

OPEN ACCESS

EDITED BY

Dr. Adityawarman Hidayat, M.Pd.
Universitas Pahlawan Tuanku Tambusai,
Indonesia.

*CORRESPONDENCE

Lefina Kristiani Zalukhu
✉ kristianizalukhulefina@gmail.com

RECEIVED: November 27, 2025

ACCEPTED: February 10, 2026

PUBLISHED: May 27, 2026

CITATION

Zalukhu, L. K., Siswanto, S., & Sinaga, I. N. (2026). Profitability Underperformance and Benchmark Gaps: Evidence from PT Japfa Comfeed Indonesia Tbk (2019–2023). *Global Insights in Management and Economic Research*, 2(02), 55-61.
<https://doi.org/10.53905/Gimer.v2i02.08>

COPYRIGHT

© 2026 Lefina Kristiani Zalukhu, Siswanto,
Irwan Nopian Sinaga
(Author)



This work is licensed under a Creative
Commons Attribution-ShareAlike 4.0
International License.

Profitability Underperformance and Benchmark Gaps: Evidence from PT Japfa Comfeed Indonesia Tbk (2019–2023)

Lefina Kristiani Zalukhu¹, Siswanto¹, Irwan Nopian Sinaga¹

¹Department of Accounting, STIE IBMI Medan, North Sumatra, Indonesia.

ABSTRACT

Purpose of the study: This study aims to assess the financial performance of PT. Japfa Comfeed Indonesia, Tbk. during the period 2019–2023 using profitability ratios, namely Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE), and Gross Profit Margin (GPM). The research seeks to determine the extent to which the company's profitability metrics align with established industry benchmarks.

Materials and methods: A qualitative descriptive research design was employed utilizing secondary data obtained from the published annual financial statements of PT. Japfa Comfeed Indonesia, Tbk. for the fiscal years 2019–2023. Financial data were sourced from the Indonesia Stock Exchange (IDX) database. Profitability ratios were calculated using standard formulas and subsequently compared against industry average standards. Descriptive statistical analysis, including trend analysis and mean computation, was applied to interpret the data.

Results: The findings reveal that all four profitability ratios fell substantially below industry average standards throughout the observation period. The average NPM was 3% (industry standard: 20%), ROA averaged 4% (industry standard: 30%), ROE averaged 11% (industry standard: 40%), and GPM averaged 4% (industry standard: 40%). A declining trend was observed across most indicators from 2021 to 2023, suggesting deteriorating profitability performance.

Conclusions: The financial performance of PT. Japfa Comfeed Indonesia, Tbk. based on profitability ratios is considered unsatisfactory over the 2019–2023 period, as all metrics remain significantly below industry benchmarks. The company must implement strategic measures to optimize asset utilization, improve cost management, and enhance capital efficiency to achieve competitive profitability standards. Future research should incorporate additional financial metrics and employ comparative analysis with peer companies.

Keywords

financial performance, profitability ratios, net profit margin, return on assets, return on equity, gross profit margin, pt. japfa comfeed indonesia.

INTRODUCTION

The Indonesian capital market has undergone significant transformation in recent decades, establishing itself as a vital mechanism for corporate capital mobilization (Surbakti, 2025). Through the Indonesia Stock Exchange (IDX), publicly listed companies gain access to diversified funding sources beyond traditional banking channels, thereby fostering economic growth and corporate expansion (Dakhi et al., 2025; Tiofany et al., 2025). The increasing sophistication of capital markets necessitates robust financial performance evaluation frameworks to safeguard investor interests and promote market transparency (Brigham & Houston, 2021; Keter et al., 2023).

PT. Japfa Comfeed Indonesia, Tbk. is one of Indonesia's largest integrated agri-food companies, with operations spanning animal feed production, poultry processing, chicken breeding, and agricultural cultivation. The company operates manufacturing facilities across multiple strategic locations, including Sidoarjo, Surabaya, Cirebon, Tangerang, Makassar, Padang, Bati-bati, and Bandar Lampung (Machmud et al., 2023; Oktavia et al., 2017). As a publicly listed entity on the IDX, the company's financial performance is subject to continuous scrutiny by investors, regulators, and other stakeholders (Asikin, 2021; Subramanyam, 2014).

Financial performance assessment through ratio analysis constitutes a fundamental component of corporate financial evaluation. Profitability ratios, in particular, provide critical insights into a firm's ability to generate earnings relative to its revenue, assets, equity, and operational efficiency (Keown et al., 2011). These metrics serve as essential indicators for investment decision-making, credit analysis, and strategic planning (Gibson, 2013).

Critical Examination of Existing Literature

Financial performance measurement has been extensively studied within the domain of corporate finance. Fahmi (2017) defines financial performance as an analytical process to determine the degree to which a company adheres to sound financial management principles. Similarly, Rudianto (2017) characterizes it as the results achieved by management in effectively administering company assets over a specific timeframe. These definitions underscore the evaluative nature of financial performance assessment.

Profitability ratios have been widely recognized as reliable indicators of corporate financial health. Sartono, (2021) posits

Profitability Underperformance and Benchmark Gaps: Evidence from PT Japfa Comfeed Indonesia Tbk (2019–2023).

that profitability ratios measure a company's ability to generate profits relative to sales, assets, and equity. [Kasmir \(2014\)](#) further elaborates that profitability ratios utilized for decision-making encompass Net Profit Margin, Return on Assets, Return on Investment, Return on Equity, and Earnings Per Share. These ratios facilitate comparative analysis against industry benchmarks and historical performance trends.

Prior empirical studies have examined profitability performance in various Indonesian corporate contexts. [Ramadhani \(2022\)](#) analyzed liquidity and profitability ratios in assessing the financial performance of PT. Indal Aluminum Industry, Tbk., finding that profitability metrics provided meaningful insights into operational efficiency. extended this analysis to companies listed on the IDX, demonstrating that NPM, ROA, and ROE serve as reliable proxies for financial performance evaluation ([Brigham & Houston, 2003](#)). Furthermore, [Siswanto \(2024\)](#) investigated the influence of financial ratios on financial distress among manufacturing companies in the consumer goods sector, establishing a direct relationship between deteriorating profitability ratios and increased distress probability.

Identification of Research Gaps

Despite extensive research on profitability analysis in various sectors, there remains a paucity of comprehensive studies focusing specifically on integrated agri-food companies in Indonesia. The agricultural sector presents unique financial dynamics influenced by commodity price volatility, seasonal demand fluctuations, and supply chain complexities. Moreover, existing studies have predominantly examined individual profitability ratios in isolation, without providing a holistic assessment of multiple profitability dimensions simultaneously. The period 2019–2023 is particularly significant as it encompasses the COVID-19 pandemic and its aftermath, which substantially impacted agri-food industry dynamics.

Rationale for the Research

The preliminary financial data of PT. Japfa Comfeed Indonesia, Tbk. indicate notable fluctuations in profitability indicators over the 2019–2023 period. Net profit exhibited a declining trajectory from Rp 1,883,857 million in 2019 to Rp 945,922 million in 2023, while total sales increased from Rp 36,742,561 million to Rp 51,175,898 million during the same period. This divergence between revenue growth and profit decline warrants systematic investigation to identify underlying causes and inform strategic remediation.

Research Objectives

The primary objective of this study is to assess the financial performance of PT. Japfa Comfeed Indonesia, Tbk. during the period 2019–2023 utilizing profitability ratios. Specifically, the study aims to: (a) analyze the Net Profit Margin trends and their implications for sales efficiency; (b) evaluate Return on Assets to determine asset utilization effectiveness; (c) examine Return on Equity to assess capital allocation efficiency; and (d) measure Gross Profit Margin to gauge operational profitability. The findings are intended to provide actionable insights for corporate management and investment decision-making.

MATERIALS AND METHODS

Study Design and Participants

This study employs a qualitative descriptive research design, which aims to provide a comprehensive overview of the research subject's conditions through systematic data analysis ([Sugiyono, 2019](#)). The study population comprises the complete set of annual financial statements of PT. Japfa Comfeed Indonesia, Tbk. as published on the Indonesia Stock Exchange. The purposive sampling technique was applied, selecting financial statements for the fiscal years 2019–2023 as the study sample, yielding five annual observations. This five-year timeframe was selected to capture both pre-pandemic, pandemic, and post-pandemic financial dynamics.

The demographic characteristics of the study cohort pertain to a single publicly listed integrated agri-food corporation. PT. Japfa Comfeed Indonesia, Tbk. (IDX ticker: JPFA) is categorized within the consumer goods industry sector, specifically in the animal feed and poultry sub-sector. The company has been listed on the IDX since 1989 and maintains a market capitalization that positions it among the leading agri-food enterprises in Southeast Asia.

Study Organization and Methodological Framework

The research protocol follows a structured analytical framework comprising three sequential phases: (i) data acquisition and verification, (ii) ratio computation and trend analysis, and (iii) comparative benchmarking against industry standards.

In the first phase, secondary data were systematically collected from the audited annual financial statements of PT. Japfa Comfeed Indonesia, Tbk. for the period 2019–2023. Data sources included the company's published income statements and balance sheets as filed with the IDX and accessible through the Indonesian capital market information system. Data integrity was verified through cross-referencing with multiple published sources.

In the second phase, four profitability ratios were computed using the following standard formulas:

$$\text{Net Profit Margin (NPM)} = (\text{Net Profit After Tax} / \text{Total Sales}) \times 100\%$$

$$\text{Return on Assets (ROA)} = (\text{Net Profit After Tax} / \text{Total Assets}) \times 100\%$$

$$\text{Return on Equity (ROE)} = (\text{Net Profit After Tax} / \text{Total Equity}) \times 100\%$$

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

In the third phase, the computed ratios were compared against industry average standards as prescribed by ([Kasmir, 2014](#)): NPM \geq 20%, ROA \geq 30%, ROE \geq 40%, and GPM \geq 40%. Performance was classified as "Satisfactory" if the ratio met or exceeded the industry standard, and "Unsatisfactory" if it fell below.

Statistical Analysis

Descriptive statistical analysis was employed to characterize the distributional properties of the computed profitability

ratios. The analytical procedures included: (a) computation of annual profitability ratios for each fiscal year; (b) calculation of five-year arithmetic means for each ratio; (c) trend analysis to identify temporal patterns in profitability performance; and (d) gap analysis comparing actual performance against industry benchmarks. Data were processed using spreadsheet-based analytical tools with manual verification to ensure computational accuracy. The descriptive analysis method follows the framework proposed by (Miles & Huberman, 1994), consisting of data reduction, data presentation, and conclusion drawing.

Ethical Considerations

This study utilizes exclusively publicly available secondary data from the audited financial statements of a publicly listed company. As such, no human subjects or confidential proprietary data were involved. The research complies with the ethical standards for secondary data research as outlined by the Indonesian Ministry of Research, Technology, and Higher Education. All data were obtained through legitimate public channels and are used solely for academic purposes. The study was conducted under the institutional oversight of STIE IBMI Medan, and appropriate academic integrity protocols were observed throughout the research process. No ethical approval from a human subjects committee was required, consistent with the guidelines for non-interventional studies using publicly available corporate financial data.

RESULTS

This section presents the findings of the profitability ratio analysis for PT. Japfa Comfeed Indonesia, Tbk. during the 2019–2023 observation period. Results are organized by each profitability metric and supported by tabular and descriptive presentations.

Net Profit Margin (NPM)

Table 1 presents the computed Net Profit Margin values for PT. Japfa Comfeed Indonesia, Tbk. across the five-year study period.

Table 1. Net Profit Margin of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023)

Year	Net Profit (Rp millions)	Total Sales (Rp millions)	NPM (%)	Assessment
2019	1,883,857	36,742,561	5.13	Unsatisfactory
2020	1,221,904	36,964,948	3.31	Unsatisfactory
2021	2,130,896	44,878,300	4.75	Unsatisfactory
2022	1,490,931	48,972,085	3.04	Unsatisfactory
2023	945,922	51,175,898	1.85	Unsatisfactory
Average			3.62	
Industry Standard			20%	

Source: Financial Statements of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023), processed by authors.

The NPM analysis reveals a predominantly declining trajectory over the observation period. The highest NPM was recorded in 2019 at 5.13%, followed by a decline to 3.31% in 2020, coinciding with the onset of the COVID-19 pandemic. A temporary recovery to 4.75% occurred in 2021 before declining to 3.04% in 2022 and reaching the lowest point of 1.85% in 2023. The five-year average NPM of 3.62% falls substantially below the industry standard of 20%, indicating a significant profitability gap of approximately 16.38 percentage points.

Return on Assets (ROA)

Table 2 displays the Return on Assets values, reflecting the company's efficiency in generating profits from its asset base.

Table 2. Return on Assets of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023)

Year	Net Profit (Rp millions)	Total Assets (Rp millions)	ROA (%)	Assessment
2019	1,883,857	25,185,009	7.48	Unsatisfactory
2020	1,221,904	25,951,760	4.71	Unsatisfactory
2021	2,130,896	28,589,656	7.45	Unsatisfactory
2022	1,490,931	32,690,887	4.56	Unsatisfactory
2023	945,922	34,109,431	2.77	Unsatisfactory
Average			5.39	
Industry Standard			30%	

Source: Financial Statements of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023), processed by authors.

The ROA analysis demonstrates a pattern of oscillation followed by decline. The ratio peaked at 7.48% in 2019, decreased to 4.71% in 2020, recovered to 7.45% in 2021, then declined again to 4.56% in 2022 and 2.77% in 2023. The five-year average ROA of 5.39% represents a substantial deviation from the 30% industry benchmark, revealing an efficiency gap of approximately 24.61 percentage points in asset utilization.

Return on Equity (ROE)

Table 3 presents the Return on Equity values, measuring the returns generated for shareholders' invested capital.

Table 3. Return on Equity of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023)

Year	Net Profit (Rp millions)	Total Equity (Rp millions)	ROE (%)	Assessment
2019	1,883,857	11,448,168	16.45	Unsatisfactory
2020	1,221,904	11,411,970	10.71	Unsatisfactory
2021	2,130,896	13,102,710	16.26	Unsatisfactory
2022	1,490,931	13,654,777	10.92	Unsatisfactory
2023	945,922	14,167,212	6.68	Unsatisfactory
Average			12.20	
Industry Standard			40%	

Source: Financial Statements of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023), processed by authors.

The ROE analysis reveals a fluctuating pattern consistent with the other profitability metrics. The highest ROE of 16.45% was recorded in 2019, declining to 10.71% in 2020 before recovering to 16.26% in 2021. Subsequently, the ratio declined to 10.92% in

Profitability Underperformance and Benchmark Gaps: Evidence from PT Japfa Comfeed Indonesia Tbk (2019–2023).

2022 and reached its lowest point at 6.68% in 2023. The five-year average ROE of 12.20% indicates that the company generates substantially lower returns on shareholder equity compared to the 40% industry standard, with a gap of approximately 27.80 percentage points.

Gross Profit Margin (GPM)

Table 4 presents the Gross Profit Margin values, reflecting the company's operational efficiency in converting sales into gross profits.

Table 4. Gross Profit Margin of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023)

Year	Gross Profit (Rp millions)	Total Sales (Rp millions)	GPM (%)	Assessment
2019	2,572,708	36,742,561	7.00	Unsatisfactory
2020	1,679,091	36,964,948	4.54	Unsatisfactory
2021	2,793,847	44,878,300	6.23	Unsatisfactory
2022	1,954,529	48,972,085	3.99	Unsatisfactory
2023	1,261,237	51,175,898	2.46	Unsatisfactory
Average			4.84	
Industry Standard			40%	

Source: Financial Statements of PT. Japfa Comfeed Indonesia, Tbk. (2019–2023), processed by authors.

The GPM analysis demonstrates a pronounced downward trend from 7.00% in 2019 to 2.46% in 2023, with a brief recovery to 6.23% in 2021. The five-year average GPM of 4.84% represents the most significant deviation from industry standards among all analyzed ratios, with a gap of approximately 35.16 percentage points below the 40% benchmark. This indicates substantial challenges in managing production costs relative to sales revenue.

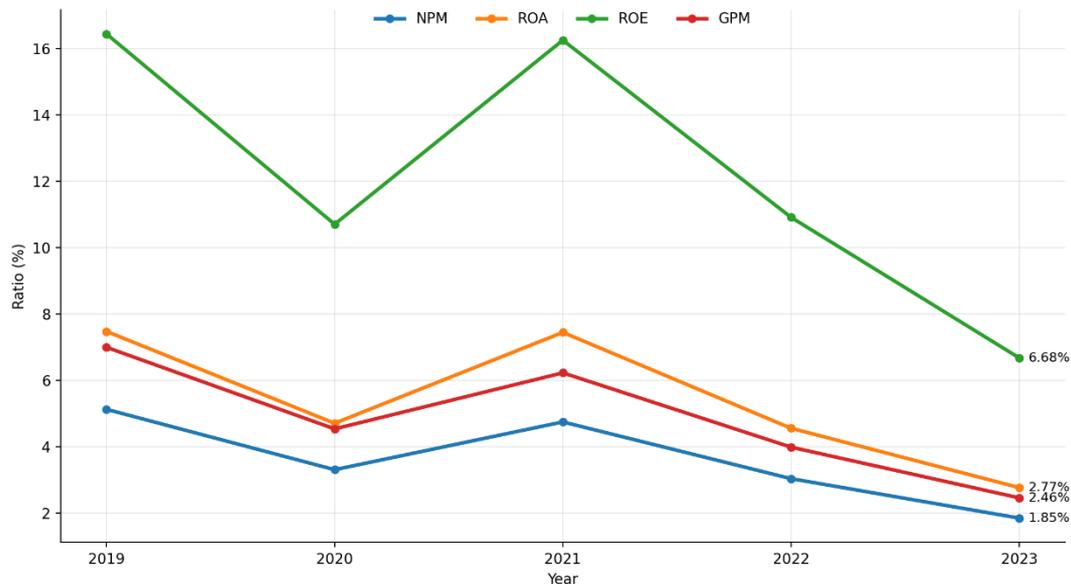


Figure 1. Trend of Profitability Ratios (Net Profit Margin, Return on Assets, Return on Equity, and Gross Profit Margin) of PT Japfa Comfeed Indonesia Tbk, 2019–2023.

Figure 1 illustrates the five-year movement of profitability ratios for PT Japfa Comfeed Indonesia Tbk. Overall, the four indicators show a fluctuating pattern, with a relative rebound in 2021 followed by a consistent decline through 2023. ROE remains the highest ratio across the period, indicating that returns generated on shareholders' equity were comparatively stronger than the other profitability metrics, although it also fell markedly by 2023. ROA, GPM, and NPM follow a similar trajectory—declining in 2020, improving in 2021, then weakening in 2022–2023—suggesting reduced efficiency in converting assets into profits, shrinking gross margins, and a lower proportion of net profit from sales toward the end of the observation period. The simultaneous downturn across all ratios in 2022–2023 indicates broad-based pressure on profitability rather than changes limited to a single component of performance.

Comprehensive Summary of Profitability Performance

Table 5 provides a consolidated overview of the average profitability ratios compared to industry standards.

Table 5. Summary of Average Profitability Ratios vs. Industry Standards

Ratio	5-Year Average (%)	Industry Standard (%)	Gap (%)	Assessment
NPM	3.62	20.00	-16.38	Unsatisfactory
ROA	5.39	30.00	-24.61	Unsatisfactory
ROE	12.20	40.00	-27.80	Unsatisfactory
GPM	4.84	40.00	-35.16	Unsatisfactory

Source: Processed by authors.

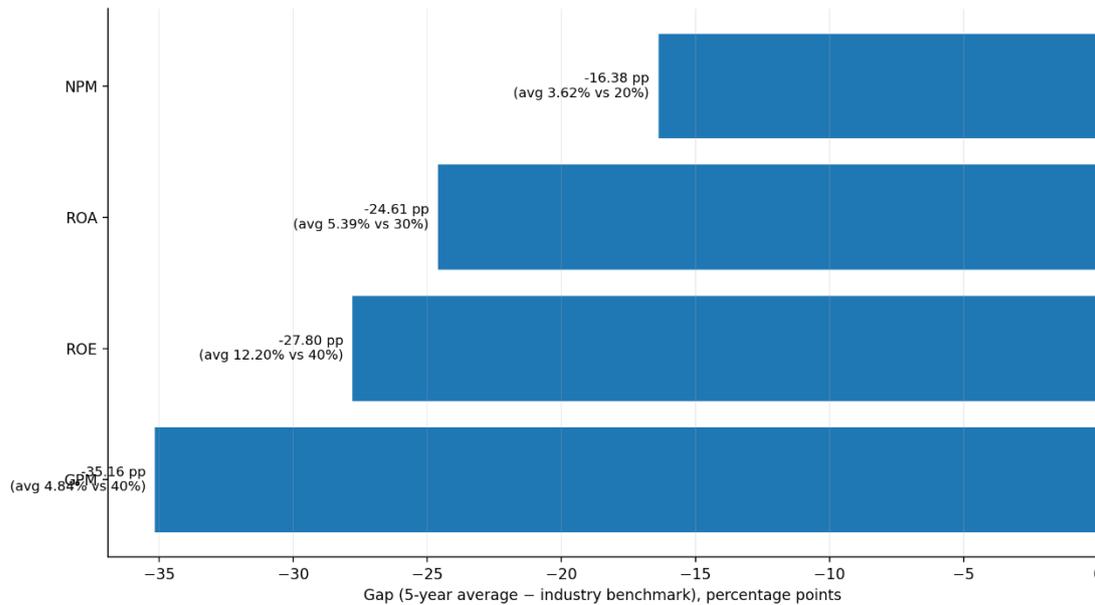


Figure 2. Gap to Industry Benchmark (Five-Year Average), 2019–2023: Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE), and Gross Profit Margin (GPM) of PT Japfa Comfeed Indonesia Tbk.

Figure 3 presents the magnitude of the performance shortfall by plotting the five-year average profitability ratios against the industry benchmark thresholds. All four indicators exhibit negative gaps, indicating that PT Japfa Comfeed Indonesia Tbk consistently underperformed relative to the benchmark standards over 2019–2023. The largest deficit is observed in GPM (average 4.84% versus the 40% benchmark; gap –35.16 percentage points), suggesting substantial pressure on gross profitability and cost-of-goods efficiency. This is followed by sizeable shortfalls in ROE (average 12.20% vs 40%; gap –27.80 pp) and ROA (average 5.39% vs 30%; gap –24.61 pp), implying limited effectiveness in generating returns from equity and total assets. Although NPM shows the smallest deficit among the four ratios, it remains far below the benchmark (average 3.62% vs 20%; gap –16.38 pp), indicating weak net profitability. Collectively, the uniform negative gaps across all metrics highlight a broad-based profitability challenge rather than an isolated weakness in a single dimension of financial performance.

DISCUSSION

Interpretation of Research Findings

The comprehensive analysis of profitability ratios reveals a consistent pattern of underperformance across all four metrics relative to industry benchmarks. The results demonstrate that PT. Japfa Comfeed Indonesia, Tbk. has not been able to achieve profitability levels commensurate with industry expectations during the 2019–2023 period. Several critical observations emerge from this analysis.

First, the declining trajectory of NPM from 5.13% in 2019 to 1.85% in 2023 suggests that the company's cost structure has expanded disproportionately relative to its revenue growth. While total sales increased by approximately 39.3% from Rp 36.7 trillion to Rp 51.2 trillion over the five-year period, net profit declined by approximately 49.8%, indicating significant margin compression. This phenomenon may be attributed to rising input costs, particularly feed raw materials such as corn and soybean meal, which constitute a substantial portion of the cost of goods sold in the agri-food industry (Bhosale et al., 2025). Second, the ROA trend indicates suboptimal asset utilization. Despite a continuous expansion of the total asset base from Rp 25.2 trillion to Rp 34.1 trillion (a 35.4% increase), the profit-generating capacity of these assets has diminished. This suggests that capital investments during the observation period have not yielded proportional returns, possibly due to underutilized capacity, inefficient asset allocation, or market conditions that constrained revenue realization from expanded operations. Third, the ROE performance, while representing the highest average among all ratios at 12.20%, still falls considerably short of the 40% industry benchmark. The declining ROE trajectory indicates that the company's equity base has grown (from Rp 11.4 trillion to Rp 14.2 trillion) primarily through retained earnings accumulation rather than through profit-driven equity appreciation. This dilution effect underscores the need for more efficient capital deployment strategies (Rafindadi & Bello, 2019). Fourth, the GPM results are particularly concerning, as they represent the most fundamental measure of operational efficiency. The average GPM of 4.84% indicates that the company retains less than five cents of gross profit for every dollar of sales, leaving minimal margin to cover operating expenses, interest charges, and taxes. The progressive decline from 7.00% to 2.46% suggests structural cost management challenges that extend beyond cyclical market fluctuations.

Comparison with Prior Studies

The findings of this study are broadly consistent with prior research examining profitability performance in the Indonesian corporate sector. Ramadhani (2022) similarly found that profitability ratios of manufacturing companies tend to fall below industry standards, particularly in capital-intensive industries with thin margins. The results also align with Siswanto (2024) observation that deteriorating profitability ratios are indicative of potential financial distress, a concern that warrants monitoring for PT. Japfa Comfeed Indonesia, Tbk. However, the magnitude of underperformance observed in this study is notably more pronounced compared to

similar analyses in other sectors. [Khutanto \(2023\)](#) found that PT. Ultrajaya Milk Industry & Trading Company, Tbk., another consumer goods company, maintained relatively higher profitability ratios, suggesting that the challenges faced by PT. Japfa Comfeed Indonesia, Tbk. may be partially sector-specific, reflecting the unique cost pressures inherent in the animal feed and poultry industry ([Addelia et al., 2025](#)).

From an international perspective, the profitability performance of PT. Japfa Comfeed Indonesia, Tbk. also underperforms when compared to global agri-food industry benchmarks. Studies by [Robinson et al. \(2020\)](#) indicate that leading international agri-food companies typically maintain net profit margins in the range of 5–10% and return on equity between 15–25%, suggesting that the company's performance lags behind both domestic and international peers.

Implications of the Findings

The sustained profitability underperformance has several significant implications. For corporate management, the results signal an urgent need to reassess the company's cost structure, pricing strategies, and operational efficiency. Strategic initiatives such as supply chain optimization, vertical integration enhancement, and product diversification may be necessary to restore competitive profitability levels ([Stepanov & Kayatkin, 2023](#)).

For investors and shareholders, the declining profitability trends raise concerns regarding the sustainability of dividend distributions and long-term capital appreciation. The widening gap between actual performance and industry benchmarks may negatively impact the company's stock valuation and investor confidence ([Sandberg et al., 2022](#)).

For regulators and industry policymakers, the findings highlight the broader challenges facing the Indonesian agri-food sector, including vulnerability to commodity price fluctuations, dependence on imported raw materials, and the need for supportive policy frameworks to enhance sectoral competitiveness.

Research Limitations

Several limitations should be acknowledged when interpreting the findings of this study. First, the analysis focuses exclusively on profitability ratios and does not incorporate liquidity, solvency, or activity ratios, which would provide a more comprehensive financial performance assessment. Second, the industry standards used as benchmarks are generalized averages that may not fully reflect the specific characteristics of the agri-food sub-sector. Third, the study examines a single company, limiting the generalizability of findings to the broader industry. Fourth, the five-year observation period, while capturing significant economic events, may not fully capture long-term cyclical patterns. Finally, the qualitative descriptive approach, while appropriate for the research objectives, does not establish causal relationships between observed trends and underlying determinants.

CONCLUSION

This study has conducted a comprehensive assessment of the financial performance of PT. Japfa Comfeed Indonesia, Tbk. during the period 2019–2023 through the lens of four profitability ratios: Net Profit Margin, Return on Assets, Return on Equity, and Gross Profit Margin. The analysis yields the following principal conclusions.

The financial performance of PT. Japfa Comfeed Indonesia, Tbk. based on profitability ratios is assessed as consistently unsatisfactory throughout the observation period. All four profitability metrics—NPM (average 3.62%), ROA (average 5.39%), ROE (average 12.20%), and GPM (average 4.84%)—fall substantially below their respective industry benchmarks of 20%, 30%, 40%, and 40%. Moreover, a declining trend is evident across all ratios from 2021 to 2023, suggesting a deterioration in the company's profit-generating capacity despite continued revenue growth.

The findings reinforce the theoretical premise that revenue growth alone is insufficient for ensuring financial health; effective cost management and efficient resource utilization are equally critical determinants of corporate profitability. The divergence between the company's expanding revenue base and contracting profit margins underscores the presence of structural cost management challenges that require strategic remediation.

Based on these findings, the following recommendations are proposed for relevant stakeholders:

For corporate management: (a) implement rigorous cost control mechanisms across the supply chain; (b) explore opportunities for product diversification to reduce dependence on low-margin segments; (c) optimize asset utilization through periodic asset rationalization reviews; and (d) enhance operational efficiency through technology adoption and process improvement.

For future researchers: (a) extend the analysis to incorporate multiple financial performance dimensions, including liquidity and solvency ratios; (b) employ comparative analysis with peer companies within the agri-food sector; (c) utilize quantitative statistical methods, such as regression analysis, to identify determinants of profitability performance; and (d) investigate the moderating effects of macroeconomic variables, including commodity prices, exchange rates, and regulatory changes, on corporate profitability in the Indonesian agri-food industry.

ACKNOWLEDGMENTS

The authors express sincere gratitude to STIE IBMI Medan for providing the institutional support necessary for the completion of this research. Appreciation is also extended to the Indonesia Stock Exchange for maintaining publicly accessible financial data repositories that facilitated the data collection process. The authors further acknowledge the constructive feedback provided by anonymous reviewers, which substantially improved the quality of this manuscript.

CONFLICT OF INTERESTS

The authors declare that there are no conflicts of interest associated with this research. This study received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors. The analysis and conclusions presented herein

are solely those of the authors and do not represent the official positions of any affiliated institutions.

REFERENCES

- Addelia, R., Mediarta, G. A. Y., Kasmawati, K., & Rahmawati, R. (2025). The Influence of Intellectual Capital on Profitability of Automotive Companies Listed on the Indonesia Stock Exchange. *Global Insights in Management and Economic Research*, 1(1), 25. <https://doi.org/10.53905/gimer.v1i01.5>
- Asikin, Et. al. B. (2021). The Influence of Growth Opportunities, Working Capital and Cash Flow Towards Company Liquidity. *Türk Bilgisayar ve Matematik Eğitimi Dergisi*, 12(11), 1371. <https://doi.org/10.17762/turcomat.v12i11.6049>
- Bhosale, T., Dhage, S., Gaikwad, U., Adangale, S. B., & Birari, D. (2025). Nutritional perspectives and innovations in alternative feed resources for sustainable poultry production: A review. *International Journal of Veterinary Sciences and Animal Husbandry*, 10(9), 168. <https://doi.org/10.22271/veterinary.2025.v10.i9c.2549>
- Brigham, E. F., & Houston, J. F. (2003). Fundamentals of Financial Management (Concise 4E). *South-Western, Division Of Thomson Learning*.
- Brigham, E. F., & Houston, J. F. (2021). *Fundamentals of financial management*. Cengage Learning.
- Dakhi, A., Ramadhani, L., & Harahap, R. (2025). Financial Ratio Analysis in Assessing Financial Performance at PT. Mustika Ratu, Tbk. Listed on the Indonesia Stock Exchange in 2019-2023. *Global Insights in Management and Economic Research*, 1(4), 205. <https://doi.org/10.53905/gimer.v1i04.30>
- Fahmi, I. (2017). *Pengantar manajemen keuangan [Introduction to financial management]*. Alfabeta.
- Gibson, C. H. (2013). *Financial reporting and analysis: Using financial accounting information*. South-Western Cengage Learning.
- Kasmir. (2014). *Analisis Laporan Keuangan*. http://katalog.pustaka.unand.ac.id/index.php?p=show_detail&id=29335
- Keown, A. J., Martin, J. D., Petty, J. W., & Scott, D. F. (2011). *Financial Management Tenth Edition*. Pearson Education.
- Keter, C. K. S., Cheboi, Prof. J. Y., & Kosgei, Prof. D. (2023). Financial Performance, Digital Disclosure, and Firm Value: Do Purely Local Companies Differ From Cross-Listed Firms? Evidence from East African Countries 2012–2022. *Research Square (Research Square)*. <https://doi.org/10.21203/rs.3.rs-3484361/v1>
- Khutanto, S. (2023). Analysis of good corporate governance, profitability, leverage, and company size on the value of manufacturing company PT Ultrajaya Milk Industry & Trading Co., Tbk. on Indonesia Stock Exchange 2013–2020. *Management Studies and Entrepreneurship Journal*, 4(3), 2325. <https://doi.org/10.37385/msej.v4i3.1234>
- Machmud, Y. S., Nurlinah, N., Irwan, A. L., Saharuddin, S., & Irwan, A. I. U. (2023). The Implementation of Good Governance Principles in the Asset Management of Regional-Owned Enterprises of South Sulawesi Province. *KnE Social Sciences*. <https://doi.org/10.18502/kss.v8i17.14182>
- Miles, M. B., & Huberman, A. M. (1994). *An Expanded Sourcebook Qualitative Data Analysis*. http://lib.unika.ac.id/?p=show_detail&id=48553944
- Oktavia, E., Marimin, M., & Djohar, S. (2017). Strategic Architecture in Poultry Company. *Jurnal Dinamika Manajemen*, 8(2). <https://doi.org/10.15294/jdm.v8i2.12764>
- Rafindadi, A. L., & Bello, A. (2019). *International Journal of Economics and Financial Issues*, 9(2). <https://doi.org/10.32479/ijefi.7601>
- Ramadhani, L. (2022). Analysis of liquidity ratio and profitability ratio in assessing financial performance of PT. Indal Aluminum Industry, Tbk. *Economic Journal*, 11(3), 1403.
- Robinson, T. R., Henry, E., Pirie, W. L., & Broihahn, M. A. (2020). International financial statement analysis. In *CFA Institute Investment Series*. John Wiley & Sons. <https://doi.org/10.1002/9781119628057>
- Rudianto. (2017). *Akuntansi manajemen [Management accounting]*. Erlangga.
- Sandberg, H., Alnoor, A., & Tiberius, V. (2022). Environmental, social, and governance ratings and financial performance: Evidence from the European food industry. *Business Strategy and the Environment*, 32(4), 2471. <https://doi.org/10.1002/bse.3259>
- Sartono, A. (2021). *Manajemen keuangan: Teori dan aplikasi [Financial management: Theory and application]*. BPFE.
- Siswanto, S. (2024). The Influence of Financial Ratios on Financial Distress in Manufacturing Companies in the Consumer Goods Industry Sector Listed on the Indonesian Stock Exchange. *Jurnal Ekonomi Bisnis & Entrepreneurship*, 18(1), 205. <https://doi.org/10.55208/qhr4qd77>
- Stepanov, A., & Kayatkin, A. (2023). Stakeholder Value Creation through Business Restructuring: Post Sanctions Evidence from Russian Airlines. *Journal of Corporate Finance Research / Корпоративные Финансы | ISSN 2073-0438*, 17(4), 59. <https://doi.org/10.17323/j.jcfr.2073-0438.17.4.2023.59-77>
- Subramanyam, K. R. (2014). *Financial Statement Analysis/ Eleventh Edition*. In *McGraw-Hill eBooks*. https://pustaka.kemhan.go.id/index.php?p=show_detail&id=10452
- Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D [Quantitative, qualitative, and R&D research methods]*. Alfabeta.
- Surbakti, A. (2025). The impact of compensation on corporate performance: The role of firm size and leverage. *Journal of Innovation in Business and Economics*, 9(1). <https://doi.org/10.22219/jibe.v9i01.38571>
- Tiofany, P. C., Siswanto, S., & Hasibuan, S. J. (2025). Profitability-Based Financial Performance of PT Indoritel Makmur Internasional Tbk (2019–2023). *Global Insights in Management and Economic Research*, 1(4), 222. <https://doi.org/10.53905/gimer.v1i04.34>