



Profitability Ratio Analysis of Financial Performance at PT Kino Indonesia Tbk. on Indonesian Stock Exchange

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ABSTRACT

This study aims to analyze the financial performance with a profitability ratio approach at PT Kino Indonesia Tbk. from 2020 to 2023. In this study, the type of research used was descriptive qualitative. The source of data in this study is documentation in the form of financial reports in the form of statement of financial position and income statements compiled by PT. Kino Indonesia Tbk. The data taken from IDX or www.idx.co.id. Based on the company's financial data management, the calculation uses the company's profitability ratios, including Gross Profit Margin, Net Profit Margin, Return On Asset, and Return On Equity. After reviewing it, it turns out that the average value of net profit margin, gross profit margin and return on equity is below the industry standard ratio. From this information it can be concluded that the company has not succeeded in increasing its financial percentage well, especially in 2022. In 2022 PT Kino Indonesia Tbk will experience quite large losses so that the GPM, NPM, ROA and ROE ratios will be far below those of similar industries.

Keywords: GPM, NPM, Profitability, ROA, ROE

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INTRODUCTION

Cosmetics and household goods are important things for humans. Because our daily lives cannot be separated from this. On the Indonesian Stock Exchange, there are six companies that are members of the cosmetics and household goods sub-sector manufacturing companies, including PT. Akasha Wira Internasional Tbk. (ADES), PT. Kino Indonesia Tbk. (KINO), PT. Martina Berto Tbk. (MBTO), PT. Mustika Ratu Tbk. (MRAT), PT. Mandom Indonesia Tbk. (TCID) and PT. Unilever Indonesia Tbk.

(UNVR). The products of this company are well known and used by the Indonesian people. For example Makarizo, Nestle Pure Life, Ellips, Ovale, Martha Tilaar products, Mustika Ratu, Pixy, Rexona, Dove and others.

Companies operating in the cosmetics and household necessities sector have enormous potential to develop. Because cosmetics and household goods are people's primary needs and people's interest in cosmetics is quite high. This is marked by the increase in growth of the national cosmetics industry by 20% in 2017. Apart from that, Indonesia's young population is also very large, so this business is quite promising for the companies above (Kemenperin Site, 2018).

Every company that starts a business must target profits. Therefore, the company will strive to present products that suit consumer interests, continue to innovate and offer cosmetics and household necessities labeled halal. The company's success in attracting consumer interest will be seen from the profits generated by the company. Profitability ratios are one component for assessing the financial performance of a company. Measuring profits is done using the profitability ratio, with this ratio the company can analyze how the company develops from year to year, because high profits do not necessarily indicate high profitability, but high profitability definitely determines the profits generated are high (Yunita, Ikbal Yasin, Fikri Hamidy, Parjito, 2023).

PT Kino Indonesia Tbk. need to take control measures or monitoring the level of company financial performance. Control and monitoring is carried out by analyzing and interpreting financial data from company as reflected in the financial statements. Information regarding performance The company's financial and operating results are very important and useful for interests of various parties, both internal and external to the company. Results This financial performance analysis can also explain company conditions or factors which causes this condition to occur.

The calculation of profitability ratios to measure financial performance has been researched by several people, including (Desriyunia, Wulandhari, Puspita, Jasmine, & Yulaeli, 2023), (Dewi, Warisi, & Desmon, 2023), (Fernos, 2017), (Juliansyah, Lukita, & Munandar Aris, 2023), (Wulandari & Nurhadi, 2023), (Lase, Telaumbanua, & Harefa, 2022) (Ningsih & al, 2023), (Nurhaliza & Harmain, 2022), (Nurjayanti & Amin, 2022), et al. Although there has been a lot of research on profitability, this research differs in object, time and data analysis techniques. This research aims to determine financial performance as seen from the profitability ratio at PT Kino Indonesia Tbk. which is listed on the Indonesian Stock Exchange.

RESEARCH METHODOLOGY

Types and Sources of Research

The type of research used in this research is quantitative research using a descriptive approach. The data source used is secondary data obtained from the Indonesian Stock Exchange website, namely www.idx.co.id. In this research the author uses the time series analysis method, namely a method for analyzing ratio comparisons

from the past to the present whether there has been any development from PT Kino Indonesia Tbk. from 2020 to 2023.

Data Collection Technique

The data collection technique that the author uses in this research is a documentation study, which is carried out by obtaining theoretical data which includes lecture material books and articles that support research materials and also documents in the form of company Statement of financial position and Income statement.

Variable Data Analysis

There are 4 variables used to calculate the value of the Profitability Ratio in a company, namely:

1. Gross Profit Margin (GPM)

Gross Profit Margin is obtained from comparing gross profit with the company's net sales. GPM shows what percentage of profit a company earns in one period. If the GPM result is positive, it means the company is making a profit and is efficient in running its company operations and conversely, if the GPM result is negative then the company is experiencing a loss.

$$\text{Gross Profit Margin (GPM)} = \frac{\text{Gross Profit}}{\text{Net Sales}} \times 100\%$$

2. Net Profit Margin (NPM)

Net Profit Margin or net profit margin is obtained from calculating the ratio of net profit to company revenue. Net profit is obtained by subtracting gross profit from all expenses and income taxes. A positive NPM value is associated with a healthy company.

$$\text{Net Profit Margin (NPM)} = \frac{\text{Net Profit}}{\text{Revenue}} \times 100\%$$

3. Return On Asset (ROA)

Return on Assets measures a company's efficiency in managing its assets to earn profits. With this ratio, the company's capabilities are assessed according to the profits obtained in the past period so that they can be used in the next period or period. In this regard, assets or assets in ROA are company assets obtained from personal capital or other parties which have been converted into company assets with the aim of meeting all operational needs.

$$\text{Return On Asset (ROA)} = \frac{\text{Net Profit}}{\text{Total Asset}} \times 100\%$$

4. Return On Equity (ROE)

Return on Equity is obtained by comparing the company's net profit with the total amount of investor/owner capital in it. ROE can be used to predict how much potential a company has to generate profits. ROE or return on equity is an important

element in knowing the extent to which a business is able to manage the capital of its investors. If the ROE calculation is greater, the company's reputation will increase in the eyes of capital market players. Because, this business has proven to be able to make the best use of capital assistance.

$$\text{Return On Equity (ROE)} = \frac{\text{Net Profit}}{\text{Total Equity}} \times 100\%$$

This ratio is interpreted into a measuring tool, namely the industry average standard according to (Kasmir, 2018), as in table 1 below.

Table 1 Standard Industrial Profitability Ratios

No.	Type of Ratio	Average Standard
1	GPM	30%
2	NPM	20%
3	ROA	30%
4	ROE	40%

RESULT AND DISCUSSION

The following is the profitability ratio value of PT Kino Indonesia Tbk. 2020-2023 period:

Tabel 2 Gross Profit Margin

Gross Profit Margin 2020-2023					
Year	Gross Profit	Sales	Ratio	%	Average Industry
2020	1.928.864.136.786	4.024.971.042.139	0,48	48%	44%
2021	1.795.939.958.629	3.976.656.101.508	0,45	45%	43%
2022	1.308.666.285.974	3.631.451.490.321	0,36	36%	40%
2023	1.724.066.036.749	4.136.181.747.640	0,42	42%	43%

Source: Data processed

From the calculation results above, the Gross Profit Margin value of PT Kino Indonesia Tbk. decreases every year. In 2020 the GPM value will be 48%. In 2021 it drops to 45%. In 2022 it will fall again to 36% and in 2023 it will increase again to 42%. Calculation of the Gross profit margin percentage aimed at finding out how much the company can afford carry out its operations efficiently. Based on the value above,

the average Gross Profit Margin of PT Kino Indonesia Tbk. is 42.75%. Average GPM for 4 years are $(48\% + 45\% + 36\% + 42\%) / 4 = 42,75\%$. In other words, on average every Rp. 1 net sale also contributes to creating Rp. 0.4275 gross profit PT Kino Indonesia Tbk. for 4 years. When compared with similar industries, PT Kino Indonesia Tbk's GPM can still be said to be good. In 2020 and 2021, PT Kino Indonesia Tbk's GPM ratio is higher than the average for similar industries. However, in 2022 and 2023, PT Kino Indonesia Tbk's GPM ratio is slightly below the average for similar industries.

Tabel 3. Net Profit Margin

Net Profit Margin 2020-2023					
Year	Net Profit	Sales	Ratio	%	Average Industry
2020	113.665.219.638	4.024.971.042.139	0,03	3%	-6%
2021	100.649.538.230	3.976.656.101.508	0,03	3%	-5%
2022	-950.288.973.938	3.631.451.490.321	-0,26	-26%	5%
2023	77.243.694.579	4.136.181.747.640	0,02	2%	5%

Source: Data processed

Based on the overall accumulation obtained, the net profit margin value is at 2020 and 2021 is 3%. However, in 2022 it will experience a drastic decline to -26%. This is because PT. Kino Indonesia Tbk. experienced losses due to an increase in other expenses of up to 20 times. In 2023 the net profit margin will increase again to 2%. Calculation of the Profit Margin ratio aimed at how much the company knows percentage of net profit from sales. NPM average for 4 years is -5,25%. When compared with the industry average, in 2020 and 2021 PT Kino Indonesia Tbk's NPM is above the industry average. Meanwhile, in 2022 it will be far below the industry average, because the company has quite large losses. Meanwhile, in 2023, although it is below the industry average, the value is quite good.

Tabel 4 Return on Asset

Return on Asset (ROA) 2020-2023					
Year	Net Profit	Aset	Ratio	%	Average Industry
2020	135.159.940.052	5.255.359.155.031	0,03	3%	7%
2021	127.135.975.585	5.346.800.159.052	0,02	2%	8%
2022	-917.093.919.073	4.676.372.045.095	-0,20	-20%	8%
2023	113.650.044.617	4.646.378.817.802	0,02	2%	10%

Source: Data processed

Based on the results of Return On Assets (ROA) analysis calculations PT.Kino Indonesia Tbk., the Return On Assets (ROA) ratio in 2020 is 3 %, This means , the company is able to generate profits of 3% of total assets which are owned. In 2021 it will decrease to 2%. In 2021, the company's return on assets will be 2%, compared to In 2020, return on assets in 2021 decreased by 1%. This matter shows that there is a slight decline in the company's capabilities in generate profits. In 2022 because PT. Kino Indonesia Tbk. experienced large losses, the ROA ratio dropped drastically to -20%. And in 2023 it will increase again to 2%.

When compared with the average for similar industries, PT Kino Indonesia Tbk's ROA is still far below it. In 2020 the industry average ROA was 7%, while PT Kino Indonesia Tbk's ROA was only 3%. In 2021 the industry average ROA is 8%, while PT Kino Indonesia Tbk's ROA is only 2%. In 2022 the industry average ROA will be 8%, while PT Kino Indonesia Tbk's ROA only -20%. And in 2022 the industry average ROA will be 10%, while PT Kino Indonesia Tbk's ROA only 2%.

Tabel 5 Return on Equity

Return on Equity (ROE) 2020-2023					
Year	Net Profit	Equity	Ratio	%	Average Industry
2020	113.665.219.638	2.577.235.546.221	0,04	4%	21%
2021	100.649.538.230	2.663.631.503.097	0,04	4%	21%
2022	-950.288.973.938	1.533.820.300.426	-0,62	-62%	18%
2023	77.243.694.579	1.618.730.458.142	0,05	5%	27%

Source: Data processed

Based on the results Return on Equity (ROE) analysis calculations of PT Kino Indonesia Tbk., the Return on Equity (ROE) ratio in 2020 is 4%. In 2021 it remain the same 4%. In 2022 because PT. Kino Indonesia Tbk. experienced large losses, the ROE ratio dropped drastically to -62%. And in 2023 it will increase again to 5%. The average ROE ratio for 4 years is -12.25. This means that the company owes IDR 0.12.25 for every IDR. 1 equity invested by shareholders in PT Kino Indonesia Tbk. This requires PT Kino Indonesia Tbk to further increase company sales and reduce swelling in operational costs which are considered too large so that capital owners receive dividends as expected

CONCLUSION

From the results of the analysis of the profitability ratio at PT. Kino Indonesia Tbk, several conclusions can be drawn as follows:

1. The ability to generate profits is seen from the profitability ratio owned by the company over the last four years 2020 to 2024 will experience fluctuations, especially in 2022 when PT. Kino Indonesia Tbk experienced quite large losses due to other expenses that had to be paid.
2. Overall it can be said that PT. Kino Indonesia Tbk in generating profits experienced a decline however still in good condition. This condition illustrates that performance PT. Kino
3. Indonesia Tbk is in good condition so will be able to maintain the company's existence for the future.

AUTHORS' CONTRIBUTION

Author: Conceptualization; Project administration; Validation; Writing - review and editing.

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