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Financial Performance Analysis: Evidence of Retail Trade Companies in Indonesia

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The research intends to evaluate the financial performance of retail trade companies that have been listed on the Indonesia Stock Exchange through financial reports that have been published in the period 2014 to 2018. The research method used is to compare the financial ratios of companies with similar companies or industries and analyse the development trends of each company over the past five years. Performance analysis used financial ratios consisting of: liquidity, activity, solvency, profitability and the DuPont model. The results of the research for liquidity ratios indicate that on average the industry has decreased the company's ability to meet short-term obligations. For the activity ratio for five years, there has been an increase in efficiency in the use of company assets, while financing sourced from debt has not experienced significant changes. With the ability to decrease liquidity, total debt tended to remain constant and increased efficiency but the company's profitability performance decreased. In addition, the results of the study also showed that although they are members of the same industry group, namely the retail trade industry, there are several companies with a "subsector" group of retail trade in telecommunications products that have ratios far different from the average ratio of the retail trade industry. We suggest that future research be focused on the relationship between financial statement performance and the price of shares traded on the stock exchange.

Key words: *Financial Performance, Dupont Analysis, Retail Trade Companies.*

Introduction

The reading financial statements is needed by company management, investors who have made investments and potential investors, creditors and the general public. For financial statement management, it can be used to measure how efficiently they manage the company and to predict future operational activities. For example, to predict how many sales they want, profits to be achieved and what investments should be made. For investors, financial statement information is used to assess how profitable their investment is in the company (Endri et al. 2019). The creditor certainly needs data about the financial statements to determine whether to give credit or not to the company. As for the general public, financial statements are useful to see how much corporate social responsibility is budgeted by the company. The general public, especially students, can use this information as material in academic interests. To be able to provide this information, the financial statements that the company has prepared need to be further processed by analysing financial statements. Analysis of the plural financial statements used is to calculate financial ratios. There are a number of ratios to measure financial statements, namely; activity, liquidity, solvency, and profitability. In addition to this ratio, there is a DuPont analysis model created in the early 1990s that is used to analyse a company's ability to increase return on equity (ROE) (Shella & Karthikeyan, 2012) and is a very useful ratio to determine the company's capability to benefit through its business operations (Lev & Thiagarajan, 1993; Soliman, 2003; Bauman, 2014; Endri & Fathony, 2020).

The retail business sector in Indonesia began in the 1990s, marked by the opening of the Japanese retail company "SOGO" in Jakarta and after that experienced rapid business growth. According to a review of Business Watch Indonesia, modern retail businesses have increased by 20% since 2000 and in 2007 increased to 40%. Modern retail sales reached IDR205 trillion in 2016, IDR212 trillion in 2017 and IDR233 trillion in 2018. Significant growth in the retail business is interesting to analyse the performance of modern retail companies through published financial statements. Therefore, the research objective is to get an overview of the performance of the financial statements of several companies that have made an initial public offering on the Indonesia Stock Exchange, particularly companies in the trade sector with the retail trade subsector. The conclusion in this research can be utilised by management in assessing how competitive their company is when compared to other companies in the same business. As for investors, this information can be used to decide which companies produce better returns compared with other companies.

Literature Review

Financial Statements

Financial Statements are a collection of data and financial actions of a company in an accounting period that can be used to translate the company's performance. Financial Statements consist of (Endri et al. 2020):

- Balance Sheet.

The balance sheet is a portrait of the accountant about the company's accounting value as of the date, as if the company stood still for a moment (Ross et al. 2002).

- Comprehensive Income Statement.
  The income statement assesses the company's performance in a certain time period, for example a year (Ross et al. 2002).
- Statement of Changes in Equity.
- Cash flow statement.
- Notes to the financial statements which are an inseparable part of the financial statements.

Financial Statement Analysis

Wild et al. (2004) interpreted the analysis of financial statements as the use of financial statements in reviewing the company's financial performance and position in order to access future financial performance. According to Ross et al., (2002) financial statement analysis consists of:

1. Liquidity Ratio
   Ratio that assesses the company's capability to pay off recurring financial obligations, namely to pay debts or bills.
2. Activity Ratio
   Ratio that assesses the effectiveness of managing company assets.
3. Solvency Ratio
   The Solvency Ratio is related to the extent to which the company relies more on debt financing rather than equity. This ratio also illustrates how much the company's assets are funded with debt.
4. Profitability Ratio
   The ratio is used to measure the company's capabilities in obtaining profits from income related to assets, sales and equity using certain valuation methods (Shania & Endri, 2020)

Previous Research

Ratios that have been calculated are then compared with ratios from similar companies to provide a more precise picture of the company's performance. The activity of comparing company ratios with a group of similar businesses is a common practice. Kalayci et al. (2005) conducted a study of 160 companies exhibited at ISE. The results obtained validating the use of sector averages for financial ratios are appropriate tools in determining benchmarks of operational and financial performance of companies at ISE. In 2012, Shella & Karhikeyan (2012) examined the financial performance of the top three pharmaceutical companies in India using a comparison analysis of Return on Equity

(ROE) and Return on Investment (ROI). The conclusion of the study states that ROE and ROI are the most comprehensive measures of company profitability. The findings of Padake & Soni (2015) in examining the top 12 banks in India using DuPont analysis, said that DuPont analysis provides a deeper understanding of bank efficiency. Prabowo & Korsakul (2020) examined the financial performance of mining companies listed on the Indonesia Stock Exchange. However, a company's performance based on financial ratios does not always have the same value if it is assessed using the Economic Value Added approach (Endri & Wakil, 2008).

Research on the company's financial performance which listed its shares on the exchange is not new. There are several researchers who have done it before. Chandra & Susanti (2012) stated that there was no effect of the global crisis on the financial performance and potential bankruptcy of the service, trade and investment companies in the Indonesia Stock Exchange. Among a series of financial ratios, the current ratio better illustrates the effect of the business combination on the company's financial performance (Sugianto et al. 2020). Analysis of corporate financial data provides an overview of investors to make long-term or short-term investments (Bansal, 2014). Doorasamy (2016) gives an example of using DuPont analysis to analyse the financial performance of the top 3 companies in the South African food industry. ROE and Net Profit Margin (NPM) have a positive and significant influence on the manufacturing industry stock prices listed on IDX (Hutami. 2012, Harahap, 2018). Current Ratio, Inventory Turnover, Time Interest Earned and ROE have a significant effect on stock prices (Setiyawan & Pardiman, 2014).

Methodology

This study used descriptive qualitative method. The object of the research is companies that have offered initial shares and shares traded on the Indonesia Stock Exchange (IDX) in the period 2014 to 2018. Data obtained from annual reports or financial reports for 2014 to 2018 are available on the websites of each company. The sample was selected with the criteria of private sector trading companies in the retail trade sub sector whose shares were traded on IDX in the period 2014 to 2018 and have announced their financial statements. Based on these criteria, a sample of 17 companies was selected.

Table 1: List of sample companies.

No	Company Code	Company Name
1.	ACES	PT. Ace Hardware Indonesia Tbk.
2.	AMRT	PT. Sumber Alfaria Trijaya Tbk.
3.	CSAP	PT. Catur Sentosa Adiprana Tbk.
4.	ECII	PT. Electronic City Indonesia Tbk.
5.	ERAA	PT. Erajaya Swasembada Tbk.
6.	GLOB	PT. Global Teleshop Tbk.
7.	HERO	PT. Hero Supermarket Tbk.
8.	KOIN	PT. Kokoh Inti Arebama Tbk
9.	LPPF	PT. Matahari Department Store Tbk.
10.	MAPI	PT. Mitra Adiperkasa Tbk.
11.	MIDI	PT. Midi Utama Indonesia Tbk.
12.	MPPA	PT. Matahari Putra Prima Tbk.
13.	RALS	PT. Ramayana Lestari Sentosa Tbk.
14.	RANC	PT. Supra Boga Lestari Tbk.
15.	SONA	PT. Sona Topas Tourism Industry Tbk.
16.	TELE	PT. Tiphone Mobile Indonesia Tbk.
17.	TRIO	PT. Trikomsel Oke Tbk.

Ratios used in assessing company performance are: liquidity, activity, solvency, and profitability.

Liquidity Ratio

- Net Working Capital (NWC)
  NWC is defined as the money available to fund the company's daily operations. NWC is obtained by reducing current assets with current debt.
- Current Ratio (CR)
  CR is a measurement that shows the company's strength in meeting its short-term debt obligations. CR is obtained by dividing current assets by current debt and then multiplied by 100%.

Activity Ratio

- Inventory Turnover Ratio (ITR)
  ITR is a measurement that shows the number of times a company is able to sell a yearly total inventory. ITR is obtained by dividing the cost of goods sold by the average inventory in a period.
- Fixed Assets Turnover (FAT)

FAT is a measurement that shows how effectively and efficiently the company empowers its fixed assets to earn income. FAT is obtained by dividing sales by inventory.

Solvency Ratio

- Debt to Assets Ratio (DAR)

  DAR is a measurement that shows how much the company's assets are funded by total debt. DAR is obtained by dividing total debt by total assets and then multiplying 100%.
- Debt to Equity Ratio (DER)

  DER is a measurement that states the proportion between equity and debt used to fund a company's assets. This ratio is also used to assess the funding structure of a company. DER is obtained by the method of dividing overall debt by overall equity then multiplied by 100%.

Profitability Ratio

- Gross Profit Margin (GPM)

  GPM is a measurement that shows how efficiently a company utilises its resources to produce products and sell its products for profit. GPM is obtained by dividing gross profit by sales and then multiplied by 100%.
- Net Profit Margin (NPM)

  NPM is a measurement that shows how efficiently management organises the company and is used to predict future profits based on sales plans made by management. NPM is obtained by dividing net income after tax by sales and then multiplied by 100%.

DuPont Analysis

- Return on Assets (ROA)

  ROA is a measurement that shows the percentage of net profit obtained by the company in relation to the average number of assets. ROA is obtained by dividing net income by total assets and then multiplied by 100%.
- Return on Equity (ROE)

  ROE is a measurement that shows the capabilities of the company in order to obtain profits from shareholder investment. ROE is obtained by dividing net income by total equity then multiplied by 100%.

Benchmark

A benchmark is an activity comparing someone's property with himself, competition, or the industry as a whole. In comparing with yourself, both with a historical perspective or with a budget, trends, weaknesses, and opportunities for improvement can be identified (Schmidgall & DeFranco, 2004). In this study, we will compare the company's financial statements with the trend average and the industry average. Trend benchmarks are obtained by comparing the ratio data of each company for 5 years (from 2014 to 2018). An industry benchmark is obtained by adding up data from each ratio per year and dividing it by the number of sample companies.

Results

Liquidity Ratio

• Net Working Capital (NWC)
Based on the calculation it can be seen that there are 3 companies that have increased NWC over the past 5 years, namely: PT. Ace Hardware Indonesia Tbk., PT. Catur Sentosa Adiprana Tbk. and PT. Supra Boga Lestari Tbk. The increase in NWC means that the three companies have successfully carried out their operational activities efficiently and have been able to increase their ability to finance daily operational funds for the future. The company also has the potential to invest and develop. On the other hand, there are 3 companies that have negative value NWC, namely: PT. Global Teleshop Tbk, PT. Midi Utama Indonesia Tbk. and PT. Trikomsel Oke Tbk. Negative NWC net indicates the company is not in a healthy short-term financial condition. Companies will have difficulty investing and developing. Among the 3 companies, there is one company that has consistently experienced a decrease in NWC, namely PT. Midi Utama Indonesia Tbk. If the company continues to experience a decrease in NWC in the future, it can cause loss of investor confidence and the risk of bankruptcy.

Table 2: Net Working Capital

No.	Code	Net Working Capital (in million rupiah)				
		2014	2015	2016	2017	2018
1.	ACES	1.744.454	2.055.106	2.433.416	2.880.063	3.465.200
2.	AMRT	-729.100	714.894	-1.187.163	-1.511.713	1.664.096
3.	CSAP	289.726	209.111	641.963	502.707	783.987
4.	ECII	1.272.025	1.175.756	1.096.873	1.161.044	1.116.434
5.	ERAA	40.275.000	1.066.227	1.233.005	1.635.817	2.313.099
6.	GLOB	508.747	-616.138	-216.500	-214.782	-236.284
7.	HERO	495.115	548.721	846.299	543.284	795.255
8.	KOIN	85.166	87.004	90.221	91.079	68.538
9.	LPPF	-401.014	-166.073	385.698	362.925	274.597
10.	MAPI	1.320.200	2.405.667	2.434.951	2.233.828	1.893.914
11.	MIDI	-254.396	-341.075	-524.952	-761.375	-785.347
12.	MPPA	1.154.434	895.030	768.578	-1.390.361	-414.667
13.	RALS	1.727.400	1.870.282	1.521.205	1.044.856	2.464.393
14.	RANC	97.078	99.048	151.097	181.207	195.511
15.	SONA	498.517	529.828	437.448	455.927	608.604
16.	TELE	1.943.180	5.107.277	6.224.911	5.956.541	6.143.121
17.	TRIO	5.177.890	-3.449.277	-3.975.123	-496.208	-700.924

Source: Data processed (2020)

• Current Ratio (CR)

Calculation results show that the industry ratios were 297% in 2014, 227% in 2015and 2016, 212% in 2017 and 223% in 2018 (see Table 2). There are 3 companies that have a current ratio above the industry, namely: PT. Ace Hardware Indonesia Tbk., PT. Electronic City Indonesia Tbk. and PT. Supra Boga Lestari Tbk. This shows that the three companies have the power to pay off short-term debt better than the average of other companies with the same business. However, PT. Ace Hardware Indonesia Tbk. and PT. Electronic City Indonesia Tbk. had a ratio that was too high. A ratio that is too high can have a negative effect on potential investors. Potential investors will assess if the company has a lot of funds that are not used efficiently. PT. Global Teleshop Tbk., PT. Midi Utama Indonesia Tbk. and PT. Trikomsel Oke Tbk. are 3 companies that have the lowest ratio compared to the industry ratio with an average value below 100%. This means the company has a liquidity problem from its business which can cause investors not to want to invest their funds in the company.

Table 3: Current Ratio

No.	Code	Current Ratio (%)				
		2014	2015	2016	2017	2018
1.	ACES	509%	598%	726%	702%	649%
2.	AMRT	91%	110%	90%	88%	115%
3.	CSAP	113%	109%	126%	116%	124%
4.	ECII	860%	934%	813%	918%	840%
5.	ERAA	1482%	124%	131%	132%	130%
6.	GLOB	140%	10%	16%	13%	9%
7.	HERO	118%	123%	143%	127%	137%
8.	KOIN	121%	116%	116%	115%	109%
9.	LPPF	84%	93%	115%	114%	110%
10.	MAPI	134%	173%	158%	149%	135%
11.	MIDI	82%	79%	77%	72%	73%
12.	MPPA	142%	132%	123%	64%	86%
13.	RALS	279%	295%	216%	200%	325%
14.	RANC	131%	133%	159%	160%	156%
15.	SONA	320%	322%	251%	222%	256%
16.	TELE	179%	506%	599%	388%	519%
17.	TRIO	259%	8%	5%	26%	15%
Industry		297%	227%	227%	212%	223%

Source: Data processed (2020)

Activity Ratio

• Inventory Turnover Ratio

The results of the calculation of inventory turnover ratio of PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk are the highest compared to the industry ratio. With a ratio value 7 times above, it indicates that the company is able to sell goods quickly or that there is demand for goods sold by the company. The ratio that is too high compared to other companies in the industry can be explained because the two companies are engaged in retailing telecommunications products. On the other hand, the companies that have the lowest ratio compared to its industry are PT. Ace Hardware Indonesia Tbk. and PT. Mitra Adiperkasa Tbk. with a ratio value ranging from 2-3 times. The low ratio indicates that there is a low level of sales and a decrease in demand for products sold, or buyers moving to other similar companies.

Table 4: Inventory Turnover Ratio

No.	Code	Inventory Turnover Ratio (time)				
		2014	2015	2016	2017	2018
1.	ACES	1,81	1,63	1,62	1,67	1,50
2.	AMRT	7,00	8,59	7,47	7,13	7,42
3.	CSAP	5,00	4,66	4,20	4,69	4,39
4.	ECII	3,68	3,32	3,27	3,96	4,87
5.	ERAA	6,58	7,25	8,51	6,51	4,65
6.	GLOB	7,07	68,42	21,08	28,42	88,05
7.	HERO	4,60	5,37	5,15	5,93	5,65
8.	KOIN	7,57	7,70	4,79	5,79	5,44
9.	LPPF	3,01	3,31	3,70	3,74	3,00
10.	MAPI	1,98	2,04	2,42	2,76	3,05
11.	MIDI	6,22	7,10	6,49	6,50	6,74
12.	MPPA	4,23	4,62	4,09	7,31	5,66
13.	RALS	4,72	4,29	4,38	4,60	3,76
14.	RANC	6,61	7,32	7,45	6,86	7,74
15.	SONA	2,59	2,74	2,99	2,31	2,30
16.	TELE	14,52	11,00	8,85	7,42	7,89
17.	TRIO	4,72	77,00	12,03	21,37	23,73
Industry		5,41	13,31	6,38	7,47	10,93

Source: Data processed (2020)

• Fixed Assets Turnover

In relation to the results of the calculation of inventory turnover ratio, PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk had a fixed assets turnover ratio above the industry average with an average value of 7-20 times higher. While PT. Ace Hardware Indonesia Tbk. and PT. Sona Topas Tourism Industry Tbk. had a low ratio with values ranging from 3 times and 4 times. Through this ratio, it can be seen that companies engaged in retailing telecommunications products dominate compared to companies in retail products for household products, clothing and tourism. Telecommunications product retail companies tend to have small fixed assets, but have a product sales level that is greater than other retail companies. However, PT. Tiphone Mobile Indonesia Tbk. those engaged in retailing telecommunications products tend to have a declining ratio. This indicates that the company is unable to utilise its assets efficiently and effectively or that the products sold are no longer in accordance with the tastes of consumers.

Table 5: Fixed Asses Turnover Ratio

No	Code	Fixed Asset Turnover (time)				
		2014	2015	2016	2017	2018
1.	ACES	3,47	3,08	3,07	3,18	2,83
2.	AMRT	8,61	10,62	9,26	8,86	9,25
3.	CSAP	5,75	5,39	4,87	5,45	5,11
4.	ECII	4,55	4,08	3,85	4,65	5,67
5.	ERAA	7,23	7,84	9,33	7,15	5,11
6.	GLOB	7,77	71,51	22,38	29,95	94,45
7.	HERO	5,97	6,99	6,97	8,06	7,90
8.	KOIN	9,38	9,53	5,92	6,97	6,32
9.	LPPF	8,30	8,94	9,94	9,97	7,94
10.	MAPI	3,69	3,82	4,38	5,32	5,86
11.	MIDI	8,14	9,46	8,73	8,64	9,00
12.	MPPA	5,12	5,53	8,31	7,94	6,56
13.	RALS	6,35	5,81	5,92	6,46	5,59
14.	RANC	8,93	9,68	9,07	9,12	10,35
15.	SONA	4,85	5,19	3,20	4,29	4,43
16.	TELE	15,38	11,64	7,76	7,86	8,34
17.	TRIO	5,53	79,11	26,22	23,17	25,52
Industry		7,00	15,19	8,77	9,24	12,95

Source: Data processed (2020)

Solvency Ratio

• Debt to Assets Ratio

The debt to assets ratio calculation results show that PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk had quite a large ratio when compared to its industry, while PT. Ace Hardware Indonesia Tbk., PT. Electronic City Indonesia Tbk. and PT. Ramayana Lestari Sentosa Tbk. had fairly low ratios. Even PT. Electronic City Indonesia Tbk. had a ratio below 10%. With a fairly large ratio, ranging above 1000%, PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk had significant risk related to the company's operations. The company is very dependent on debt financing to buy its assets. This ratio can also describe that the company has a very large amount of debt and has very little assets. For companies that have a fairly low ratio, it can be interpreted that the company only has a small portion of assets funded with debt. This ratio describes the company's potential to be able to make loans in the future without significant risk.

Table 6: Debt to Assets Ratio

No.	Code	Debt to Assets Ratio (%)				
		2014	2015	2016	2017	2018
1.	ACES	20%	20%	18%	21%	20%
2.	AMRT	79%	68%	73%	76%	73%
3.	CSAP	75%	76%	67%	70%	66%
4.	ECII	11%	7%	8%	10%	10%
5.	ERAA	51%	59%	54%	58%	62%
6.	GLOB	69%	554%	1012%	1225%	1997%
7.	HERO	34%	33%	27%	29%	37%
8.	KOIN	78%	82%	83%	85%	88%
9.	LPPF	95%	72%	62%	57%	64%
10.	MAPI	70%	69%	70%	63%	52%
11.	MIDI	76%	77%	79%	81%	78%
12.	MPPA	51%	58%	64%	78%	76%
13.	RALS	26%	27%	28%	29%	27%
14.	RANC	208%	216%	249%	43%	44%
15.	SONA	40%	38%	43%	44%	39%
16.	TELE	50%	61%	61%	60%	53%
17.	TRIO	74%	891%	1683%	1434%	1951%
Industry		65%	142%	217%	204%	279%

Source: Data processed (2020)

• Debt to Equity Ratio (DER)

PT. Sumber Alfaria Trijaya Tbk., PT. Sturdy Inti Arebama Tbk. and PT. Midi Utama Indonesia Tbk. are 3 companies with the biggest DER value. Among the three companies, only PT. Sturdy Inti Arebama Tbk. had a DER value that always increased during the period 2014 to 2018. In 2018 the DER value is far above the average, which is 730%. The DER value continues to rise and reached 730%, indicating that their business receives funding from debt that is greater than its equity funding. Financing from debt requires payment of the loan principal and interest. With large debts, loan interest paid is also large, resulting in reduced profit. The company also has a large risk associated with the risk of default on future loans and interest. In Table 7 it can be seen that there are 2 companies that have negative DER from year to year, namely PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk. The negative DER value explains that the company bears losses, so the value of equity is deficit. Both companies suffered significant losses in 2015, however, the company's performance gradually improved as evidenced by the smaller negative value of DER. Meanwhile, PT. Supra Boga Lestari Tbk. had a DER value that declined over the last 5 years. This indicated the company is able to manage the company's finances well and pay off most of its debts.

Table 7: Debt to Equity Ratio

No.	Code	Debt to Equity Ratio (time)				
		2014	2015	2016	2017	2018
1.	ACES	25%	24%	22%	26%	26%
2.	AMRT	367%	213%	268%	317%	268%
3.	CSAP	304%	313%	200%	237%	198%
4.	ECII	13%	8%	9%	11%	12%
5.	ERAA	103%	143%	118%	139%	163%
6.	GLOB	227%	-122%	-111%	-109%	-105%
7.	HERO	52%	50%	37%	42%	59%
8.	KOIN	360%	456%	484%	567%	730%
9.	LPPF	1819%	252%	162%	133%	177%
10.	MAPI	233%	219%	233%	169%	108%
11.	MIDI	317%	339%	376%	429%	359%
12.	MPPA	105%	140%	176%	362%	318%
13.	RALS	36%	37%	39%	40%	37%
14.	RANC	192%	186%	167%	75%	79%
15.	SONA	66%	60%	76%	79%	64%
16.	TELE	101%	153%	156%	147%	114%
17.	TRIO	282%	-113%	-106%	-107%	-105%
Industry		271%	139%	136%	150%	147%

Source: Data processed (2020)

Profitability Ratio

• Gross Profit Margin

Based on the calculation results, it can be seen that the majority of companies have a relatively stable trend of gross profit margin during the 2014-2018 time frame. Only three companies had extreme fluctuation ratios in that time period. The three companies are PT. Global Teleshop Tbk., PT. Tiphone Mobile Indonesia Tbk. and PT. Trikomsel Oke Tbk. and are engaged in retailing telecommunications products. As can be seen in Table 8, the three companies experienced a sharp increase in 2015 and 2016, then returned to normal ratios in 2017 and 2018. Other data and information are needed to be able to analyse these events. There are 3 companies that have a gross profit margin ratio above the industry average, namely PT. Ace Hardware Indonesia Tbk., PT. Matahari Department Store Tbk. and PT. Mitra Adiperkasa Tbk. PT. Hero Supermarket Tbk. managed to increase the ratio in succession in that time period. The gross profit margin ratio provides an illustration of how effective and efficient the retail business is in carrying out product sales activities. A higher ratio than competitors for the same business, indicates the company is able to sell similar products at relatively more expensive prices.

Table 8: Gross Profit Margin

No.	Code	Gross Profit Margin Ratio (%)				
		2014	2015	2016	2017	2018
1.	ACES	48%	47%	47%	47%	47%
2.	AMRT	19%	19%	19%	20%	20%
3.	CSAP	13%	13%	14%	14%	14%
4.	ECII	19%	19%	15%	15%	14%
5.	ERAA	9%	8%	9%	9%	9%
6.	GLOB	9%	99%	96%	5%	7%
7.	HERO	23%	23%	26%	26%	28%
8.	KOIN	19%	90%	83%	17%	14%
9.	LPPF	64%	63%	63%	62%	62%
10.	MAPI	46%	74%	77%	48%	48%
11.	MIDI	24%	25%	26%	25%	25%
12.	MPPA	17%	82%	88%	8%	14%
13.	RALS	26%	83%	83%	29%	33%
14.	RANC	26%	90%	89%	25%	25%
15.	SONA	47%	81%	69%	46%	48%
16.	TELE	6%	91%	87%	6%	5%
17.	TRIO	15%	99%	96%	8%	7%
Industry		25%	59%	58%	24%	25%

Source: Data processed (2020)

• Net Profit Margin

Net profit margin calculation results show PT. Ramayana Lestari Sentosa Tbk. posted an upward trend in the last 5 years. Although the ratio is only slightly above the industry ratio, the company is able to show consistency in increasing the ratio. PT. Matahari Department Store Tbk. had the largest ratio value compared to the industry ratio, however, the company experienced a significant decline in the ratio in 2018. PT. Global Teleshop Tbk and PT. Trikomsel Oke Tbk. recorded a negative value on their ratio since 2015, but the company's performance gradually improved marked by the smaller value of their negative ratios in 2018. Meanwhile, PT. Matahari Putra Prima Tbk. is the only company in 2014 which recorded a ratio value of an industry average of 4%, but from year to year it showed a decline in the value of the ratio to reach -8% in 2018. This ratio provides an illustration for investors to assess the efficiency of management performance in managing their company, because through this ratio it is known what percentage of sales are used to fund operational costs and non-operational costs. In addition, this ratio also provides information to investors about what percentage of remaining profits might be paid to investors through dividends.

Table 9: Net Profit Margin Ratio

No.	Code	Net Profit Margin Ratio (%)				
		2014	2015	2016	2017	2018
1.	ACES	12%	13%	14%	13%	15%
2.	AMRT	1%	1%	1%	0%	2%
3.	CSAP	2%	1%	1%	1%	1%
4.	ECII	6%	2%	-1%	-1%	1%
5.	ERAA	1%	1%	1%	1%	3%
6.	GLOB	2%	-45%	-21%	-2%	-4%
7.	HERO	1%	-2%	2%	-2%	-10%
8.	KOIN	2%	1%	0%	-1%	0%
9.	LPPF	18%	20%	20%	19%	11%
10.	MAPI	1%	1%	2%	2%	5%
11.	MIDI	2%	2%	2%	1%	2%
12.	MPPA	4%	2%	0%	-10%	-8%
13.	RALS	7%	7%	8%	8%	13%
14.	RANC	1%	-1%	2%	2%	2%
15.	SONA	9%	3%	-1%	3%	6%
16.	TELE	2%	2%	2%	1%	1%
17.	TRIO	3%	-136%	-29%	-9%	-1%
Industry		4%	-8%	0%	2%	2%

Source: Data processed (2020)

DuPont Analysis

• Return on Assets

The calculation result shows that PT. Matahari Department Store Tbk. had the highest return on assets ratio and was above the industry average. However, trend analysis shows the ratio of PT. Matahari Department Store Tbk. tended to decrease to 50% in the period 2014-2018. PT. Ace Hardware Indonesia Tbk. had a ratio value that tended to be stable and was above the industry average. While PT. Global Teleshop Tbk and PT. Trikomsel Oke Tbk. had a negative ratio value from 2015 to 2018, but showed a reduction in negative values, which means the company's performance had gradually improved. This ratio gives an idea to potential investors, how efficient and effective management is in using the money invested by investors to fund operations and develop the company.

Table 10: Return on Assets

No.	Code	Return on Assets Ratio (%)				
		2014	2015	2016	2017	2018
1.	ACES	18%	18%	18%	17%	20%
2.	AMRT	4%	3%	3%	1%	5%
3.	CSAP	3%	1%	2%	2%	2%
4.	ECII	6%	2%	-1%	-1%	1%
5.	ERAA	3%	3%	3%	4%	7%
6.	GLOB	5%	-911%	-158%	-24%	-57%
7.	HERO	1%	-3%	3%	-4%	-20%
8.	KOIN	5%	2%	0%	-1%	-1%
9.	LPPF	42%	46%	41%	35%	23%
10.	MAPI	1%	1%	2%	3%	7%
11.	MIDI	5%	5%	5%	2%	4%
12.	MPPA	19%	4%	1%	-23%	-17%
13.	RALS	8%	7%	9%	8%	11%
14.	RANC	3%	-6%	14%	4%	6%
15.	SONA	10%	4%	-2%	5%	10%
16.	TELE	6%	5%	6%	5%	5%
17.	TRIO	4%	-1087%	-118%	-71%	-9%
Industry		8%	-112%	-10%	-2%	0%

Source: Data processed (2020)

• Return on Equity
The calculation result showed that PT. Matahari Department Store Tbk. had a return on equity ratio above the industry average. This ratio shows the company has the ability to get a greater profit than every rupiah invested in working capital. With a higher ratio, the company has the potential to invite investors to invest their funds in the company. However, a significant downward trend in the ratio from 2014-2018 indicates a decline in sales growth. PT. Erajaya Swasembada Tbk. and PT. Mitra Adiperkasa Tbk. had a ratio that as not too large, showed an increase in the ratio over the same time period. The increase in this ratio indicates the performance of the two companies improved from year to year. There are two companies that experienced a decline in ratio and had a negative ratio in 2018. The two companies are PT. Hero Supermarket Tbk. and PT. Matahari Putra Prima Tbk. Both companies indicated losses in recent years.

Tabel. 11: Return on Equity

No.	Code	Return on Equity Ratio (%)				
		2014	2015	2016	2017	2018
1.	ACES	23%	23%	22%	21%	25%
2.	AMRT	18%	10%	10%	2%	17%
3.	CSAP	14%	5%	5%	6%	5%
4.	ECII	7%	2%	-1%	-1%	1%
5.	ERAA	7%	8%	8%	9%	19%
6.	GLOB	16%	201%	17%	2%	3%
7.	HERO	2%	-5%	4%	-5%	-32%
8.	KOIN	23%	11%	-2%	-9%	-8%
9.	LPPF	799%	163%	108%	81%	63%
10.	MAPI	3%	2%	7%	8%	15%
11.	MIDI	22%	20%	23%	9%	17%
12.	MPPA	19%	9%	2%	-107%	-72%
13.	RALS	11%	10%	12%	11%	16%
14.	RANC	2%	-5%	10%	8%	10%
15.	SONA	16%	6%	-3%	8%	16%
16.	TELE	12%	13%	14%	12%	10%
17.	TRIO	14%	137%	7%	5%	0%
Industry		59%	36%	14%	4%	6%

Source: Data processed (2020)

Conclusion

This research was conducted on companies whose shares are traded on the Indonesia Stock Exchange, especially in the trade sector with the retail trade subsector. Broadly speaking, there are several types of retail trade in this subsector, including retail trade in telecommunications products, retail trade in household products, retail trade in food products, beverages and daily necessities, and retail trade in products related to tourism. Based on the analysis of financial statements on several ratios related to financial statements, the following results are obtained: PT. Ace Hardware Indonesia Tbk. recorded a large net working capital and has continued to show an increase in recent years, has a fairly large current ratio, a low debt to assets ratio, a relatively low debt to equity ratio, a higher gross profit margin and a stable net profit margin. Broadly speaking, PT. Ace Hardware Indonesia Tbk. showed a fairly good performance in the period 2014-2018. With the performance shown, in the future the company can be expected to continue to develop and has the potential to get investment both from debt funding and equity funding. PT. Sturdy Inti Arebama Tbk. shows less than optimal performance illustrated through the debt to equity ratio performance that tends to rise every year. This is coupled with return on equity which had a negative value for the past 3 years. This provides information that the company continues to increase its total debt, while the company's performance shows a decrease in profits or results in losses.

Meanwhile, there are two companies that show anomalous results from the calculation of their ratios, namely PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk. Both companies engaged in telecommunications product retails recorded negative net working capital, a very low current ratio compared to industry ratios, a large debt to assets ratio and a large debt to equity ratio, but had a high inventory turnover ratio and fixed assets turnover is also high. Specifically, for PT. Global Teleshop Tbk. and PT. Trikomsel Oke Tbk. a more in-depth analysis of the company's financial statements and annual reports are required to get a more precise picture of the company's performance.

There are two suggestions for future research, namely: First, to get the results of a more in-depth and accurate analysis, future research can be broken down into several subsectors based on the type of retail trade. For example, financial statement analysis for the types of retail trade in telecommunications products, retail trade in household products and retail trade in food, beverage and daily necessities. This is intended to avoid data differences that are large enough to cause inaccurate analysis results. Second, conduct further analysis of the effect of the performance of financial statements on fluctuations in the company's stock price on the exchange. The expected outcome is whether there is a relevant link between financial statement performance (fundamental factors) and the price of shares traded on the stock exchange.

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