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Profitability Analysis of Food and Beverage Companies Listed on the Indonesia Stock Exchange

2022–2024 period

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ICBP MYOR ROTI

BACKGROUND

Why profitability matters in food and beverage

Stable demand, uncertain profit

Products are consumed repeatedly, but stable demand does not automatically guarantee stable profits.

Cost and competition pressure

Raw material, energy, packaging and logistics costs shift with commodity prices and exchange rates. Margins shrink when costs cannot be passed on.

A post-pandemic adjustment

In 2022–2024, costs, purchasing power and consumption patterns kept changing, so company trends differ from year to year.

Source: Introduction of the paper

RESEARCH GAP AND OBJECTIVE

A recent, comparative view of profitability

Earlier studies

- Focus on the determinants of profitability
- Observation periods mostly end before 2023
- Samples such as 2016–2020, 2019–2023 and 2020–2022

This study

- Descriptive, side-by-side trends in ROA, ROE and NPM
- DuPont decomposition to find the sources of ROE changes
- Newer data: 2022–2024

Useful for investors, management and students: profit must be judged against assets, equity and sales, not by its amount alone.

Source: Introduction of the paper

METHOD

Three ratios and a DuPont decomposition

ROA

Net profit after tax ÷ Total assets

How effectively assets generate profit.

ROE

Net profit after tax ÷ Total equity

The return earned on shareholders' equity.

NPM

Net profit after tax ÷ Net sales

Share of each rupiah of sales that becomes profit.

DuPont: ROE = NPM × TATO × EM

TATO = net sales ÷ total assets · EM = total assets ÷ total equity

Source: Method section of the paper; each ratio is multiplied by 100%

SAMPLE AND DATA

Three listed companies, nine observations

ICBP

PT Indofood CBP Sukses Makmur Tbk

IDR 126.04T

Total assets, 2024

MYOR

PT Mayora Indah Tbk

IDR 29.73T

Total assets, 2024

ROTI

PT Nippon Indosari Corpindo Tbk

IDR 3.75T

Total assets, 2024

Purposive sampling

Listed throughout 2022–2024, with the data needed for the ratios.

Secondary data

Consolidated annual financial statements from the IDX website.

Company-year unit

Three companies × three years = nine observations.

Source: ICBP, MYOR and ROTI annual financial statements, 2022–2024

RESULTS · GROWTH

Profit moved far more than sales

Company	Period	Net sales	Net profit	Total assets	Total equity
ICBP	2022–2023	+4.80%	+47.93%	+3.44%	+8.06%
ICBP	2023–2024	+6.90%	+4.11%	+5.68%	+7.95%
MYOR	2022–2023	+2.66%	+64.71%	+7.16%	+19.07%
MYOR	2023–2024	+14.57%	−5.46%	+24.54%	+11.91%
ROTI	2022–2023	−2.91%	−22.89%	−4.52%	−10.73%
ROTI	2023–2024	+2.92%	+8.67%	−5.00%	−3.56%

MYOR in 2024: sales grew 14.57% and assets grew 24.54%, yet net profit fell 5.46%.

Source: Table 2 of the paper, processed from the financial statements

RESULTS · RETURN ON ASSETS

ROA: 2024 split the three companies

ICBP

2022	4.96%
2023	7.10%
2024	6.99%

Profit +47.93% against assets +3.44% lifted 2023. 2024 slipped 0.11 pp.

MYOR

2022	8.84%
2023	13.59%
2024	10.32%

Largest 2024 drop, 3.27 pp: assets +24.54% while profit −5.46%.

ROTI

2022	10.47%
2023	8.45%
2024	9.67%

Recovered as profit +8.67% and assets −5.00%, still 0.80 pp below 2022.

Source: Table 3 of the paper; pp = percentage points

RESULTS · RETURN ON EQUITY

ROE: MYOR leads in 2023 and 2024

ICBP

2022	9.96%
2023	13.63%
2024	13.15%

Up 3.19 pp over 2022–2024.

MYOR

2022	15.35%
2023	21.23%
2024	17.94%

Highest in 2023 and 2024. Up 2.59 pp over the period.

ROTI

2022	16.12%
2023	13.93%
2024	15.69%

Highest in 2022; down 0.43 pp. Equity fell 13.91%, which cushioned the ROE.

Source: Table 3 of the paper; equity is the denominator, so read high ROE with care

RESULTS · NET PROFIT MARGIN

NPM: ICBP holds the widest margin

ICBP

2022	8.83%
2023	12.47%
2024	12.14%

Highest NPM in 2023 and 2024.

MYOR

2022	6.42%
2023	10.31%
2024	8.50%

2024 sales +14.57%, but profit fell, so NPM dropped 1.81 pp.

ROTI

2022	10.98%
2023	8.72%
2024	9.21%

Highest in 2022. In 2023 sales −2.91% but profit −22.89%.

Source: Table 3 of the paper

RESULTS · DUPONT DECOMPOSITION

Where each company's ROE comes from

Company	Year	NPM (%)	TATO (×)	EM (×)	ROE (%)
ICBP	2022	8.83	0.56	2.01	9.96
ICBP	2023	12.47	0.57	1.92	13.63
ICBP	2024	12.14	0.58	1.88	13.15
MYOR	2022	6.42	1.38	1.74	15.35
MYOR	2023	10.31	1.32	1.56	21.23
MYOR	2024	8.50	1.21	1.74	17.94
ROTI	2022	10.98	0.95	1.54	16.12
ROTI	2023	8.72	0.97	1.65	13.93
ROTI	2024	9.21	1.05	1.62	15.69

Source: Table 4 of the paper. NPM = net profit margin, TATO = total asset turnover, EM = equity multiplier

RESULTS · THREE DIFFERENT ENGINES

Same industry, different sources of ROE

ICBP

Profit margin

NPM reached 12.14% in 2024, while TATO stayed at only 0.56–0.58× on a very large asset base. The 2023 ROE rise came entirely from NPM; EM fell from 2.01 to 1.88.

MYOR

Asset turnover

The highest TATO, 1.38× in 2022, offset a thinner margin but slid to 1.21× by 2024. The 2024 ROE drop came from a narrower margin and slower turnover, partly offset by EM rising from 1.56 to 1.74.

ROTI

Turnover and financing

TATO improved from 0.95 to 1.05×, but the margin stayed below 2022. EM rose from 1.54 to 1.62× because equity fell faster than assets, which also supported ROE.

Source: Table 4 and discussion in the paper

RESULTS · THREE-YEAR AVERAGES

The ranking flips between ROA, ROE and NPM

Company	ROA (%)	ROE (%)	NPM (%)
ICBP	6.35	12.24	11.15 (highest)
MYOR	10.92 (highest)	18.17 (highest)	8.41
ROTI	9.53	15.25	9.64

MYOR: speed

Its edge in ROA and ROE lies in faster asset turnover.

ICBP: margin

Its strength lies in a higher profit margin.

Source: Table 5 of the paper, calculated from Table 3

CONCLUSION

Three companies, three profitability patterns

ICBP	Profitability rose in 2023 and eased slightly in 2024, with the highest NPM.
MYOR	Peaked in 2023 and fell in 2024, yet has the highest average ROA and ROE thanks to asset turnover.
ROTI	Fell in 2023 and recovered in 2024, but not yet back to its 2022 levels.

Profitability needs more than one ratio, read alongside its drivers.

Source: Conclusion of the paper

LIMITATIONS AND NEXT STEPS

What this study cannot yet say

Limitations

- Only three companies
- Only three years
- Descriptive, so no causal claims
- Not generalizable to the whole industry

Future research

- More companies
- A longer observation period
- Liquidity and solvency ratios
- Statistical tests of profitability determinants

For companies

- Evaluate asset utilization efficiency
- Review capital management
- Keep profit margins steady

Source: Results and conclusion of the paper

Thank you

Questions and discussion

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