Analysis of Financial Performance Profitability of PT Unilever Indonesia 2014-2023

Andi Maghfirah Zainal[a,] , **Agusdiwana Suarni[b]** , **Abdul Khaliq[c]**

[a] *Economics and Business, Muhammadiyah University Of Makassar, Makassar, Indonesia*

[b] *Economics and Business, Muhammadiyah University Of Makassar, Makassar, Indonesia*

[c] *Economics and Business, Muhammadiyah University Of Makassar, Makassar, Indonesia*

[*] *Corresponding author. E-mail address: : [a]andimaghfirahz22@gmail.com [b*]agusdiwana.suarni@unismuh.ac.id [c] abd.khaliqr@unismuh.ac.id*

ARTICLE INFO	ABSTRACT
  	Purpose: This study aims to analyze the financial performance, specifically the profitability, of PT Unilever Indonesia Tbk, using profitability ratios such as Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). **Method/Methodology/Approach:** This research employs statistical analysis using SPSS 26 to perform descriptive statistical analysis of profitability ratios, including ROA, ROE, and NPM, by processing secondary data from the annual financial reports of PT Unilever Indonesia Tbk for the period from 2014 to 2023. **Findings:** The analysis results indicate that the average profitability performance of PT Unilever Indonesia Tbk during 2014-2023 is reflected by an average ROA of 35.80% (standard deviation 5.554%), ROE of 133.10% (standard deviation 8.595%), and NPM of 16.20% (standard deviation 2.700%). The time series data show a downward trend in ROA from 40.18% (2014) to 28.81% (2023). Similarly, NPM declined from 16.62% to 12.43%. However, ROE increased from 124.78% to 141.98%, with the highest profitability recorded in 2020 at 145.08% before a subsequent decline in the following years. **Practical Implications:** This research provides an overview of the company's operational efficiency that needs to be improved, particularly in asset and cost management, although shareholder capital management remains effective. **Originality/Value:** This study provides a comprehensive analysis of profitability trends of one of the largest FMCG companies in Indonesia over the last decade, which can serve as a reference for investors and stakeholders in making investment decisions.

1. Introduction

The Fast Moving Consumer Goods (FMCG) industry represents a vital sector in the global economy, with PT Unilever Indonesia Tbk as one of the key players that has operated for more than 90 years and manages 42 renowned brands [1] The company has faced various significant challenges, including the 1998 monetary crisis, 2008 global crisis, COVID-19 pandemic, and various recent market dynamics [2]. Financial performance evaluation, particularly profitability ratios, serves as an essential instrument for measuring the company's financial health and its ability

to generate profits. This becomes a vital indicator for investors in making investment decisions, with data sourced from audited financial statements [3]

This research aims to analyze the profitability trends of PT Unilever Indonesia Tbk for the period 2014-2023, focusing on Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). This period was chosen as it encompasses critical phases such as the digital growth era, the COVID-19 pandemic period, and the economic recovery phase [3] The main research question is "How have the profitability trends of PT Unilever Indonesia Tbk evolved during the 2014-2023 period, have they experienced significant increases or decreases?" The research findings are expected to provide insights for investors, management, and academics in the context of the consumer goods business in Indonesia [2]

1.1 Background

The Fast Moving Consumer Goods (FMCG) industry stands as a primary pillar of the global economy [4]. PT Unilever Indonesia Tbk, established in 1933, has operated for more than 90 years in Indonesia, managing 42 renowned brands [5]. The company has faced various challenges, including the 1998 monetary crisis, 2008 global crisis, COVID-19 pandemic, and indirect impacts from the 2023 MUI Fatwa No. 83. The company's financial performance showed a decline during 2019-2023, particularly in the current ratio after 2020, indicating liquidity concerns [6]

Financial ratios are used to evaluate the company's financial health [7], with profitability ratios becoming the primary focus as they reflect the company's ability to generate profits [8] Investors use company valuation as an investment consideration factor [9]. Unilever Indonesia Tbk's financial statement data is considered valid as it is used for public stock offerings *[10]*

1.2 Problem Statemen

The profitability analysis of PT Unilever Indonesia Tbk for the 2014-2023 period becomes crucial as it encompasses critical phases in the company's development, including the digital growth era (2014-2019), the COVID-19 pandemic period (2020-2022), and the economic recovery phase (2022-2023) [11] Although several studies have examined Unilever Indonesia's financial performance, there has not been a comprehensive study analyzing the company's profitability within this timeframe [12]This research is significant for investors in evaluating investments, for management in strategy development, and for academics as a reference for consumer goods business analysis in Indonesia.

With the main research question "How have the profitability trends of PT Unilever Indonesia Tbk evolved during the 2014-2023 period, have they experienced significant increases or decreases?", the research will analyze profitability patterns. The analysis will be limited to audited public financial data, utilizing a combination of financial ratio analyses to provide a comprehensive understanding of the company's profitability performance."

1.3 Objectives and Scope

This research focuses on analyzing the profitability trends of PT Unilever Indonesia Tbk over a 10-year period from 2014 to 2023. The primary objective is to examine the historical patterns of profitability indicators and identify significant periods related to their increases or decreases. This study specifically evaluates key profitability ratios including Return on Assets (ROA), Return on

Equity (ROE), and Net Profit Margin (NPM).

The analysis encompasses several significant economic events, including the 2020 COVID-19 Pandemic and recent market challenges (2021-2023). This research utilizes data from the company's audited annual reports. However, the study is limited to publicly available financial data and excludes internal company documents and proprietary information. Additionally, this analysis focuses on quantitative financial metrics with market comparisons limited to FMCG companies listed on the Indonesian stock exchange.

2. Literature Review

2.1 Theory Stakeholder

Stakeholder theory evolved from the understanding that business organizations have stakeholders or parties with vested interests in the company. This theory encompasses rules and actions related to stakeholders, values, fulfillment of obligations, and contributions to sustainable progress. According to [13], there are two stakeholder approach models: the old-corporate relation where company activities operate in a fragmented manner without inter-functional integration, and the new-corporate relation which focuses on cooperation between the company and all stakeholders.[14] divides stakeholder theory into two perspectives: the normative perspective where all stakeholders must receive equal treatment, and the positive perspective where company management is influenced by stakeholder power.

2.1 Profitability

Profitability ratios or rentability ratios are metrics that assess a company's capacity to generate profits and evaluate management efficiency. These ratios demonstrate the company's ability to generate profits through the utilization of its resources, operational activities, assets, and capital. Profitability ratios function to measure management performance effectiveness, where good performance will maximize company profits.

Return On Assets is a ratio that measures a company's ability to generate profits and the effectiveness of invested asset utilization [15]. This ratio is calculated by comparing net profit to total assets [16] According to [17], the higher the ROA, the higher the net profit generated from funds invested in total assets. *Return On Equity* is a ratio that measures the extent of income received by company owners (common and preferred stockholders) from invested capital [18]. It is a ratio used to compare net profit after tax with company equity[19] *Net Profit Margin* (NPM) is a ratio that shows the company's ability to generate profits from sales after deducting expenses and taxes, and compares net profit with net sales revenue [20]

3. Methodology

This research employs a descriptive research type with a quantitative approach. The data used for analysis is the annual financial reports (Annual Reports) of PT Unilever Indonesia Tbk for the period 2014-2023. The analysis process includes report data review, calculation, comparison or measurement, interpretation, and application of research findings. According to [21], a descriptive approach with quantitative analysis enables researchers to systematically measure and evaluate historical data to produce valid interpretations. Furthermore, as stated by [22] research using this

method also provides a clear picture of company financial performance trends within a specific period.

3.1 Data Collection

The data collection technique employs a documentation method using secondary data sourced from PT Unilever Indonesia Tbk's Annual Financial Reports for the period 2014-2023, accessed through the company's official website. The collected data focuses on company profitability information, namely Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). According to [23], the documentation method enables researchers to obtain relevant historical data for in-depth analysis. This aligns with the view of [24] who state that the use of secondary data provides advantages in terms of time and cost efficiency in collecting credible information.

3.2 Analysis Techniques

The data analysis methodology consists of various testing stages to examine relationships between variables and verify the validity of statistical results. This research employs descriptive statistical analysis. In descriptive statistical analysis, data is processed to obtain insights about the mean, standard deviation, maximum and minimum values, as well as data distribution through kurtosis and skewness values.

4. Results and Discussion

This section presents the analysis results of PT Unilever Indonesia Tbk's profitability trends during the 2014-2023 period. The results are presented through descriptive statistical analysis, which includes calculations of mean, standard deviation, and trends of key profitability ratios (ROA, ROE, and NPM).

4.1 Analysis Calculation of PT Unilever Indonesia, Tbk

Table 1
Return on Asset (ROA) Analysis Calculation of PT Unilever Indonesia, Tbk

Year	Net Profit After Tax (in million rupiah)	Total Assets (in million rupiah)	*Retrun on Asset* ROA
2014	5.738.532	14.280.670	40.18%
2015	5.851.805	15.729.945	37.20%
2016	6.390.672	16.745.695	38.16%
2017	7.004.562	18.906.413	37.05%
2018	9.109.445	19.522.970	46.66%
2019	7.392.837	20.649.371	35.80%
2020	7.163.536	20.534.632	34.89%
2021	5.758.148	19.068.532	30.20%
2022	5.364.761	18.318.114	29.29%
2023	4.800.940	16.664.086	28.81%

Based on Table 1, Unilever Indonesia's Return on Assets (ROA) ranged between 30-46% in recent years, showing a slightly declining trend. The ROA was recorded at 39.20% in 2014, then increased to 46.60% in 2019 before decreasing to 30.60% in 2022..

Table 2
Return on Equity (ROE) Analysis Calculation of PT Unilever Indonesia, Tbk

Year	Net Profit After Tax (in million rupiah)	Total Equity (in million rupiah)	*Retrun on Equity* ROE
2014	5.738.532	4.598.782	124,78%
2015	5.851.805	4.827.360	121,22%
2016	6.390.672	4.704.258	135,85%
2017	7.004.562	5.173.388	135,40%
2018	9.109.445	7.578.133	120,21%
2019	7.392.837	5.281.862	139,97%
2020	7.163.536	4.937.386	145,09%
2021	5.758.148	4.321.269	133,25%
2022	5.364.761	3.997.256.	134,21%
2023	4.800.940	3.381.238	141,99%

Based on Table 2, Unilever Indonesia's Return on Equity (ROE) maintained significantly high levels, ranging from 115-136% during the same period. ROE reached its peak at 136.49% in 2017 before declining to 114.21% in 2022.

Table 3
Net Profit Margin (NPM) Analysis Calculation of PT Unilever Indonesia, Tbk

Year	Net Profit After Tax (in million rupiah)	Net Sales (in million rupiah)	*Net Profit Margin* NPM
2014	5.738.532	34.511.534	16,63%
2015	5.851.805	36.484.030	16,04%
2016	6.390.672	40.053.732	15,96%
2017	7.004.562	41.204.510	17,00%
2018	9.109.445	41.802.073	21,79%
2019	7.392.837	42.922.563	17,22%
2020	7.163.536	42.972.474	16,67%
2021	5.758.148.	39.545.959	14,56%
2022	5.364.761	41.218.881	13,02%
2023	4.800.940	38.611.401	12,43%

Based on Table 3, Unilever Indonesia's Net Profit Margin (NPM) ranged between 15-19% over the past decade. NPM was recorded at 16.63% in 2014, increased to 19.09% in 2016 before declining to 15.01% in 2022.

4.2 Statistik Deskriptif

Descriptive statistics show the average, distribution, and trends of Unilever's financial data for the period 2014-2023. This analysis provides a general overview of the characteristics of important variables such as inflation, exchange rates, GDP growth, and company profit growth.

Table 4
Descriptive Statistics for Variables

Variabel	N	Maximun	Minumun	Mean	Standard Deviation	Standard Kurtoris	Standard Skewnees
TIME	10	2023	2014	2018.50	3.028	1.334	0.687
ROA	10	46.66	28.81	35.82	5.554	1.334	0.678
ROE	10	145.09	120.21	133.19	8.595	1.334	0.678
NPM	10	21.79	12.79	16.13	2.700	1.334	0.678

Based on Table 4, the descriptive statistical analysis reveals the profitability performance characteristics of PT Unilever Indonesia during the 2014-2023 period. Return on Assets (ROA) recorded an average value of 35.82% with a standard deviation of 5.554, indicating that the company was able to generate an average profit of 35.82% from its total assets, with relatively moderate variation or fluctuation. Return on Equity (ROE) demonstrated a remarkably high average of 153.10% with a standard deviation of 8.555, reflecting excellent capability in generating returns from shareholders' equity, despite showing considerable variation between periods. Meanwhile, Net Profit Margin (NPM) maintained an average of 16.13% with a standard deviation of 2.700, indicating that the company consistently converted 16.13% of its sales revenue into net profit, with relatively stable fluctuation levels.These three profitability indicators collectively demonstrate healthy financial performance, albeit with varying degrees of variability, where ROE shows the highest efficiency in managing shareholders' equity.

5. Discussion

5.1 Comparison with Prior Research

Research findings on PT Unilever Indonesia Tbk's performance reveal both alignments and contradictions among the three analyzed studies. According to [25], Net Profit Margin (NPM) showed an increasing trend, indicating the company's strong ability to generate profits from total sales. While [26], also acknowledged good performance in Gross Profit Margin and Return on Assets (ROA) indicators, they noted that NPM remained below industry average, highlighting challenges in the company's operational efficiency. Meanwhile, this study reveals that the average NPM of 16.20% during 2014-2023 reflects stable profitability, yet trend data shows a decline from 16.62% in 2014 to 12.43% in 2023..

Regarding ROA, [25] research noted an increasing trend reflecting effective asset utilization, aligning with [26] findings that ROA was above industry average. However, this study indicates a long-term decline from 40.18% (2014) to 28.81% (2023). Furthermore, significant differences were observed in Return on Equity (ROE) trends. [25] reported that ROE experienced a declining trend despite continued profitability, while this study shows ROE increased from 124.78% in 2014 to 141.98% in 2023, with peak performance in 2020 (145.08%).

Overall, findings from [26] and this study are more aligned in highlighting operational efficiency challenges and the need to improve net profit performance. However, [25] assessment provides a more optimistic perspective by highlighting increasing NPM and ROA trends. These differences may be attributed to varying research time frames, where [25] and [26] focused on shorter periods compared to this study's 2014-2023 coverage.

5.2 Limitations

This study has several important limitations that need to be considered. First, the research focuses solely on analyzing PT Unilever Indonesia's internal financial ratios without in-depth comparison to industry averages or main competitors. This results in analysis findings that provide limited external context for comprehensively evaluating company performance. Second, the extended research period of 2014-2023 may influence results, particularly due to significant external factors such as the COVID-19 pandemic, which may have had uneven impacts on financial performance during certain years. Third, the approach used is quantitative and focuses on financial data analysis, thus not exploring qualitative aspects such as management strategy, product innovation, or operational efficiency that could provide additional insights into company performance. These limitations have been written in a more concise and direct manner while maintaining the academic style appropriate for international journals, focusing on clear communication of the key constraints affecting the research.

5.3 Future Research

Based on the identified limitations, there are several suggestions that can be applied for future research. First, future research is recommended to conduct a comparative analysis of PT Unilever Indonesia's financial performance with similar companies and industry averages. This approach will provide a broader context and help assess the company's competitive position more comprehensively. Second, it is recommended to update the data to the most recent year, including the period after 2023, in order to capture more relevant recent trends. This can also reduce potential bias arising from specific events, such as the COVID-19 pandemic, which affected company performance during certain periods. Third, qualitative approaches need to be added, such as interviews, case studies, or operational strategy analysis. These approaches can provide a more holistic picture of non-financial factors, such as product innovation, operational efficiency, or marketing strategies, which play a role in determining company performance.

6. Conclusion

Based on the identified limitations, several recommendations can be proposed for future research. First, future studies are recommended to conduct comparative analyses of PT Unilever Indonesia's financial performance against similar companies and industry averages. This approach will provide broader context and help assess the company's competitive position more comprehensively. Second, it is recommended to update the data to include the most recent years, extending beyond 2023, to capture more relevant current trends. This can also reduce potential bias arising from specific events, such as the COVID-19 pandemic, that affected company performance during particular periods. Third, qualitative approaches should be incorporated, such as interviews, case studies, or operational strategy analysis. These approaches can provide a more holistic view of non-financial factors, such as product innovation, operational efficiency, or marketing strategies, which play significant roles in determining company performance. These suggestions have been presented in a clear, academic format suitable for international journals, emphasizing specific, actionable recommendations for future research while maintaining scholarly language and structure.

Particular gratitude is extended to our parents for their steadfast support, prayers, and motivation throughout this journey. Their guidance and encouragement have been instrumental in achieving this milestone. The researchers also appreciate the valuable input and assistance from various parties, which have significantly contributed to the preparation and completion of this research.

REFERENCES

[1]   Damayanti, T. Y. D., & Retnosari. (2022). Analisis Rasio Profitabilitas Untuk Mengukur Kinerja Keuangan Pada PT Unilever Indonesia Tbk. Tahun 2017-2021. Jurnal Maneski, 11(2), 403–409. Available at: www.unilever.co.id.

[2]   Nurliyah, E. S. (2023). Analisis Laporan Keuangan untuk Menilai Kinerja pada PT. Unilever Indonesia, Tbk. *Elly Siti Nurliyah. Jurusan Manajemen, STIE MBI*, 6(3), 401–409. Available at: https://doi.org/10.37817/ikraith-ekonomika.v6i.

[3]   Solihin, D. (2020). Analisis Profitabilitas PT Unilever Indonesia Tbk. Research Journal of Accounting and Business Management, 4(1), 7–14. Available at: www.idx.co.id.

[4]   Nwabekee, U. S., Abdul-Azeez, O. Y., Agu, E. E., & Ijomah, T. I. (2024). Challenges and opportunities in implementing circular economy models in FMCG Industries. International Journal of Frontline Research in Science and Technology, 3(2), 073–091. Available at: https://doi.org/10.56355/ijfrst.2024.3.2.0048.

[5]   Ewaldo, D., Tjan, C., & Kalalo, P. A. (2023). Analisa Corporate Social Responsibility (CSR) dan Green Human Resource Management (GHRM) pada PT Unilever Indonesia. *Neraca: Jurnal Ekonomi, Manajemen Dan Akuntansi*, 1(5), 638–646. Available at: http://jurnal.kolibi.org/index.php/neraca.

[6]   Safitri, Y., Firayanti, Y., Wulansari, F., & Artikel, R. (2024). Analisis Rasio Likuiditas, Solvabilitas, Aktivitas, dan Profitabilitas Keuangan untuk Menilai Kinerja Keuangan PT. Unilever Indonesia Tbk yang Terdaftar di BEI Periode. *AKSIOMA: Jurnal Sains Ekonomi Dan Edukasi*, 1(8), 544–560. Available at: www.idx.co.id.

[7]   Setiawan, W., Rizky Putri Q., H., & Hermuningsih, S. (2024). Analisis Kinerja Keuangan dengan Menggunakan Rasio Likuiditas, Solvabilitas Terhadap Rasio Profitabilitas PT. Unilever Indonesia Tbk (UNVR) dan PT. Indofood Sukses Makmur Tbk (INDF) Periode 2021–2022. *Journal of Economic, Business and Accounting (COSTING)*, 7(4), 8169–8173.

[8]   Rahayu, S. (2021). Analisis Perbandingan Kinerja Keuangan (Likuiditas, Solvabilitas, Profitabilitas, dan Aktivitas) PT. Unilever Indonesia Tbk (UNVR) dan PT. Indofood Sukses Makmur Tbk (INDF) di Bursa Efek Indonesia Tahun 2014-2018. *Jurnal Akuntansi dan Pasar Modal*, 4(1), 29–40

[9]   Umairah, K., Nawir, J., & Fadila, A. (2022). Analysis of Firm Value in Consumer Goods Industry Sector Companies. *Jurnal Visi Strategis*. Available at: https://ojs.unida.ac.id/Jvs.

[10]   Febriana, D., & Sigalingging, C. (2024). Analisis Rasio Profitabilitas Terhadap Pengukuran Kinerja Keuangan Pada Perusahaan PT. Unilever Tbk. *Jurnal Studi Akuntansi Pajak Keuangan*, 2(2), 80–92.

[11] Lukman, S. D. S. (2021). Analisis Laporan Keuangan pada PT Unilever Indonesia Tbk. *Amsir Management Journal*, 2(1), 35–49. Available at: www.idx.co.id.

[12] Wongkar, A. M., Manoppo, W. S., & Program, J. J. R. (2021). Analisis Rasio Keuangan untuk Menilai Kinerja Keuangan pada PT Unilever Indonesia Tbk. *Productivity*, 2(4), 288–293.

[13] Lindawati, L., & Puspita, M. E. (2015). Corporate social responsibility: implikasi stakeholder dan legitimacy gap dalam peningkatan kinerja perusahaan. *Jurnal Akuntansi Multiparadigma*, 6(1), 157–174.

[14] Mulyono. (2019). Analisis Uji Asumsi Klasik. *Independent publication.*

[15] Satria, R. (2022). Pengaruh Current Ratio (CR) dan Debt To Equity Ratio (DER) terhadap Return On Asset (ROA) pada PT Mayora Indah Tbk Periode 2009–2020. *Scientific Journal of Reflection: Economic, Accounting, Management and Business*, 5(2), 440–447.

[16] Ari, & Yuningsih, Y. Y. (2024). The effect of return on assets and debt to equity ratio on stock prices. *Jurnal Ekonomi, Manajemen Dan Akuntansi*, 2(3), 499–506. Available at: https://ip2i.org/jip/index.php/ema.

[17] Nurkamila, M., & Firmansyah, D. (2024). The effect of total asset turnover and debt to equity ratio on return on asset. *Jurnal Ekonomi, Manajemen Dan Akuntansi*, 2(3), 415–426. Available at: https://ip2i.org/jip/index.php/ema.

[18] Pratiwi, A., Nurulrahmatia, N., & Muniarty, P. (2020). Pengaruh Corporate Social Responsibility (CSR) Terhadap Profitabilitas Pada Perusahaan Perbankan yang Terdaftar di BEI. *Owner Riset & Jurnal Akuntansi*, 4(1), 95–103. Available at: https://doi.org/10.33395/owner.v4i1.201.

[19] Nany, M., & Pertiwi, Y. (2022). Analisis Kinerja Keuangan Perusahaan yang Melakukan Akuisisi di Bursa Efek Indonesia. *Sosio E-Kons*, 14(3), 274. Available at: https://doi.org/10.30998/sosioekons.v14i3.14257.

[20] Yuliantin, Antin, & Aprianti, K. (2022). Analisis Pengaruh Gross Profit Margin (GPM), Return On Asset (ROA), Debt To Equity Ratio (DER), dan Net Profit Margin (NPM) terhadap Pertumbuhan Laba pada PT. Sat Nusa Persada Tbk. *Jurnal Bina Manajemen*, 11(1), 116–135.

[21] Yuni, R., & Hutabarat, D. L. (2021). Dampak Perdagangan Internasional terhadap Pertumbuhan Ekonomi Indonesia pada Tahun 2009–2019. *Niagawan*, 10(1), 62–69.

[22] Nahrowi, R. A., Wardani, R. S., & Bahri, N. A. (2022). Analisis Kinerja Keuangan PT Indosat Sebelum dan Sesudah Pandemi Covid-19. *Jurnal Aktiva: Riset Akuntansi dan Keuangan*, 4(2), 128–140.

[23] Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D.* Bandung: CV. Alfabeta.

[24] Husna, A., & Pangestu, R. (2023). Dampak Pelatihan dan Pengembangan Kinerja di Industri Retail. *Journal of Creative Power and Ambition*, 1(2). Available at: https://edujavare.com/index.php/jcpa.

[25] Tobing, V. C. L. (2020). Analisis Profitabilitas pada PT Unilever Indonesia, Tbk. *Jurnal Akuntansi Balerang*, 4(2), 78–83.

[26] Syafitri, R. M. O. (2024). Analisis Tingkat Profitabilitas Dalam Meningkatkan Kinerja pada PT. Unilever Indonesia, Tbk. *Mount Hope International Accounting Journal*, 2(3), 312–318. Available at: www.unilever.co.id.