COMPARATIVE STUDY: MEASURING FINANCIAL HEALTH PERFORMANCE OF FOOD AND BEVERAGES COMPANIES BEFORE AND DURING THE PANDEMIC COVID -19 FOR THE PERIOD OF 2016 – 2020: A CASE STUDY OF PT. MAYORA INDAH TBK. (MYOR) AND PT. INDOFOOD SUKSES MAKMUR TBK (INDF)

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ABSTRACT

The food and beverages industry has become one of the essential contributors to Indonesia's GDP and export value. The industry does not slow down even though the pandemic hit in 2020. Surprisingly, the companies in the industry are thriving compared to the previous year. The government is monitoring the importance of this industry's performance to push the implementation of Industry 4.0; excellent performance analysis of those companies becomes essential. Meanwhile, Indonesia has no policy or standards to measure the health of the private equity; hence this study uses the standard stated by the Ministry of Stated Owned Enterprises. The Decree no. KEP-100/MBU/2002 of Indonesia Ministry of SOE has provided a guideline to assess and measure the financial health conditions of both companies. The result of four significant financial ratios, profitability, liquidity, activity, and solvency ratio, will be validated by weighing the score from the decree to understand the healthy performance of PT. Mayora Indah Tbk, and PT. Indofood Sukses Makmur Tbk with their financial report from 2016 -2020. Those companies are chosen based on their reputation in the FnB industry; the financial report and calculation are collected based on their financial information. As the health assessment has done, both companies are achieved a healthy level at the average of AAA and AA per the SOE's Decree. This study will contribute to developing financial health measurement policy for private equity in support of industrial 4.0 in Indonesia. Furthermore, this study has given a comprehensive insight into how to tackle the generating cash flow in the company by working on their accounts receivable to maintain their financial health in the hope of expansion in a competitive industry.

Keywords: Food and beverages industry, Financial ratio performance and health, Industry 4.0.

INTRODUCTION

The food and beverages industry is one of the promising industries that has supported the growth of the national economy for years. The industry's performance between 2015 to 2019 has grown up on average by 8.16%; even throughout the pandemic 2020, it is still in the positive trend of growing by 1.58%. Furthermore, in 2020 F&B industry contributed 23.78% of the total export from Indonesia's non-energy industry (IndonesiaDevelopmentForum, 2021). The value is increased to 8.9% up to 2019 and grew by 2.2% in 2020 (NHKS, 2021). According to Ragimun & Widodo, 2019 Indonesia has a high opportunity to leverage its competitiveness in the F&B industry in the international market. Hence, the government is tightly monitoring and supporting the sector to boost the growth of Indonesia's GDP (NHKS, 2021). It has shown that pandemic does not become the main factor that slows down the industry despite implementing large-scale social restriction; several factors such as increases in raw materials cost and recession faced by Indonesia.

COVID-19 has shifted the paradigm of consumers' behavior to be more health-conscious towards everything, especially food and beverages, not only for the materials but also up to the supply chain and distribution. It has pushed the industry to step up its game by applying Industry 4.0 to innovate in terms of product and supply chain management; how to reach out to more customers domestically and internationally with health safety protocol; (Deloitte, 2020). Despite those challenges, PT. Mayora Indah Tbk and PT. Indofood Sukses Makmur Tbk can keep up with the challenges, proven by the net profit increase by 9% and 11%, highest compared to four previous years. Mayora is still innovating by releasing more products as well as expanding to a new market by opening their factory to The Philippines as one of the supporting factories for the ASEAN market (Nurcaya, 2020), also in Russia to reach out their Europe and global market (Polycarpus, 2019). Meanwhile PT. Indofood Sukses Makmur Tbk has expanded its business to become the total food solution by developing to palm oil industry (Rahman, 2019). They have also acquired Pinehill Corpora Limited and Steele Lake in 2020 to reach their mainly Africa, the Middle East, and Southeast Europe markets (Prasidya, 2020).

In the effort of Indonesia's government to prioritize the food and beverage industry, financial ratios are mandatory to be used to assess a company's condition. Especially during the pandemic where both companies are pushing forward to do business while other industries are not doing well. Meanwhile, Indonesia doesn't have any financial health measurement for private equity. Hence, in this comparative research, the Decree of the Ministry of SOEs No.KEP-100/MBU/2002 will be used to compare PT. Mayora Indah Tbk and PT. Indofood Sukses Makmur Tbk.
The decree uses four significant financial ratios: profitability, liquidity, activity, and solvency.

A financial ratio is often used to assess a company's performance and becomes a discussion in many industry assessments such as cement, aviation, foods, banks, and small businesses. Aziz, Husin, & Hashmi, 2016 mentioned that comparative analysis using financial ratios measures each company's evolution performance. It is primarily to understand each company's situation and compare each performance to compete in the industry.

Hence, this research will focus on two questions on two primary private food and beverage companies in Indonesia, analyzing the financial statement period of 2016 -2020, before and during a pandemic. The decree will analyze both companies' health, with these questions concerned; 1. How healthy is the financial performance of both companies before and during the

pandemic (2016 – 2020) by using the Decree Ministry of SOEs No. KEP-100/MBU/2002. 2. Performance differences of each company in terms of financial performance before and during the covid for those periods due to expansion.
Therefore, this study will benefit all the readers to understand the implication of financial ratio in understanding how healthy these two companies are doing based on their financial performance to push forward on the implementation of industrial 4.0 strategy for an economic boost during the pandemic.

LITERATURE REVIEW

a. PT. Mayora Indah

PT. Mayora Indah Tbk was established in 1977 as a producer of packaged food and beverage products. They are well known for their pioneer products such as Kopiko, Astor, Beng Beng, Choki – Choki, Energen, Torabika, Etc. In 1990, they were listed as a public company. Ever since that Mayora, has successfully reached up to 5 continents of markets. Even, Kopiko has reached outer space in 2017 (PT. Mayora Indah, 2021). In an effort to support Indonesia's government on industry 4.0, they have been implementing smart factories since 2017 by digitalizing all their data and becoming a smart factory in 2024 with greater investment in AI as well as other part (Rahayu, 2021)

b. PT Indofood Sukses Makmur

PT. Indofood Sukses Makmur was established in 1990 as PT. Panganjaya Intikusuma then was renamed PT. Indoffod Sukses makmur in 1994 and listed on the IDX. Since 1995, Indofood has kept expanding its market by transforming into a total food solution company that operates in all stages of food manufacturing. It starts from raw material, processing to consumer goods. They have claimed to be the leading player were they able to capitalize on economic scales as a well resilient business model with their strategy movement that completes their business; starting from Agribusiness, Bogasari; Consumer Branded products (fast-moving consumer goods) and up to distribution (Indofood, 2021)

c. Previous Research on Financial Performance

According to Barnes (1987), a company uses financial ratios to assess its performance, starting from paying its debts, evaluating its businesses, and forecasting its future financial variable. Also, it compares its performance with other competitors in different sectors (Daryanto, Naufal, & Okiviantoro, 2020).

Financial ratio analysis has also been used to understand factors that affect Malaysia's listed companies' profitability (Alarusi & Alhaderi, 2018). There are many previous studies in financial studies, especially in food and beverages studies worldwide. However, those studies primarily use the financial analysis ratio to predict and measure the company's profitability and its effect on stock price in publicly listed companies for investors (Sultan, 2014; Dhingra, Dec, & Gupta, 2018; Khotimah & Murtaqi, 2015; Melati & Munir, 2020). Also, determining the firm value in a recent study by Bahraini, et al., 2021 or it is being used to understand a company performance and competitiveness in the industry for comparative studies (Maisharoh & Riyanto, 2020). Last but not least, the financial ratio is also being used to understand the determinants factors of profit growth in Food and Beverage companies (Endri, et al., 2020).

d. The Stated Owned Enterprise Ministry Decree No. KEP-100/MBU/2002

The Decree of State-Owned Enterprise (SOEs) No. KEP-100/MBU/2002 is a standardized guideline to analyze the financial health of the SOEs for a certain period. During this open economic barrier activity, there is a need for a standard system evaluation to measure the efficiency and competitiveness of SOEs. This system is applied to all SOEs in financial and non-financial industries covering three financial, operational, and administrative aspects. In the non-financial sector, the fields are divided into infrastructure and non-infrastructure with different total weight scores, 50 for infrastructure and 70 for non-infrastructure. The evaluation carries four main financial ratios: profitability, liquidity, activity, and solvency, with eight measurements.

This research will help to have a deeper understanding of the financial health of PT. Mayora Indah TBK and PT. Indofood Sukses Makmur TBK; which are both are non SOEs. Although both companies are not state-owned enterprises, The Decree of Stated Owned Enterprise (SOEs) No. KEP-100/MBU/2002 is still being used to compare financial health in the Food Beverages industry, especially before and during the COVID-19 era. Moreover, the Decree has been used to assess the health of various sectors before. For Instance, Daryanto, Naufal, & Okviantoro, 2020 has been used this method to analyze the health of Stated owned and Private enterprise in the Steel industry. In addition, it has been used to measure the financial health of Enterprises of Energy and Mineral Resources by (Daryanto & Samidi, 2018). Last but not least, Daryanto W. M., 2018, used this measurement to measure the health of SOEs under aviation to support visit wonderful Indonesia. All the researches above show The Decree has been used multiple times previously to assess the health of those companies and more.

e. Research Method (need further explanation)

This research will utilize financial ratios stated in The Decree of Stated Owned Enterprise (SOEs) NO.KEP-100/MBU/2002 to measure the company's financial health. It will use to assess the financial health of PT. Mayora Indah Tbk. and to compare it with (Tbk) Although these companies aren't Stated Owned Enterprise. However, both companies are the two major players in Indonesia's food and beverages industry, where they keep expanding and involved in Industry 4.0.

Using the descriptive financial ratios, it hopes to measure, assess, and analyze economic health conditions. That selection of financial ratio analysis for this study motivated the researchers to gain more knowledge due to the limited literature review on the financial health assessment in Indonesia's food and beverage industry.

Table 1. Total Weight and Health indicator

Classification	Indicator	Weight Non Infrastructure
Profitability	Return on Equity	20
	Return on Investment	15
Liquidity	Cash Ratio	5
	Current Ratio	5
Activity	Collection Period	5
	Inventory Turnover	5
	Total Asset Turnover	5
Solvency	Total Equity to Asset Ratio	10
Total Weight		70

Company Health Indicator		
Category	Rating	Score
Healthy	AAA	TS>95
Healthy	AA	80<TS≤ 95
Healthy	A	65<TS≤ 80
Less Healthy	BBB	50<TS≤ 65
Less Healthy	BB	40<TS≤ 50
Less Healthy	B	30<TS≤ 40
Unhealthy	CCC	20<TS≤ 30
Unhealthy	CC	10<TS≤ 20
Unhealthy	C	TS≤ 10

Source: The Ministry of State-Owned Enterprise Decree No. KEP 100/MBU/2002

The eight ratios, variables, and weight scores are taken from the decree. Each financial ratio is calculated to score each indicator and used to gain the total score. Table 1. shows the indicator and weight score for each ratio and the company's health indicator, which all the data are collected from the company's annual report (audited between 2016-2020.

As explained in table 1, each hand has its maximum score that will be weighted towards the total score (70) and compared to the criteria to determine their health. There are three levels of healthy standard and has their range of scores to determine each level, which consists of healthy (AAA, AA, A), less healthy (BBB, BB, B), and unhealthy (CCC, CC, C)

The analysis will be mainly accountable for PT. Mayora Indah Tbk's financial ratio for the period of 2016 – 2020 in comparison with PT. Indofood Sukses Makmur Tbk. Even though the financial balance is one of the good tools in measuring financial health, there is a concern of financial report manipulation of certain information. Hence there are certain detailed information that can acquire in evaluation performance (Barnes, 1987)

a. Profitability

According to Sultan (2014), Profitability ratios are being used to measure the company's income or operating expense for a given period and its ability to obtain debt and equity. It will be affecting the company's liquidity to grow, and it will help creditors and investors to evaluate the power of a company to generate profit.

The decree uses Return on Investment (ROI) which is a ratio that indicates a company's ability to give back return on investment. Also, It is using Return on Equity (ROE), which is an indication of how much a firm generated from the funds invested by the shareholder, either direct or indirect, through Retained Earning (Anthony et al., 2011)

Return on Investment = $\frac{onEarning\ Before\ Interest\ Tax+Depreciation}{Capital\ Employed} X\ 100\%$

Return on Equity = $\frac{After\ Tax\ Income}{Shareholder\ Equity} X\ 100\%$

Both Ratios are assessed using the assessment score as below

Table 2. ROE & ROI Assessment Score

Return on Equity (%)	Non Infrastructure
15 < ROE	20
13 < ROE ≤ 15	18
11 < ROE ≤ 13	16
9 < ROE ≤ 11	14
7,9 < ROE ≤ 9	12
6,6 < ROE ≤ 7,9	10
5,3 < ROE ≤ 6,6	8,5
4 < ROE ≤ 5,3	7
2,5 <ROE ≤ 4	5,5
1< ROE ≤ 2,5	4
0< ROE ≤ 1	2
ROE < 0	0

Return on Investment (%)	Non Infrastructure
18 < ROI	15
15 < ROI ≤ 18	13,5
13 < ROI ≤ 15	12
12 < ROI ≤ 13	10,5
10,5 < ROI ≤ 12	9
9 < ROI ≤ 10,5	7,5
7 < ROI ≤ 9	6
5 < ROI ≤ 7	5
3 < ROI ≤ 5	4
1 < ROI ≤ 3	3
0 < ROI ≤ 1	2
ROI < 0	1

Source: The Ministry of State-Owned Enterprise Decree NO.KEP 100/MBU/2002

b. Liquidity

Liquidity is a company's ability to raise cash in the short term to meet its obligations. Liquidity depends on the company's cash flow and the make-up of its current assets and current liability (Subramanyam & Wild, 2009).

The current ratio measures the company's liquidity of the margin of safety that management maintains to allow for the inevitable unevenness in the flow of funds through the current asset and current liability accounts. (Hawkins, Anthony, & Merchant, 2012). It is calculated by:

$$\text{Current Ratio} = \frac{Current\ Asset}{Current\ Liability} X\ 100\%$$

Acid-Test Ratio or Cash Ratio measures a company's monetary assets. It concentrates on the asset which is liquid such as Cash & Cash Equivalents, Short-Term Investments, and Accounts Receivable. It is calculated by:

$$\text{Cash Ratio} = \frac{Monetary\ Assets}{Current\ Liability} X\ 100\%$$

Both Ratios are assessed using the assessment score as below

Table 3. Cash Ratio and Current Ratio Assessment Score

Cash Ratio (%)	Non Infrastructure
Cash Ratio ≥ 35	5
25 ≤ Cash Ratio < 35	4
15 ≤ Cash Ratio< 25	3
10 ≤ Cash Ratio < 15	2
5 ≤ Cash Ratio <10	1
0 ≤ Cash Ratio < 5	0

Current Ratio (%)	Non Infrastructure
125 ≤ Current Ratio	5
110 ≤ Current Ratio < 125	4
100 ≤ Current Ratio < 110	3
95 ≤ Current Ratio <100	2
90 ≤ Current Ratio < 95	1
Current Ratio < 90	0

Source: The Ministry of State-Owned Enterprise Decree NO.KEP 100/MBU/2002

c. Activity

Activity Ratio is the ratio used to measure the level of efficiency in using company resources (sales, inventory, accounts receivable, etc.) or ratios to assess the company's ability to carry out daily activities (Ambarukmi & Diana, 2017).

Collection Period measures the number of days it takes, on average, to collect accounts receivable based on the average balance in the accounts receivable (Subramanyam & Wild, 2009). It is calculated by:

$$\text{Collection Period} = \frac{Average\ Accounts\ Receiveable}{Revenue} X\ 360$$

On the other hand, Inventory Turnover measures the average rate of speed at which inventories move through and out of a company (Subramanyam & Wild, 2009). It is calculated by:

$$\text{Inventory Turnover} = \frac{Cost\ of\ Sales}{average\ Inventory}$$

Moreover, Asset Turnover measures the percentage of revenue generated from each asset or capital employed (Gibson, 2009). It is calculated by:

$$\text{Total Asset Turnover} = \frac{Revenue}{Capital\ Employed} X\ 100\%$$

Those Ratios are assessed using the assessment score as below

Table 4. Collection Period and Inventory Turnover Assessment Score

Collection Period (days)	Adjustment (days)	Non Infrastructure
CP ≤ 60	CP > 35	5
60 < CP ≤ 90	30 < CP≤ 35	4,5
90 < CP ≤ 120	25< CP ≤ 30	4
120 < CP ≤ 150	20 < CP ≤ 25	3,5
150 < CP ≤ 180	15< CP ≤ 20	3
180 < CP ≤ 210	10< CP ≤ 15	2,4
210 < CP ≤ 240	6 < CP ≤ 10	1,8
240 < CP ≤ 270	3 < CP ≤ 6	1,2
270 < CP ≤ 300	1 < CP ≤ 3	0,6
300 < CP	0 < CP ≤ 1	0

Inventory TO (days)	Adjustment (days)	Non Infrastructure
ITO ≤ 60	ITO >35	5
60 < ITO ≤ 90	30 < ITO ≤ 35	4,5
90 < ITO ≤ 120	25 < ITO ≤ 30	4
120 < ITO ≤ 150	20 < ITO ≤ 25	3,5
150 < ITO ≤ 180	15 < ITO ≤ 20	3
180 < ITO ≤ 210	10 < ITO ≤ 15	2,4
210 < ITO ≤ 240	6 < ITO ≤ 10	1,8
240 < ITO ≤ 270	3 < ITO ≤ 6	1,2
270 < ITO ≤ 300	1 < ITO ≤ 3	0,6
300 < ITO	0 < ITO ≤ 1	0

Table 5. Asset Turnover assessment Score

Total Asset TO (%)	Adjustment (days)	Non Infrastructure
TATO > 120	TATO > 20	5
105 < TATO ≤ 120	15 < TATO ≤ 20	4,5
90 < TATO ≤ 105	10 < TATO ≤ 15	4
75 < TATO ≤ 90	5 < TATO ≤ 10	3,5
60 < TATO ≤ 75	0 < TATO ≤ 5	3
40 < TATO ≤ 60	TATO ≤ 0	2,5
20 < TATO ≤ 40	TATO < 0	2
TATO ≤ 20	TATO< 0	1,5

Source: The Ministry of State-Owned Enterprise Decree No. KEP 100/MBU/2002

d. Solvency

According to (Subramanyam & Wild, 2009) Solvency refers to the ability of an enterprise to meet its long-term financial obligations. All business activities of the company – financing, investing and operating affect the company's solvency. The Equity to Asset Ratio measures the amount of equity enterprise explicitly compared to the total assets owned by the business (Kantrovich, 2011). It is calculated by:

Asset to Equity Ratio = $\frac{Total\ Equity}{Total\ Asset} X\ 100\%$

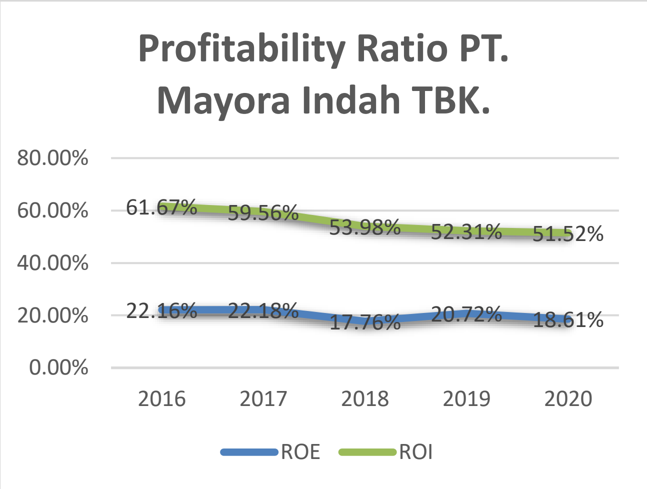
The Equity to Ratio is assessed using the assessment score as below

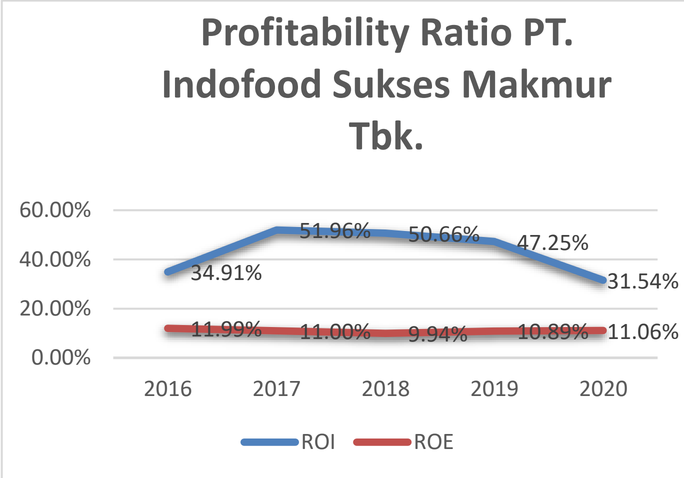
Table 6. Equity to Asset Assessment Score

Equity to Asset (%)	Non Infrastructure
ETA < 0	0
0 ≤ ETA< 10	4
10 ≤ ETA< 20	6
20 ≤ ETA< 30	7,25
30 ≤ ETA< 40	10
40 ≤ ETA< 50	9
50≤ ETA< 60	8,5
60 ≤ ETA< 70	8
70 ≤ ETA< 80	7,5
80 ≤ ETA< 90	7
90 ≤ ETA < 100	6,5

Source: The Ministry of State-Owned Enterprise Decree No. KEP 100/MBU/2002

RESULT AND DISCUSSION





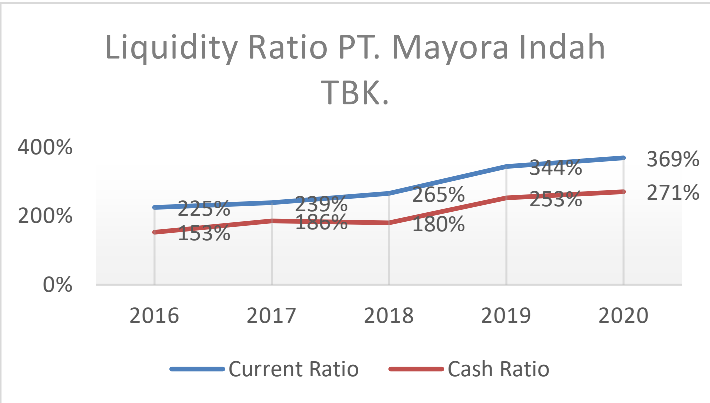
a. Profitability Performance

Fig. 1 *Profitability Trend for PT Mayora Indah Tbk, And PT. Indofood Sukses Makmur Tbk.*

As shown above, is the graphic illustrates the profitability performance from PT. Mayora Indah and PT. Indofood Sukses Makmur based on ROE and ROI. Both companies indicate a declining trend. Although the movement was declining from 2016 up to 2020, the trend tends to be more stable for PT. Mayora Indah Tbk. The value of ROE for PT. Mayora Indah Tbk, higher by 10% compared to PT. IndoFood Sukses Makmur. In 2016, PT. Mayor's ROE starts at 22.16%, whereby PT. Indofood begins at 11.99%, however in 2020, during the pandemic PT. Mayora has a slight over decrement by 2.11% after the small increment in 2019, which by 18.61%. It is indifferent to the PT. Indofood's slight increase by 0.17%, which is at 11.06%.

While The ROI graphics have shown, both companies face a declining trend. However, PT. Mayora has a more steady decline compared to PT. Indofood. The highest percentage of decrease was shown in 2018, by 5.58% at 53.98%. Where PT. Indofood has major declining during the pandemic, 15.71% at 31.54%. Compared to PT. Indofood, PT. Mayora's ROI performance is still higher at 19.98%, at 51.52%. It indicates that both companies can still profit despite their primary investment.

b. Liquidity Performance



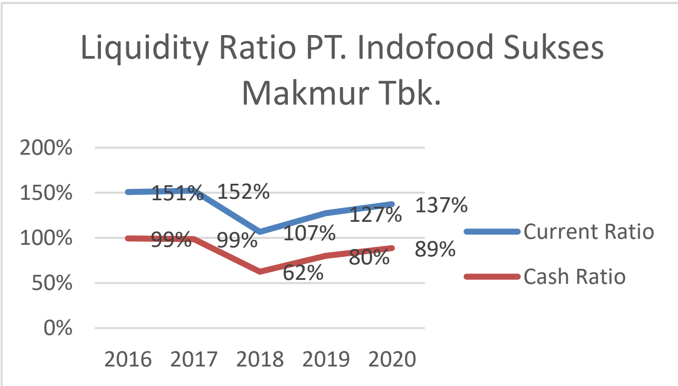


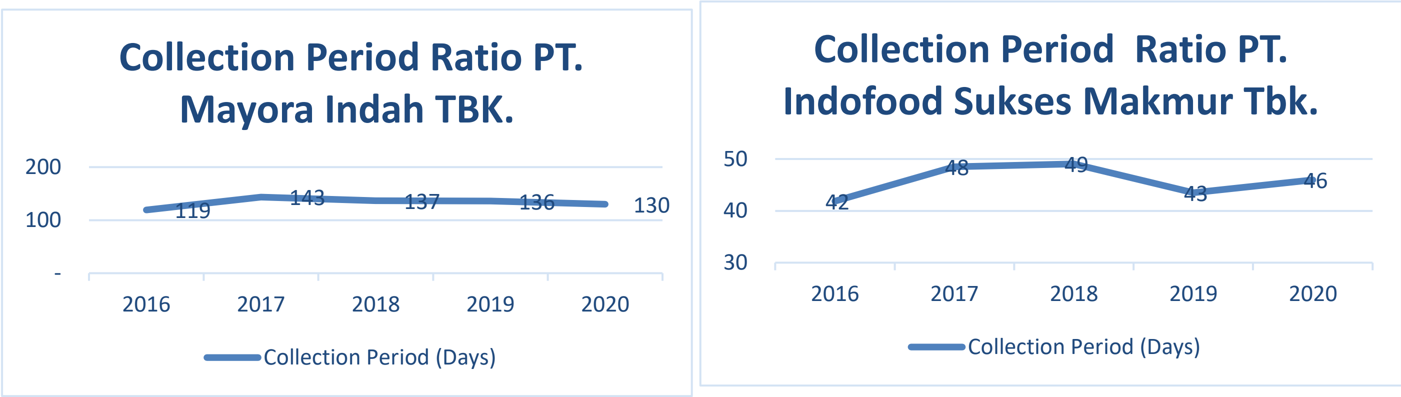
Fig2. Liquidity trend for PT. Mayora Indah Tbk, and PT. Indfood Sukses Makmur Tbk.

The figures above describe the liquidity performance of PT Mayora Indah, Tbk, and PT Indofood Sukses Makmur, Tbk. As can be seen, PT Mayora Indah's liquidity trends, Tbk are more stable and tend to rise than PT Indofood Sukses Makmur, Tbk. Firstly, PT Mayora Indah's liquidity performance from the current Ratio perspective tends to rise from the beginning in 2016 as of 225% to 2020 as of 369%; it indicates that the company's Current Assets can fulfill its Current Liabilities. Moreover, the company's cash ratio perspective shows stable performance at the beginning of 2016 at 153% to 271% in 2020. In 2018, there was a slight downfall at 6 % compared to 2017, respectively, and it indicates in 2018 company was unable to fulfill its current liabilities with its monetary assets.

On the other hand, the liquidity performance of PT Indofood Sukses Makmur, Tbk has experienced a significant downfall in 2018 and raised in progress in 2019. As can be seen in the figure above, from the Current Ratio perspective started in 2016 as 151% to 2020 as of 137%. In the year 2018 company experienced a significant downfall of about 46%, from 2017 to 2018 as of 152% and 107%, respectively. Therefore, it indicates that its current assets cannot fulfill its Current Liabilities. Moreover, the Cash Ratio perspective also means a significant downfall in 2018, about 37%, from 2017 to 2018 as of 99% and 62%, respectively. Therefore, it indicates in the year of 2018 company's Monetary Assets are unable to fulfill their Current Liabilities.

c. Activity Performance

Fig 3. Collection period for PT. Mayora Indah Tbk and PT. Indofood Sukses Makmur Tbk.



The figures above indicate the collection for PT. Mayora Indah and PT. Indofood Sukses Makmur from 2016 – 2020. PT. Mayora Indah has shown a steadier trend on declining starts from 2018. It shows a better movement of collecting receivables from customers even though it is longer than PT. Indofood Sukses Makmur.

PT. Indofood Makmur has faster collection periods which are 42 days in 2016. However, it fluctuated in 2017 until 2020 by 1 – 3 days. The lowest collection period was in 2016, which is 42 days. However, it is still shorter compared to PT. Mayora Indah Tbk.

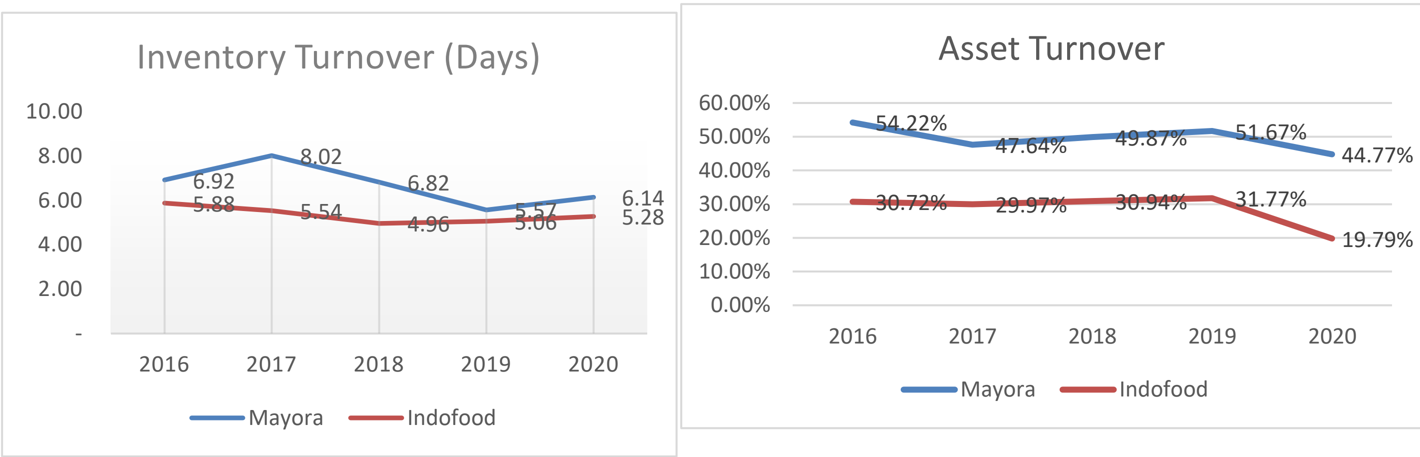


Fig 4. Comparison performance of inventory and asset turnover for PT. Mayora Indah Tbk and PT. Indofood Sukses Makmur

As presented above, the inventory turnover for both companies are facing a declining trend, even though it was not a significant increment in 2020. PT. Mayora Indah reached the highest peak in 2017, by eight days of inventory turnover and declining the following year. In 2020, it had slightly increased on 6.14 days during the pandemic, and the same thing happened with PT. Indofood at 5.06 days. It indicates both can sell their inventory quicker, but PT. Indofood is slightly efficient compared to PT. Mayora Indah.

PT. Mayora's total asset turnover has reached its peak point at 54.22% in 2016 and decreased in the following years by 6.58% and got back up to 51.67% and slowing down during the pandemic at 44.77%. In comparison, PT. Indofood Sukses Makmur has more steady growth and reaches its highest point in 2019 at 31.77% and drops drastically during the pandemic at 19.79%. It indicates both companies can generate their sales from their asset efficiently, although PT. Indofood Sukses Makmur more efficient than PT. Mayora.

d. Solvency Performance

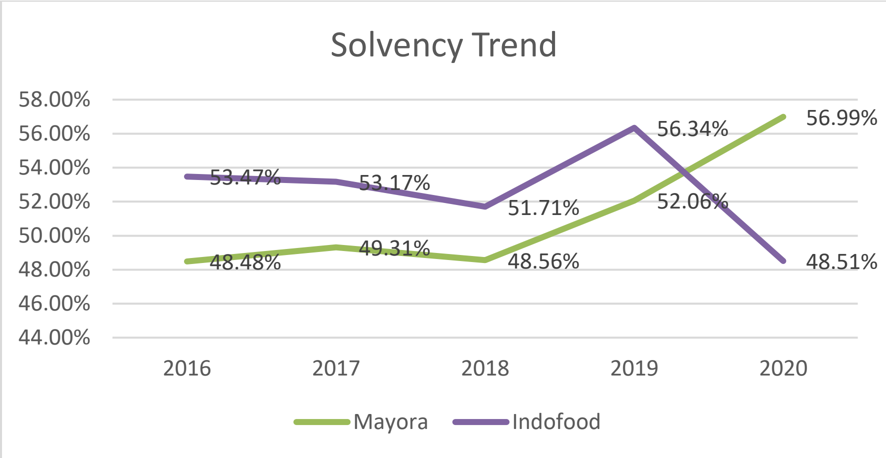


Fig 5. Solvency trend comparison for Pt. Mayora Indah Tbk and PT. Indofood Sukses Makmus tbk.

The figure above shows the solvency trend for both companies. However, both are showing fluctuated PT. Mayora Indah has shown an increasing trend. PT. Mayora has its own lowest point in 2016 at 48.48%, increasing in the following years and reaching the highest in 2020 at 56.99%. It means within 2016 – 2018, and the company tends to fund their asset inefficiently because the percentage was marginally lower than 50%. However, they can recover from the situation in 2019 – 2020 that PT. Mayora Indah is safe in terms of funding their asset.

On the other hand, PT. Indofood Sukses Makmur has efficiently funded their asset in 2016 -2020 at an average of 50%, with the highest point in 2019 at 56.34%. Then they had a significant decline in 2020 at 48.51% during the pandemic.

e. Validation Testing

This research uses the Decree of the Ministry of SOE NO. KEP-100/MBU/2002 to test the validation to determine whether these companies are in a healthy or less healthy position for 2016 – 2020. Overall, as shown table below, the test on PT. Mayora Indah has demonstrated a stable decreasing trend from 2016 to 2019 by 1 point and gets back up in 2020 at 61.3 points. Next, the total scores are converted to the total weight, dividing between score to weight ((Score/weight)*100). The result for those periods indicates the financial performance at healthy value, staying at AAA level in 2016 – 2020.

Table 7. Test result for the period 2016 – 2020 PT. Mayora Indah TBk.

	2016		**2017**		**2018**		**2019**		**2020**	
	Ratio	**Score**	**Ratio**	**Score**	**Ratio**	**Score**	**Ratio**	**Score**	**Ratio**	**Score**
ROE %	22.16%	20	22.18%	20	17.76%	20	20.72%	20	18.61%	20
ROI %	61.67%	15	59.56%	15	53.98%	15	52.31%	15	51.52%	15
Cash Ratio %	153%	5	186%	5	180%	5	253%	5	271%	5
Current Ratio %	225%	5	239%	5	265%	5	344%	5	369%	5
Collection Period	119	4	143	3.5	137	3.5	136	3.5	130	3.5
ITO	6.92	1.8	8.02	1.8	6.82	1.8	5.57	1.2	6.14	1.8
TATO	54.22%	2.5	47.64%	2.5	49.87%	2.5	51.67%	2.5	44.77%	2.5
Equity/asset Ratio(%)	48.48%	9	49.31%	9	48.56%	9	52.06%	8.5	56.99%	8.5
Total Score		**62.3**		**61.8**		**61.8**		**60.7**		**61.3**

Table 8. The summary of test result of PT. Mayora Indah Tbk.

	Total Score	Weight	Total weight	Value	Level	Category
2016	62.3	70	89.00	80<TS<=95	AAA	Healthy
2017	61.8	70	88.29	80<TS<=95	AAA	Healthy
2018	61.8	70	88.29	80<TS<=95	AAA	Healthy
2019	60.7	70	86.71	80<TS<=95	AAA	Healthy
2020	61.3	70	87.57	80<TS<=95	AAA	Healthy

The same method is being used to indicate PT. Indofood Sukses Makmur's financial health from 2016 – 2020. As shown in table 2, PT. Indofood shows the fluctuated trend from 2016 (57.7) it goes down by 2 points in 2017 (55.7) and 2018 (53.7) goes up in 2019 at 55.7 points followed in 2020 by around 6 points at 61.3. After being converted to the total weight using the same formula, the result has been demonstrated that PT. Indofood Sukses Makmur financial health is in healthy score with the fluctuated score; AAA, AA, AA, AA,AAA respectively.

Table 9. Test Result for the period 2016 -2020 of PT. Indofood Sukses Makmur TBK

	2016		2017		2018		2019		2020	
	Ratio	**Score**	**Ratio**	**Score**	**Ratio**	**Score**	**Ratio**	**Score**	**Ratio**	**Score**
ROE %	11.99%	16	11.00%	14	9.94%	14	10.89%	14	11.06%	16
ROI %	34.91%	15	51.96%	15	50.66%	15	47.25%	15	31.54%	15
Cash Ratio %	99%	5	99%	5	62%	5	80%	5	89%	5
Current Ratio %	151%	5	152%	5	107%	3	127%	5	137%	5
Collection Period	42	5	48	5	49	5	43	5	46	5
ITO	5.88	1.2	5.54	1.2	4.96	1.2	5.06	1.2	5.28	1.8
TATO	30.72%	2	29.97%	2	30.94%	2	31.77%	2	19.79%	4.5
Equity/asset Ratio(%)	53.47%	8.5	53.17%	8.5	51.71%	8.5	56.34%	8.5	48.51%	9
Total Score		**57.7**		**55.7**		**53.7**		**55.7**		**61.3**

Table 10. The summary of the test result of PT. Indofood Sukses Makmur Tbk.

	Total Score	Weight	Total weight	Value	Level	Category
2016	57.7	70	82.43	80<TS<=95	AAA	Healthy
2017	55.7	70	79.57	65<TS<=80	AA	Healthy
2018	53.7	70	76.71	65<TS<=80	AA	Healthy
2019	55.7	70	79.57	65<TS<=80	AA	Healthy
2020	61.3	70	87.57	80<TS<=95	AAA	Healthy

CONCLUSION

The study showed the financial performance of the food and beverage industry in 2016 -2020 and was based on the decree of the Ministry of SOE's No. KEP-100/MBU/2002, since Indonesia has yet to have the financial measurement standard for private equity. This study only focuses on the big four of financial ratio measurement, profitability, liquidity, solvency, and activity ratio. The analysis result shows that PT. Mayora and PT. Indofood is experiencing stable financial performance in that period and having healthy financial performance in 2016-2020. Especially during the pandemic, both companies have increment in their net sales and net profit margin, compared to the other industry which faces downfall. Whereby, PT. Mayora is facing stable, healthy performance from 2016 – 2020 at AAA rating. PT. Indofood a little bit more fluctuates (AAA, AA, AA, AA, AAA), where they are facing difficulty in between 2017-2019 to the full fill their liabilities with their asset as well as cash. However, they are still managed to get back up and perform well to collect their cash and turn over their asset to increase sales and have more liquid.

Overall, it is proven that both companies are doing well and in healthy condition to support the government effort to push forward on industry 4.0. However, to support and monitor the effort of both companies, Indonesia's government is advised to have one policy on private equity financial measurement on performance and health as only 20% of players are moving forward with it due to significant investment (Simamora, Ekonomi, 2018) with slow positive growth by only 2.45% year by year (IndonesiaDevelopmentForum, 2021).

This policy is helping the government to understand private equity financing and how to help them financially or another effort, not only for the primary player but also a middle low player. This comparative study also adds insight to financial literature into how private companies do and manage their financial performance. It will help to maintain their game in the expansion of their business, decide to increase market share, and make a profit by one implementing industry 4.0 during the pandemic and the other are still in the process.

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