



Analysis of Financial Performance Using the Du Pont System Method at PT Telekomunikasi Indonesia (Persero) Tbk for the Period 2018-2022

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Abstract. Financial analysis using the Du Pont System combines activity ratios and profit margins on sales, and how these ratios interact with each other in determining profitability and assets. The approach with the Du Pont System Financial Analysis is one of the relevant financial performance measurement tools used to see the extent of the company's effectiveness in taking over the investment made by the company or ROI (Return On Investment). The purpose of this research is to analyze the financial performance of PT Telkom Indonesia Tbk by using the dupont system method. The type of research used is quantitative. The type of data used in this research is secondary data taken from the financial statements of PT Telkom Indonesia in 2018-2022. The data analysis technique used in this study is to calculate NPM, TATO, ROI, EM, and ROE. The results of this study are the financial performance of PT Telkom Indonesia Tbk which is assessed using the DuPont System method can still be said to be not optimal or tends to experience fluctuating conditions. This is because the company in managing assets and capital as measured by ROE DuPont System is said to tend to experience a fluctuating state even though in certain years it has increased but is still below the BUMN standard for ROE.

Keywords: Financial Performance, Profitability, Finance Ratio Du Pont System, Company Effectiveness

1. INTRODUCTION

The telecommunications industry is one of the subsectors of the Infrastructure sector on the Indonesia Stock Exchange (IDX). Telecommunication services in Indonesia have been provided by state-owned companies since 1961. Like other developing countries, the expansion and modernization of telecommunication infrastructure plays an important role in the development of the national economy. Population growth continues to increase the needs of the community, including communication needs. Economic development is increasingly pushing companies towards increased efficiency and competitiveness. Thus the need for efficiency and effectiveness in managing its resources. To find out the efficiency and effectiveness of a company can be seen through measuring the financial performance of a company. The financial capacity of a company becomes a general point about how the company's financial situation is in a certain period. Financial performance can be seen from the financial statements by analyzing the financial statements of the company regarding the financial position and income statement. Thus it can be known more and less about the financial condition of a company that presents the results of work in a certain period.

The reported financial statements are helpful in evaluating a company's capacity to generate profits and provide dividends to shareholders. Financial data is also taken into account by management when making plans for the company's activities for the coming period. A company's financial statements can be viewed to obtain information about the company's condition and assess its performance. Financial performance, in general, refers to the financial performance of a business as shown in the financial statements.

PT Telkom Indonesia (Persero) Tbk (Telkom) is a State-Owned Enterprise (SOE) engaged in information and communication technology (ICT) services and telecommunications networks in Indonesia. Telkom's majority shareholder is the Government of the Republic of Indonesia at 52.09%, while the remaining 47.91% is controlled by the public. Telkom shares are traded on the Indonesia Stock Exchange (IDX) under the code "TLKM" and the New York Stock Exchange (NYSE) under the code "TLK".

The reasons and objectives for discussing the problem in the article in question. This section is intended to show the author's scientific contribution in the article he writes - that the problem raised by the author is very important to be published. Third, the author outlines the methods used in discussing related issues. For example, the author briefly describes the approach or perspective used.

Table 1.

Total Assets, Total Equity, Revenue, Operating Expenses, and Profit for the year PT Telkom Indonesia Tbk 2018-2022 Period (in billion rupiah)

Year	Total Assets	Total Equity	Revenue	Operating Expenses	Profit for the year
2018	206.196	117.303	130.784	93.009	26.979
2019	221.208	117.250	135.567	93.913	27.592
2020	246.943	120.889	136.462	93.274	29.563
2021	277.184	145.399	143.210	99.303	33.948
2022	275.192	149.262	147.306	101.569	27.680

Source : Financial Report PT. Telkom Indonesia Tbk 2018-2022.(www.idx.com)

Based on the financial statements published by PT Telkom Indonesia Tbk, it can be seen that Total Assets experienced a significant increase from 2018 to 2021, but then decreased in 2022 by 275M from 277M in the previous year. Meanwhile, the Operating Expenses column fluctuates, where in 2020 it decreased and then increased drastically in 2021 and 2022. Even though the revenue column shows a significant increase from year to year of 143M and increases to 147M in 2021-2022, if juxtaposed with Operating Expenses which increase continuously and drastically in 2022, automatically the net profit at PT Telkom will decrease, this is evidenced by a decrease in net profit from 33M in 2021 to 27M with a difference of more than 6M in 2022.

The Du Pont method itself provides information on various factors that cause the ups and downs of a company's financial performance, with a more integrative approach in using the composition of financial statements as an element of its ratio analysis. That way the company can find out the factors that affect its effectiveness in managing the company's resources so that its financial planning will be better in the future.

This research is also supported by previous studies such as (Nur Anisa Ahmad Ali, 2021) on financial performance analysis using the DuPont method at PT Telekomunikasi Indonesia (Persero) Tbk for the 2015-2019 period. The results of this study indicate that the ROI of PT Telekomunikasi Indonesia (Persero) Tbk is in poor condition. This is due to decreased net income and increased liabilities or company expenses. There is also research from (Dewi Nurapiah, Moch. Cahyo Sucipto, Eka Ahadiyat Suryana, 2021) on the Analysis of the Financial Performance of Islamic Banks with the DuPont System Method at PT Bank BRI Syariah for the 2016-2019 Period. The results of this study indicate that BRISyariah's performance fluctuates every year. Where it tends to decrease at the level of Net Profit Margin, Total Assets Turnover, and Return On Investment. The highest Net Profit Margin for five years occurred in 2016 at 6.16% and the lowest occurred in 2019 at 2.04%. The largest Total Assets Turnover was 0.10 times in 2016 and the lowest was 0.08 times in 2019. Return On Investment was the highest at 0.16% in 2016 and the lowest at 0.17% in 2019.

This research is focused on analyzing financial performance using the DuPont System method at PT Telkom Indonesia Tbk in 2018-2022 where financial reports are the basis for calculations where the financial statements referred to in this study are balance sheet and profit / loss statements. So from this explanation, the framework in this study can be described as follows:

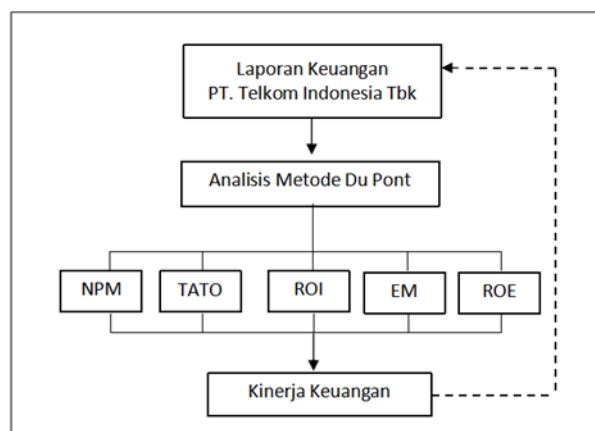


Figure 1. Research Framework

Based on the framework above, the hypotheses in this study are: “It is suspected that the financial performance of PT Telekomunikasi Indonesia Tbk during the 2018-2022 period analyzed using the Dupont System method is positive”.

2. RESEARCH METHOD

This research is a type of descriptive research. The descriptive research not only examines the problem itself but also, other variables related to this problem. Judging from the type of research, this research is quantitative research. Data collection techniques are carried out by documentation and literature study. The documentation is a way of collecting data, documents or records that exist at PT Telkom Indonesia (Persero) Tbk in accordance with the needs of researchers. Published on the official website of the Indonesia Stock Exchange, namely idx.com and from the official website of Telkom and Literature study, is the identification of location and analysis of documents containing information related to research problems systematically (Kuncoro 2009). Literature studies used in this study are journals related to this research.

The analysis technique used in this research is a descriptive analysis method with a quantitative approach which calculates, analyzes, compares, and interprets data in the form of numbers and thoroughly describes the data / results obtained during the calculation process through the DuPont System method.

Du Pont System Analysis

According to (Hani, 2015, p. 133) Du Pont System Analysis is a calculation system that combines activity ratios, namely Total Assets Turnover and profitability ratios, namely Net Profit Margin, and Return On Investment. to show how the three ratios interact to determine profitability and assets owned by the company. There are also steps from the calculation using the DuPont System method:

- Net Profit Margin = $\frac{\text{Laba bersih setelah pajak}}{\text{Penjualan}} \times 100\%$
- Total Asset Turnover = $\frac{\text{Penjualan}}{\text{Total asset}}$
- ROI = $\text{Net Profit Margin (NPM)} \times \text{Total Asset Turnover (TATO)}$
- Equity Multiplier = $\frac{\text{Total asset}}{\text{Total ekuitas}}$
- ROE = $\text{Return On Investment (ROI)} \times \text{Equity Mutplier (EM)}$

3. RESULT AND DISCUSSION

General Description

PT Telkom Indonesia (Persero) Tbk (Telkom) is a State-Owned Enterprise (SOE) engaged in information and communication technology (ICT) services and telecommunications networks in Indonesia. Telkom's majority shareholder is the Government of the Republic of Indonesia at 52.09%, while the remaining 47.91% is controlled by the public. Telkom shares are traded on the Indonesia Stock Exchange (IDX) under the code "TLKM" and the New York Stock Exchange (NYSE) under the code "TLK".

The Indonesian government established Perusahaan Negara Pos dan Telekomunikasi (PN Postel) in 1961 through Government Regulation No. 240 of 1961 concerning the Establishment of Perusahaan Negara Pos dan Telekomunikasi. Based on Government Regulation No. 30 dated July 6, 1965, PN Postel was then split into PN Post and Giro and Perusahaan Negara Telekomunikasi (PN Telekomunikasi). This moment is the basis for determining Telkom Indonesia's birthday. Furthermore, in 1974, PN Telekomunikasi was split into two entities, namely Perusahaan Umum Telekomunikasi (Perumtel) and PT Industri Telekomunikasi Indonesia (PT INTI).

In 1991, Perumtel was transformed into a state-owned limited liability company with the official name PT Telekomunikasi Indonesia (Persero) or Telkom. In 1995, Telkom became a public company listed on the IDX and NYSE. By the end of 2022, Telkom's market capitalization value reached Rp371 trillion. In an effort to transform into a digital telecommunication company, TelkomGroup implements a customer-oriented business and operational strategy. The transformation will make TelkomGroup's organization leaner and more agile in adapting to the rapidly changing telecommunications industry. The new organization is also expected to increase efficiency and effectiveness in creating a quality customer experience.

Vision and Mission

The vision of PT Telkom Indonesia (PERSERO) Tbk is "To be the first choice digital telco for the community". Meanwhile, to realize this vision, the missions targeted by PT Telkom Indonesia are:

1. Accelerate the development of smart digital infrastructure and platforms that are sustainable, economical, and accessible to the entire community.
2. Developing superior digital talent that helps drive the nation's digital capabilities and digital adoption rate.
3. Orchestrate the digital ecosystem to provide the best customer digital experience.

Financial Report Analysis Result

Tabel 2. Net Profit Margin PT Telkom Indonesia (PERSERO) TBK period 2018 – 2022

Year	Profit After Tax	Sales	NPM	%
2018	26,979	130,784	0.206286702	20.63%
2019	27,592	135,567	0.203530358	20.35%
2020	29,563	136,462	0.216639064	21.66%
2021	33,948	143,210	0.237050485	23.71%
2022	27,680	147,306	0.187908164	18.79%

Source: Financial Statements of PT Telkom Indonesia Tbk Data processed 2024

Based on the data above, it can be concluded that the net profit margin value at PT Telkom Indonesia (PERSERO) Tbk from 2018 to 2022 has increased and decreased, where the highest NPM value occurred in 2021, namely 23.71% and the lowest value in 2022, namely 18.79%.

Table 3. Total Asset Turnover (TATO) PT Telkom Indonesia (PERSERO) TBK 2018 - 2022

Year	Sales	TOTAL ASSETS	TATO	X
2018	130,784	206,196	0.634270306	0.63
2019	135,567	221,208	0.612848541	0.61
2020	136,462	246,943	0.552605257	0.55
2021	143,210	277,184	0.516660413	0.51
2022	147,306	275,192	0.535284456	0.53

Source: Financial Statements of PT Telkom Indonesia Tbk Data processed 2024

Berdasarkan data di atas dapat disimpulkan bahwa nilai total asset turnover pada PT Telkom Indonesia Tbk tahun 2018 sampai tahun 2022 mengalami kenaikan dan penurunan dimana nilai TATO tertinggi terjadi pada tahun 2018 yaitu sebesar 0,63 kali sedangkan nilai terendah terjadi pada tahun 2021 yaitu 0,51 kali.

Tabel 4. Return On Investment (ROI) PT Telkom Indonesia (PERSERO) TBK tahun 2018 – 2022

Year	NPM	TATO	ROI	%
2018	0.206286702	0.634270306	0,130841529	13,08%
2019	0.203530358	0.612848541	0,124733283	12,47%
2020	0.216639064	0.552605257	0,119715886	11,97%
2021	0.237050485	0.516660413	0,122474602	12,25%
2022	0.187908164	0.535284456	0,100584319	10,06%

Source: Financial Statements of PT Telkom Indonesia Tbk Data processed 2024

Based on the data above, it can be concluded that the return on investment value at PT Telkom Indonesia Tbk has increased and decreased, where the highest value of ROI occurred in 2018, which amounted to 13.08%, while the lowest value of ROI occurred in 2022, which amounted to 10.06%.

Table 5. Equity Multiplier PT Telkom Indonesia (PERSERO) TBK 2018 - 2022

YEAR	TOTAL ASSETS	T. EQUITY	EM	X
2018	206,196	117,303	1,75780671	,75
2019	221,208	117,250	1,88663539	,88
2020	246,943	120,889	2,04272514	,04
2021	277,184	145,399	1,90636799	1,90
2022	275,192	149,262	1,84368426	1,84

Source: Financial Statements of PT Telkom Indonesia Tbk Data processed 2024

Based on the data above, it can be concluded that the Equity Multiplier value at PT Telkom Indonesia Tbk has increased in the last 3 years, namely in 2018-2022, then experienced a decrease in the Equity Multiplier value in 2021 and 2022. Where the highest value of EM occurred in 2020, amounting to 2.04, while the lowest value occurred in 2018 amounting to 1.75.

Table 6. Return On Equity of PT Telkom Indonesia (PERSERO) TBK in 2018 - 2022

YEAR	ROI	EM	ROE	%
2018	0,130841529	1,75780671	0,229994118	22,999%
2019	0,124733283	1,88663539	0,235326226	23,533%
2020	0,119715886	2,04272514	0,24454665	24,455%
2021	0,122474602	1,90636799	0,233481661	23,348%
2022	0,100584319	1,84368426	0,185445726	18,546%

Source: Financial Statements of PT Telkom Indonesia Tbk Data processed 2024

Based on the data above, it can be concluded that the Return On Equity value at PT Telkom Indonesia Tbk increases and decreases (Fluctuation), where the highest value of ROE is in 2020 at 24.455% while the lowest value occurs in 2022 at 18.546.

Table 7. Financial Performance of PT Telkom Indonesia Tbk in 2018-2022

Year	Description				
	NPM %	TATO	ROI %	EM	ROE %
2018	20.63%	0.63	13,08%	1,75	22,999%
2019	20.35%	0.61	12,47%	1,88	23,533%
2020	21.66%	0.55	11,97%	2,04	24,455%
2021	23.71%	0.51	12,25%	1,90	23,348%
2022	18.79%	0.53	10,06%	1,84	18,546%

Source: Financial Statements of PT Telkom Indonesia Tbk Data processed 2024

Financial performance is assessed by the DuPont System Net Profit Margin (NPM).

The Net Profit Margin value at PT Telkom Indonesia Tbk tends to decrease except in 2021 when the Net Profit Margin value increases from 21.66% to 23.71% and can be said to be good because it has passed the industry average standard which has been explained according to Cashmere (2010), namely the industry average standard for NPM assessment is 20%. However, this can be said to be not in accordance with the theory (Harahap 2016), namely the greater the net profit, the better because it is considered the company's ability to increase profits is quite high. This shows that the company's financial performance is not effective enough in obtaining an increase in net profit from sales in a certain period.

Financial performance assessed by DuPont System Total Asset Turnover (TATO)

The value of Total Asset Turnover at PT Telkom Indonesia Tbk tends to be quite good. It can be said to be quite good because according to (Kasmir 2010) the industry average standard is 2X and according to BUMN standard Number: Kep: /100 / MBU / 2002 is 4X the TATO value is still fairly high, meaning that the company is quite effective in using the level of sales and total assets owned by the company. This also shows that the use of all assets owned

is maximized in generating sales. This is in accordance with the theory (Sawir, 2013) that the faster the turnover of assets shows the more effective the company is in using the company's assets, and vice versa if the turnover of assets is slower, then the assets owned are too large compared to the company's ability to sell them. This shows that the company's financial performance is quite maximum because the company has been effective in utilizing its assets to generate revenue.

Financial performance assessed by DuPont System Return On Investment

PT Telkom Indonesia Tbk's Return On Investment value tends to decrease. And the results of ROI still show low results because according to (Kasmir, 2010) the average value of the industry is 30%. And according to BUMN standard Number: Kep: 100 / MBU / 2002 is 18%. This shows that the decrease in ROI value in a certain period is influenced by the net profit margin and the ROI value.

Financial performance assessed by the DuPont System Equity Multiplier (EM)

The Equity Multiplier value at PT Telkom Indonesia Tbk tends to increase except in 2021 when the EM value decreases from the previous 2.04 to 1.90 and can be said to be good because it has fulfilled the shareholder portion. This can be said to be in accordance with the theory (Darsono and Ashari, 2010: 55) which states that "the EM ratio shows the company's ability to utilize shareholders' equity, where the smaller this ratio, the greater the shareholder portion, so the performance will be better because the percentage for interest payments is getting smaller." So in this case it shows that the financial performance of the company PT.Telkom Indonesia Tbk is quite effective in utilizing shareholders' capital to generate income and also increase company assets.

Financial performance assessed by DuPont System Return On Equity (ROE)

The Return On Equity value at PT Telkom Indonesia Tbk tends to fluctuate causing unstable conditions experienced by the company during 2018-2022 except in 2020 the Return On Equity value increased from 23.533% to 24.455%. However, it is said to be not good because it does not meet the industry average value which according to (Kasmir, 2016: 205) the industry average standard for ROE assessment is 40% so that it shows that the rate of return from the company's business on all capital owned by the company has not been maximized and shows operational activities to generate profits or profits have not been maximized. This is also not in accordance with the theory (Hery 2016: 107 which states that "ROE ratio shows how much equity contributes to creating net income, the greater (higher) this ratio, the higher the amount of net profit generated from each rupiah of funds embedded." This shows that the

company's financial performance has not been maximized in generating profits or profits from the use of assets / assets financed using shareholders' capital.

4. CONCLUSION

Based on the results and discussion in the previous chapter. Then the author can draw the conclusion that the financial performance of PT Telkom Indonesia Tbk which is assessed using the DuPont System method can still be said to be not optimal or tends to experience fluctuating conditions. This is because the company in managing assets and capital as measured by ROE DuPont System is said to tend to experience a fluctuating state even though in certain years it has increased but is still below the industry average standard and BUMN standard for ROE. From the ROE value, it can also be said that the company over the past 5 years has experienced an unstable situation, this is due to several things including increasing operating expenses that are not offset by an increase in net profit after tax so that the Net Profit Margin fluctuates, inefficient sales that increase but are not offset by net profit after tax. Likewise, the total asset turnover has decreased due to the value of total assets which has fluctuated in several years. This is also influenced by the company's financial performance in managing assets as measured by Return On Investment which is still said to be not good because it tends to decrease, for the Equity Multiplier value which tends to decrease and can be said to be good because it fulfills the shareholder portion. This shows that the financial performance of PT Telkom Indonesia is not effective enough in using assets or liabilities and shareholder capital.

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