared to PT Indofood Sukses Makmur Tbk, which indicates stronger liquidity. The higher current ratio of PT Mayora Indah Tbk indicates that the company has a better ability to meet its short-term obligations without

facing liquidity problems. This indicates that PT Mayora Indah Tbk has better cash management and is better prepared to face financial emergencies than PT Indofood Sukses Makmur Tbk.

### Quick ratio

The quick ratio determines the sign of the company's ability to meet its immediate commitments or short-term liquidity. The formula used :

$$\text{Quick ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current debt}}$$

**Table 2.** Average value of the company's quick ratio

| No                                  | Name of company               | 2021 | 2022  | Rata-Rata |
|-------------------------------------|-------------------------------|------|-------|-----------|
| 1                                   | PT Indofood Sukses Makmur Tbk | 1,03 | 1,24  | 1,14      |
| 2                                   | PT Mayora Indah Tbk           | 1,79 | 1,93  | 1,86      |
| Average Company Quick Ratio by Year |                               | 1,41 | 1,585 | 1,50      |

Source : Secondary data processed, 2024

Table 2 shows that PT Indofood Sukses Makmur Tbk has an average quick ratio of 1.14, while PT Mayora Indah Tbk has a higher average quick ratio of 1.86. The overall company average quick ratio is 1.50. A higher quick ratio indicates a better ability to meet short-term obligations without relying on inventory.

In 2021, PT Indofood Sukses Makmur Tbk had a quick ratio of 1.03, while PT Mayora Indah Tbk had a quick ratio of 1.79. In 2022, PT Indofood Sukses Makmur Tbk increased its quick ratio to 1.24, while PT Mayora Indah Tbk also increased to 1.93. This increase reflects the better short-term liquidity of both companies.

PT Mayora Indah Tbk shows a higher quick ratio compared to PT Indofood Sukses Makmur Tbk, which indicates stronger immediate liquidity. The higher quick ratio of PT Mayora Indah Tbk indicates that the company has a better ability to immediately fulfill its short-term obligations without relying on inventory. This indicates that PT Mayora Indah Tbk has better cash management and is better able to face urgent obligations compared to PT Indofood Sukses Makmur Tbk.

### Solvency Ratio

#### Debt to Asset Ratio

This ratio is used to assess how much debt is used to finance the company's assets or the extent to which debt affects asset financing. The formula used is as follows:

$$\text{Debt ratio} = \frac{\text{Total debt}}{\text{Total assets}}$$

**Table 3.** The average value of the debt-to-asset ratio of each company

| No                                 | Name of company               | 2021 | 2022 | Rata-Rata |
|------------------------------------|-------------------------------|------|------|-----------|
| 1                                  | PT Indofood Sukses Makmur Tbk | 0,51 | 0,48 | 0,50      |
| 2                                  | PT Mayora Indah Tbk           | 0,42 | 0,42 | 0,42      |
| Average Company Debt Ratio by Year |                               | 0,47 | 0,45 | 0,46      |

Source : Secondary data processed 2024

Table 3 shows that PT Indofood Sukses Makmur Tbk has an average debt-to-asset ratio of 0.50, while PT Mayora Indah Tbk has a lower ratio of 0.42. The average debt-to-asset ratio of all companies is 0.46. A lower debt-to-asset ratio indicates lower financial risk and a stronger position in terms of asset financing.

In 2021, PT Indofood Sukses Makmur Tbk had a debt-to-asset ratio of 0.51, while PT Mayora Indah Tbk had a debt-to-asset ratio of 0.42. In 2022, PT Indofood Sukses Makmur Tbk lowered this ratio to 0.48, while PT Mayora Indah Tbk remained stable at 0.42. The decrease in debt-to-asset ratio at PT Indofood Sukses Makmur Tbk shows a reduction in the use of debt to finance assets, which indicates an improvement in debt management.

PT Mayora Indah Tbk shows a lower debt-to-asset ratio compared to PT Indofood Sukses Makmur Tbk, indicating a lower reliance on debt to finance assets. The lower debt-to-asset ratio of PT Mayora Indah Tbk indicates a stronger and more stable financial position, with lower financial risk. This suggests that PT Mayora Indah Tbk is more successful in managing asset financing by using internal resources rather than relying on external debt.

### Debt to Equity Ratio

The ratio used to measure the amount of debt compared to capital is the debt to equity ratio. This ratio can be used to determine how much money comes from company owners and the amount of money that comes from creditors compared to each other. The formula used is :

$$\text{Debt to equity ratio} = \frac{\text{Total Debt}}{\text{Equity}}$$

**Table 4.** The average value of the debt to equity ratio of each company

| No   | Name of company               | 2021 | 2022  | Rata-Rata |
|--|-------------------------------|------|-------|-----------|
| 1  | PT Indofood Sukses Makmur Tbk | 1,07 | 0,92  | 1,00      |
| 2  | PT Mayora Indah Tbk           | 0,75 | 0,73  | 0,74      |
| Average Company Debt to Equity Ratio by Year |                               | 0,91 | 0,825 | 0,87      |

Source : Secondary data processed 2024

Table 4 shows that PT Indofood Sukses Makmur Tbk has an average debt-to-equity ratio of 1.00, while PT Mayora Indah Tbk has a lower ratio of 0.74. The overall company average debt-to-equity ratio is 0.87. A lower debt-to-equity ratio indicates a stronger equity base and lower financial leverage.

In 2021, PT Indofood Sukses Makmur Tbk has a debt-to-equity ratio of 1.07, indicating that the company uses a large amount of debt compared to its equity. However, by 2022, the company managed to lower this ratio to 0.92, reflecting improvements in debt management and an increase in equity. The decrease in this ratio indicates an improvement in the company's financial health by reducing its reliance on debt.

In contrast, PT Mayora Indah Tbk shows a lower and stable debt-to-equity ratio in 2021 and 2022, at 0.75 and 0.73 respectively. This indicates that PT Mayora Indah Tbk has a stronger equity base and uses less debt to finance its operations. A lower debt-to-equity ratio reflects lower financial risk and a more stable financial position, which can provide greater confidence to investors and creditors.

### Activity Ratio

#### Total Asset Turnover Ratio

A company's capacity to generate revenue from its assets is determined by the total asset turnover ratio, which measures asset activity. Since the company can generate more sales with a given amount of assets, the greater this ratio, the better for the business. The formula used is

$$\text{Total asset turnover ratio} = \frac{\text{Net sales}}{\text{Total Assets}}$$

**Table 5.** Average value of Total Asset turnover ratio of each company

| No   | Name of company               | 2021 | 2022 | Rata-Rata |
|--|-------------------------------|------|------|-----------|
| 1  | PT Indofood Sukses Makmur Tbk | 0,55 | 0,61 | 0,58      |
| 2  | PT Mayora Indah Tbk           | 1,4  | 1,37 | 1.39      |
| Average Company Total Asset Turnover Ratio by Year |                               | 0,98 | 0,99 | 0,98      |

Source : Secondary data processed 2024

Table 5 shows that PT Indofood Sukses Makmur Tbk has an average total asset turnover ratio of 0.58, while PT Mayora Indah Tbk has a much higher ratio of 1.39. The average total asset turnover ratio of all companies is 0.98. A higher ratio indicates a more efficient use of assets to generate sales.

In 2021, PT Indofood Sukses Makmur Tbk had a total asset turnover ratio of 0.55, which increased to 0.61 in 2022. This increase indicates better efficiency in the use of assets to generate sales. However, this ratio is still lower than that of PT Mayora Indah Tbk, which has a total asset turnover ratio of 1.40 in 2021 and slightly decreased to 1.37 in 2022.

PT Mayora Indah Tbk shows better asset utilization with a higher total asset turnover ratio compared to PT Indofood Sukses Makmur Tbk. This higher ratio indicates that PT Mayora Indah Tbk is able to generate greater revenue from its assets, reflecting higher operational efficiency. This efficiency in the use of assets is very important to improve the profitability and competitiveness of the company.

#### **Fixed asset turnover ratio**

A ratio that compares net sales to fixed assets over a one-year period. This ratio is also used to assess the company's effectiveness in generating net sales from its fixed asset investment. A higher ratio indicates that the company's ability is fairly effective in using investment in fixed assets to generate net sales. The formula used:

$$\text{Fixed asset turnover ratio} = \frac{\text{Net sales}}{\text{Fixed assets}}$$

**Table 6.** Average value of fixed asset turnover ratio of each company

| No   | Name of company               | 2021 | 2022 | Rata-Rata |
|--|-------------------------------|------|------|-----------|
| 1  | PT Indofood Sukses Makmur Tbk | 0,79 | 0,88 | 0,84      |
| 2  | PT Mayora Indah Tbk           | 4,01 | 4,08 | 4,05      |
| Average fixed asset turnover ratio of the company per year |                               | 2,4  | 2,48 | 2,44      |

Source : Secondary data processed 2024

Table 6 shows that PT Indofood Sukses Makmur Tbk has an average fixed asset turnover ratio of 0.84, while PT Mayora Indah Tbk has a much higher ratio of 4.05. The average fixed asset turnover ratio of all companies is 2.44. A higher ratio indicates better effectiveness in utilizing fixed assets to generate net sales.

In 2021, PT Indofood Sukses Makmur Tbk had a fixed asset turnover ratio of 0.79, which increased to 0.88 in 2022. Despite the increase, this ratio is still lower than that of PT Mayora Indah Tbk. PT Mayora Indah Tbk has a fixed asset turnover ratio of 4.01 in 2021 and slightly increased to 4.08 in 2022.

PT Mayora Indah Tbk shows much higher effectiveness in utilizing its fixed assets to generate net sales compared to PT Indofood Sukses Makmur Tbk. The higher ratio reflects the

company's ability to maximize the use of its fixed assets, which is crucial for improving operational efficiency and profitability. This effectiveness in the use of fixed assets can also help the company in reducing costs and increasing profit margins.

### Profitability Ratio

#### Return on Asset

Return on Asset is a ratio that shows how much an asset contributes to net income. In other words, the net profit margin of each rupiah of money contained in total assets is estimated using this ratio. The formula used is :

$$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Assets}}$$

**Table 7.** Average return on assets for each company

| No                                    | Name of company               | 2021 | 2022 | Rata-Rata |
|---------------------------------------|-------------------------------|------|------|-----------|
| 1                                     | PT Indofood Sukses Makmur Tbk | 0,06 | 0,05 | 0,06      |
| 2                                     | PT Mayora Indah Tbk           | 0.06 | 0.08 | 0.07      |
| Average Return on Asset Ratio by Year |                               | 0,06 | 0,07 | 0,06      |

Source : Secondary data processed 2024

Table 7 shows that PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk have almost the same ROA value, with PT Indofood Sukses Makmur Tbk averaging 0.06 and PT Mayora Indah Tbk averaging 0.07. The average ROA of the whole company is 0.06. A higher ROA indicates a better ability to generate profits from the company's assets.

In 2021, PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk both have an ROA value of 0.06. However, in 2022, PT Indofood Sukses Makmur Tbk experienced a decrease in ROA to 0.05, while PT Mayora Indah Tbk increased to 0.08. The increase in ROA of PT Mayora Indah Tbk reflects a better ability to utilize assets to generate profits.

The higher ROA of PT Mayora Indah Tbk indicates higher effectiveness in the use of assets to generate profits. This indicates that PT Mayora Indah Tbk has better asset management, which has a positive impact on the company's profitability. This efficiency in utilizing assets is very important to improve the competitiveness and financial performance of the company.

### Return on Equity

This ratio is used to estimate the amount of net income that will be generated by each rupiah fund included in total equity. Dividends from equity are used to determine this ratio. The formula used :

$$\text{ROE} = \frac{\text{Net profit after tax}}{\text{Total Equity}}$$

**Table 8.** Average value of Return on Equity for each company

| No                                     | Name of company               | 2021 | 2022 | Rata-Rata |
|--|-------------------------------|------|------|-----------|
| 1                                      | PT Indofood Sukses Makmur Tbk | 0,12 | 0,09 | 0,11      |
| 2                                      | PT Mayora Indah Tbk           | 0,1  | 0,15 | 0,13      |
| Average Return on Equity Ratio by Year |                               | 0,11 | 0,12 | 0,12      |

Source : Secondary data processed 2024



Table 8 shows that PT Indofood Sukses Makmur Tbk has an average return on equity (ROE) of 0.11, while PT Mayora Indah Tbk has a higher average ROE of 0.13. The average ROE of all companies is 0.12. A higher ROE indicates a better ability to generate net income from the company's equity.

In 2021, PT Indofood Sukses Makmur Tbk had an ROE of 0.12, which decreased to 0.09 in 2022. This decline reflects a decrease in the effectiveness of using equity to generate profits. In contrast, PT Mayora Indah Tbk showed an increase in ROE from 0.10 in 2021 to 0.15 in 2022. This increase reflects an increase in the effectiveness of using equity to generate net income.

PT Mayora Indah Tbk shows a better ability to utilize equity to generate net income compared to PT Indofood Sukses Makmur Tbk. The higher ROE of PT Mayora Indah Tbk shows that the company is more effective in generating profits from its equity. This can give greater confidence to investors because it shows that the company is able to manage its capital better and generate higher returns for its shareholders.

**Table 9.** The average value of the Financial Ratio of each company

| No              | Name of Company               | Liquidity Ratio |      | Solvency Ratio |      | Activity Ratio |             | Profitability Ratio |      |
|-----------------|-------------------------------|-----------------|------|----------------|------|----------------|-------------|---------------------|------|
|                 |                               | CR              | QR   | DAR            | DER  | TAT (times)    | FAT (times) | ROA                 | ROE  |
| 1               | PT Indofood Sukses Makmur Tbk | 1,56            | 1,14 | 0,50           | 1,00 | 0,58           | 0,84        | 0,06                | 0,11 |
| 2               | PT Mayora Indah Tbk           | 2,47            | 1,86 | 0,42           | 0,74 | 1,39           | 4,05        | 0,07                | 0,13 |
| Company Average |                               | 2,02            | 1,50 | 0,46           | 0,87 | 0,99           | 2,45        | 0,07                | 0,12 |

Source : Secondary data processed 2024

#### **The company's financial performance in terms of liquidity ratios**

Based on the calculations in the table, the average current ratio for businesses engaged in food and beverage processing listed on the Indonesia Stock Exchange in 2021-2022 is 2,02. The lowest ratio obtained by PT Indofood Sukses Makmur Tbk is considered the lowest because it has a poor current ratio because its value is below the company average. The current ratio of PT Mayora Indah Tbk is classified as healthy, according to the findings of the financial performance evaluation, this is because the ratio calculation value is greater than 2,02 based on the company's ratio.

The company PT Indofood Sukses Makmur Tbk has an average ratio of 1.4 from 2021 to 2022, meaning that faithfully IDR 1 debt is guaranteed by IDR 1.4 in current assets, excluding inventory, in other words, the company has not been able to utilise the potential of current assets and the company is less able to guarantee loans effectively. PT Mayora Indah Tbk, on the other hand, has an average very current ratio of 1,86 from 2021 to 2022, meaning that every IDR 1 debt is guaranteed by IDR 1,86 in current assets, excluding inventory. In other words, the company is able to provide maximum collateral for its current debt.

#### **Company performance in terms of solvency ratio**

The company PT Indofood Sukses Makmur Tbk has an average debt to asset ratio value for 2021-2022, which is 0,50, meaning that every IDR 0,50 of company debt is supported by IDR 1 of company assets, this indicates that the debt portion is above the asset portion. Meanwhile, PT



Mayora Indah Tbk has an average debt to asset ratio value from 2021-2022 of IDR 0.42, which means that the company's debt is supported by IDR 1 of the company's assets, this indicates that the debt portion is below the asset portion.

The debt to equity ratio value of the company PT Indofood Sukses Makmur Tbk is 1,00, meaning that PT Indofood Sukses Makmur Tbk provides Rp 1 for every Rp1 of assets funded by company owners or where it can be seen that the amount of debt exceeds the amount of capital. Meanwhile, PT Mayora Indah Tbk has a debt to equity ratio value of 0,42, meaning that the ratio shows the amount of assets funded by creditors for every Rp 1 of assets funded by company owners, in other words PT Mayora Indah Tbk provides Rp 0,42 for every Rp 1 of assets funded by company owners or where it can be seen that the amount of debt does not exceed the amount of capital.

#### **The company's financial performance in terms of activity ratios**

In 2021-2022, the turnover value of all assets of PT Indofood Sukses Makmur Tbk is 0,58 times, which means that for every 1 total assets, sales are generated at a sales rate of 0,58. PT Mayora Indah Tbk on the other hand, expects its total assets to be turned over at a rate of 1,39 times in 2021-2022.

#### **The company's financial performance in terms of profitability ratios**

PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk have almost the same ROA value and even PT Mayora Indah Tbk has the same ROA value as the industry average value of 0,7. This is because the corporation has not been able to show its success in managing assets to generate income.

The ROE value of PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk has a poor predicate because, the results of the calculation of the ratio that almost touches the same figure of 0.12 and even PT Mayora Indah Tbk has a lower ROE value than the company's average value. Management's failure to generate a sizable percentage of profits also indicates poor capital management, according to this study.

## **4. Conclusion**

This study successfully evaluated the financial performance of PT Indofood Sukses Makmur Tbk and PT Mayora Indah Tbk during the 2021-2022 period using financial ratio analysis. From the analysis conducted, several main conclusions can be drawn:

1. **Strong Liquidity:** PT Mayora Indah Tbk shows better liquidity compared to PT Indofood Sukses Makmur Tbk. The higher liquidity ratio reflects PT Mayora Indah Tbk's ability to meet its short-term obligations more efficiently, indicating better cash management.
2. **Better Financial Stability:** PT Mayora Indah Tbk has a lower solvency ratio, signaling lower reliance on debt and a more stable financial position. This indicates that PT Mayora Indah Tbk is more successful in managing its capital structure to reduce financial risks.
3. **High Operational Efficiency:** PT Mayora Indah Tbk shows a higher activity ratio, reflecting the company's ability to use its assets more efficiently in generating sales. This high operational efficiency is crucial to improving the company's profitability and competitiveness in the market.
4. **Better Profitability:** PT Mayora Indah Tbk also shows higher profitability ratios, indicating a better ability to generate profits from the company's assets and equity. This gives investors and shareholders more confidence about the company's financial performance.

These findings provide important insights into the financial performance of both companies in the fast-moving consumer goods (FMCG) industry. By demonstrating strong financial performance in terms of liquidity, solvency, operational efficiency, and profitability, PT Mayora Indah Tbk can be considered superior in its management of financial and operational resources. This not only increases the company's attractiveness to investors and creditors, but also provides a strong foundation for the company for future growth and expansion.

Overall, the results of this study emphasize the importance of financial ratio analysis in evaluating company performance, assisting managers and stakeholders in making better decisions based on comprehensive and accurate financial data. As such, this study contributes to a deeper understanding of how companies can improve their financial performance through better management of liquidity, debt, assets, and profitability.

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