

ANALYSIS OF THE USE OF ECONOMIC VALUE ADDED (EVA) AND MARKET VALUE ADDED (MVA) METHODS TO ASSESS FINANCIAL PERFORMANCE AT PT. INDOFOOD SUKSES MAKMUR, TBK (INDF) PERIOD 2015-2019

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Abstract - This study aims to analyze and assess financial performance at PT. Indofood Sukses Makmur, Tbk (INDF) for the 2015-2019 period. In this research, the strategy used is a descriptive strategy with a quantitative approach, with the methods used in this research are the methods of economic value added (EVA) and market value added (MVA). During the study period from 2015-2019, the same EVA and MVA calculations were obtained. Where for the results of the EVA value obtained during that period is positive and fluctuates then for the results of the MVA value obtained during that period is also positive and fluctuates. During the 2015-2019 period, PT. Indofood Sukses Makmur, Tbk (INDF) has shown good performance for shareholders because of the positive value of EVA, which means that the company has succeeded in creating economic added value to shareholders. Where the value of EVA in 2015 was Rp. 2,702,601, in 2016 amounting to Rp. 1,325,471, in 2017 amounting to Rp. 2,442,350, in 2018 amounting to Rp. 3,448,018, and in 2019 amounting to Rp. 5,606,318. Then for the results of the MVA value obtained during the 2015-2019 period, PT. Indofood Sukses Makmur, Tbk (INDF) has generated positive market value added (MVA), which means that the company has been able to increase wealth for the company and the wealth of its shareholders. Where the MVA value in 2015 was Rp. 45,438,664,015,907, in 2016 amounting to Rp. 69,584,836,071,077, in 2017 amounting to Rp. 66,950,705,305,776, in 2018 amounting to Rp. 65,414,127,508,200, in 2019 amounting to Rp. 69,584,825,810,012.

Keywords: Economic Value Added (EVA), Market Value Added (MVA), and Financial Performance

I. PRELIMINARY

An investor who, before deciding to invest in investing or withdrawing the capital they have invested in a company, will definitely assess in advance how the company is performing, both in terms of financial, management, and human resources in it. Currently, industrial development in Indonesia is experiencing a significant increase. This is indicated by the large number of growth in domestic and foreign companies. Each company will always make innovations to achieve the company's going concern goals. Going concern is a condition in which the company as a business entity can operate in the future which is influenced by financial and non-financial conditions and will not be liquidated in the short term. This going concern not only creates profit in each period targeted by the company, but always creates value for the company. In order for the purpose of being implemented to become a company that is going concern, then every large and small company must be able to maintain the company it has founded for a long time. So that it can trigger the company to work hard to improve various competitive capabilities in all aspects of life. One of them is a public company engaged in food and beverage.

According to Law Number 40 of 2007 (Article 1) concerning Limited Liability Companies or Public Companies is a type of limited liability company whose shares have been owned by at least 300 (three hundred) shareholders and have a paid-up capital of at least IDR 3,000,000,000 (three billion rupiah) or an amount of shareholders and paid-in capital as stipulated by government regulations (ojk.go.id, 2017). However, when viewed from the current condition of the business industry, each company must be able to improve the performance of each of its companies. For every company that is established, it has the objective of financial management, namely to maximize wealth and prosperity for the company owners. Because the performance of a company really depends on how a manager manages finances and carries out activities in the company. Investors will be interested in companies that have a high level of return expected for the future relative to company risk. The most attractive companies are those that have a low level of risk with healthy financial performance.

II. THEORITICAL BASIS

2.1. Limited Liability Company (PT)

According to Law Number 40 of 2007 (Article 1) concerning Limited Liability Companies or Public Companies is a type of limited liability company whose shares have been owned by at least 300 (three hundred) shareholders and have a paid-up capital of at least IDR 3,000,000,000 (three billion rupiah) or an amount of shareholders and paid-in capital as stipulated by government regulations (ojk.go.id, 2017).

2.2. Financial Statement Analysis

According to the Indonesian Accounting Association (2012), financial statements are structures that present the financial position and financial performance of an entity. Financial statements are basically the result of an accounting process that can be used as a tool to communicate between financial data or company activities and parties with an interest in company data or activities. The objectives of financial reports according to the Indonesian Accounting Association in Financial Accounting Standards are:

a. Provides information concerning the financial position, financial performance and changes in the financial position of a company which is useful for a large number of users in making economic decisions.

b. Financial statements are prepared to meet the common needs of most users who generally describe the financial effects of past events.

c. The financial statements also show what management has done or is responsible for the entrusted resources.

According to Sutrisno (2016: 90), financial statements are the final result of the accounting process which includes two main reports, namely the balance sheet and income statement. Financial statements are prepared with the intention of providing financial information of a company to interested parties for consideration in making decisions.

2.3. Economic Value Added (EVA)

The Economic Value Added (EVA) method, which was first developed by Stewart and Stern, was a financial analysis from the Stern Stewart & Co company in 1989. The Economic Value Added (EVA) method aims to measure the company's investment performance and at the same time pay attention to the interests and expectations of funders. Namely creditors and shareholders. With the Economic Value Added (EVA) method, an actual economic calculation will be obtained because Economic Value Added (EVA) is calculated based on the weighted average cost of capital. This Economic Value Added (EVA) also assesses managerial effectiveness for a given year. According to Sumarsan (2013: 131), "Economic Value Added (EVA) is a measure of the success of company management in increasing the value added of the company".

2.4. Indicators in Measuring Economic Value Added (EVA)

According to Sumarsan (2013: 133) the indicators used in measuring Economic Value Added (EVA) can be interpreted as follows:

1. Economic Value Added (EVA) > 0 , which means that there has been economic value added in the company. If the greater the Economic Value Added generated, the expectations of the funders will be fulfilled.
2. Economic Value Added (EVA) < 0 , which means that the company has not succeeded in creating added economic value, because operating net income cannot meet the expectations of the funders.
3. Economic Value Added (EVA) $= 0$, indicating a break-even position, which means that the company is only able to generate sufficient profit to fulfill its obligations to funders, both creditors and shareholders.

2.5. Market Value Added (MVA)

Market Value Added (MVA) is the difference between the market value of a company's equity and book value as presented in the balance sheet or excess market value or book value of equity. The higher the MVA value, the better the work that management has done for the company's shareholders.

According to Syahirah & Lantania (2016) in their article, it explains that Market Value Added (MVA) is a means of measuring wealth created for investors by paying attention to the difference between the wealth that investors enter and what they can get. Then according to Eugene F. Brigham and Joel F. Houston (2018: 100), Market Value Added (MVA) is the excess of market value against book value.

2.6. Indicators in Measuring Market Value Added (MVA)

According to Stephen F. O'Byrne and Young (2012: 18), the indicators used in measuring Market Value Added (MVA) are as follows:

1. If Market Value added (MVA) > 0, or positive value, then this indicates that the company has succeeded in increasing the value of capital invested by the funder.
2. If the Market Value Added (MVA) < 0, or has a negative value, then this indicates that the company has not succeeded in increasing the value of capital invested by the funder.

2.7. Financial performance

Financial performance in a company can be seen and measured by analyzing the available financial reports. By analyzing financial statements, we can find out how the company's financial development and condition and the results that have been achieved from the company, both in the past and in the current time.

According to the Decree of the Minister of Finance of the Republic of Indonesia No.740 / KMK.00 / 1989 "Financial performance is an achievement achieved by a company in a certain period reflecting the health level of the company. The company's financial performance is one of the bases for assessing financial conditions that can be made based on analysis of financial ratios. "

III. RESEARCH METHODS

In this study, the strategy used by researchers is a descriptive strategy with a quantitative approach, because it only describes the company's financial condition through quantitative calculations and aims to provide an overview of the company's financial performance using the Economic Value Added (EVA) and Market Value Added (MVA) approaches. .

3.1. Population and Sample

Population according to Sugiyono (2016: 80), is a generalization area consisting of objects / subjects that have certain qualities and characteristics that are determined by researchers to study and then draw conclusions. This opinion becomes a reference for the author to determine the population. The main population in this study are companies that are included in the food & beverage sector listed on IDX while the target population is financial reports at PT. Indofood Sukses Makmur, Tbk.

Samples according to Sugiyono (2016: 81), the sample is part of the number and characteristics of the population. In this study the sample used is the income statement and financial position report of PT. Indofood Sukses Makmur which is available on the company's financial statements on the company's website link for the period 2015 to 2019.

3.2. Data and Data Collection Methods

In this study, the data used by researchers is secondary data, where the source of this research data is obtained through intermediary media or indirectly, both published and not publicly published. Secondary data is data that has been processed by institutions and is available so that the data has been published. We can get secondary data more easily and quickly because it is readily available, for example in companies, central statistical bureaus and government offices. In this study, data will be obtained from secondary data, namely the balance sheet and income statement published by the company PT. Indofood Sukses Makmur which is listed on the Indonesia Stock Exchange through the website www.idx.co.id and www.finance.yahoo.com. Researchers use methods in analyzing the financial statement data of the company PT. Indofood Sukses Makmur, Tbk. periodically from 2015 to 2019 to find out if there are changes and developments in the company's financial condition within the selected period.

3.3. Operationalization of Variables

In this study using a descriptive method with a quantitative approach, because it describes the development of the company's financial condition and stock price through the Economic Value Added (EVA) and Market Value Added (MVA) methods with the following calculations:

Tabel 3.1.
Operasionalisasi Variabel Penelitian

| Variabel | Dimensi | Indikator | Skala |
|------------------|-----------------------------------|--|-------|
| Kinerja Keuangan | <i>Economic Value Added (EVA)</i> | $\text{EVA} = \text{NOPAT} - \text{Capital Charge}$ <p style="text-align: center;">Or</p> $\text{EVA} = \text{NOPAT} - (\text{WACC} \times \text{Invested Capital})$ | Ratio |
| | <i>Market Value Added (MVA)</i> | $\text{MVA} = \text{Equity market value} - \text{the equity capital paid by shareholders}$ <p style="text-align: center;">Or</p> $\text{MVA} = (\text{number of shares outstanding} \times \text{share price}) - \text{Total value of equity}$ | Ratio |

IV. RESULTS AND DISCUSSION

4.1. Data Description

EVA is based on the notion of economic profit, namely the profit obtained from an economy contrary to an accounting perspective which requires a company to cover not only operating costs but also all capital costs. The concept of EVA is where the income of a company must include operating costs and capital costs including the cost of financial equity.

In this study, the calculation of the EVA and MVA values of PT. Indofood Sukses Makmur, Tbk (INDF) in the 2015-2019 period was carried out using a calculation method (Sumarsan, 2013). The data used comes from the balance sheet and income statement issued by PT. Indofood Sukses Makmur, Tbk (INDF).

4.1.1. Data operating income and income tax of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

The data used to calculate the Net Operating Profit After Tax (NOPAT) of PT. Indofood Sukses Makmur, Tbk can be seen in the following table:

Table 4.1. Data operating income and income tax of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019.

*dalam Jutaan rupiah

| Years | EBIT | Income Tax |
|-------|--------------|--------------|
| 2015 | Rp 7.362.895 | Rp 1.730.371 |
| 2016 | Rp 8.285.007 | Rp 2.532.747 |
| 2017 | Rp 8.747.502 | Rp 2.513.491 |

| | | | | |
|------|----|-----------|----|-----------|
| 2018 | Rp | 9.143.020 | Rp | 2.485.115 |
| 2019 | Rp | 9.831.024 | Rp | 2.846.668 |

Sumber: Laporan keuangan PT. Indofood Sukses Makmur, Tbk (INDF) 2015-2019

4.1.2. Payable and Equity Data of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

The data used for the calculation of the invested capital (IC) of PT. Indofood Sukses Makmur, Tbk (INDF) can be seen in the following table:

Table 4.2. Debt and equity data of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

*dalam Jutaan rupiah

| Years | Total Debt | Total Equity | Debt + Equity |
|-------|---------------|---------------|---------------|
| 2015 | Rp 48.709.933 | Rp 43.121.593 | Rp 91.831.526 |
| 2016 | Rp 38.233.092 | Rp 43.941.423 | Rp 82.174.515 |
| 2017 | Rp 41.182.764 | Rp 46.756.726 | Rp 87.939.490 |
| 2018 | Rp 46.620.996 | Rp 49.916.800 | Rp 96.537.796 |
| 2019 | Rp 41.996.071 | Rp 54.202.488 | Rp 96.198.559 |

Sumber: Laporan keuangan PT. Indofood Sukses Makmur, Tbk (INDF) 2015-2019

4.1.3. Data on interest expense, debt, tax expense and EBIT of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

The data that will be used in calculating or obtaining the cost of debt (Kd) value at PT. Indofood Sukses Makmur, Tbk (INDF) can be seen in the following table:

Table 4.3. Data on interest expense, debt, tax expense and EBIT of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

*dalam jutaan rupiah

| Years | Interest Expense | Total Debt | Tax Expense | EBIT |
|-------|------------------|---------------|--------------|--------------|
| 2015 | Rp 2.665.675 | Rp 25.107.538 | Rp 1.730.371 | Rp 7.362.895 |
| 2016 | Rp 1.574.152 | Rp 19.219.441 | Rp 2.532.747 | Rp 8.285.007 |
| 2017 | Rp 1.486.027 | Rp 21.637.763 | Rp 2.513.491 | Rp 8.747.502 |
| 2018 | Rp 2.022.215 | Rp 31.204.102 | Rp 2.485.115 | Rp 9.143.020 |
| 2019 | Rp 1.727.018 | Rp 24.686.862 | Rp 2.846.668 | Rp 9.831.024 |

Sumber: Laporan keuangan PT. Indofood Sukses Makmur, Tbk (INDF) 2015-2019

4.1.4. Beta data, Rf, and Km PT. Indofood Sukses Makmur Tbk. (INDF) for the 2015-2019 period

In this study, the cost of equity (kcs) is calculated using the Capital Asset Pricing Model (CAPM) approach where the Risk Free Rate here we use is the latest BI rate data of Rf = 4.00% as of 17 September 2020, the reason for using the data. latest because they best describe current conditions. Furthermore, β (beta) can be calculated with the formula in Microsoft Excel, namely =

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SLOPE (data_y, data_x) where the y data here is the stock return and for the x data is the JCI return. Then for the value of market return (Km) here, what I use is the value of corporate loan interest rates at BNI banks during the required research period because this BNI bank is a bank registered and supervised by the Financial Services Authority (OJK) and is owned by the government.

Table 4.4. Stock price data and IHSG of PT. Indofood Sukses Makmur, Tbk for the period 2015-2019.

| Harga Saham | | | | | IHSG | | | | | Return IHSG(%) | | | | | Return Saham (%) | | | | |
|-------------|------|------|------|------|---------|---------|---------|---------|---------|----------------|-------|-------|-------|-------|------------------|---------|--------|---------|---------|
| 2015 | 2016 | 2017 | 2018 | 2019 | 2015 | 2016 | 2017 | 2018 | 2019 | 2015 | 2016 | 2017 | 2018 | 2019 | 2015 | 2016 | 2017 | 2018 | 2019 |
| 5175 | 7925 | 7625 | 7450 | 7925 | 4593,01 | 5296,71 | 6355,65 | 6194,50 | 6299,54 | | | | | | | | | | |
| 4875 | 7575 | 7325 | 6600 | 7950 | 4446,46 | 5148,91 | 5952,14 | 6056,12 | 6011,83 | -0,03 | -0,03 | -0,06 | -0,02 | -0,05 | -6,15% | -4,62% | -4,10% | -12,88% | 0,31% |
| 5525 | 8500 | 8200 | 5975 | 7700 | 4455,18 | 5422,54 | 6005,78 | 5831,65 | 6228,32 | 0,00 | 0,05 | 0,01 | -0,04 | 0,04 | 11,76% | 10,88% | 10,67% | -10,46% | -3,25% |
| 5500 | 8700 | 8425 | 5900 | 7700 | 4223,91 | 5364,80 | 5900,85 | 5976,55 | 6169,10 | -0,05 | -0,01 | -0,02 | 0,02 | -0,01 | -0,45% | 2,30% | 2,67% | -1,27% | 0,00% |
| 5125 | 7925 | 8375 | 6375 | 7925 | 4509,61 | 5386,08 | 5864,06 | 6018,46 | 6328,47 | 0,07 | 0,00 | -0,01 | 0,01 | 0,03 | -7,32% | -9,78% | -0,60% | 7,45% | 2,84% |
| 6100 | 8325 | 8375 | 6350 | 7075 | 4802,53 | 5215,99 | 5840,94 | 5936,44 | 6390,50 | 0,06 | -0,03 | 0,00 | -0,01 | 0,01 | 15,98% | 4,80% | 0,00% | -0,39% | -12,01% |
| 6575 | 7250 | 8600 | 6650 | 7025 | 4910,66 | 5016,65 | 5829,71 | 5799,24 | 6358,63 | 0,02 | -0,04 | 0,00 | -0,02 | 0,00 | 7,22% | -14,83% | 2,62% | 4,51% | -0,71% |
| 7300 | 6925 | 8750 | 7075 | 6600 | 5216,38 | 4796,87 | 5738,15 | 5983,59 | 6209,12 | 0,06 | -0,04 | -0,02 | 0,03 | -0,02 | 9,93% | -4,69% | 1,71% | 6,01% | -6,44% |
| 6750 | 7125 | 8375 | 6975 | 6950 | 5086,42 | 4838,58 | 5685,30 | 5994,60 | 6455,35 | -0,02 | 0,01 | -0,01 | 0,00 | 0,04 | -8,15% | 2,81% | -4,48% | -1,43% | 5,04% |
| 7450 | 7225 | 8000 | 7200 | 6425 | 5518,67 | 4845,37 | 5568,11 | 6188,99 | 6468,75 | 0,08 | 0,00 | -0,02 | 0,03 | 0,00 | 9,40% | 1,38% | -4,69% | 3,13% | -8,17% |
| 7400 | 7050 | 8125 | 7575 | 7075 | 5450,29 | 4770,96 | 5386,69 | 6597,22 | 6443,35 | -0,01 | -0,02 | -0,03 | 0,07 | 0,00 | -0,68% | -2,48% | 1,54% | 4,95% | 9,19% |
| 7550 | 6200 | 7925 | 7750 | 7750 | 5289,40 | 4615,16 | 5294,10 | 6605,63 | 6532,97 | -0,03 | -0,03 | -0,02 | 0,00 | 0,01 | 1,99% | -13,71% | -2,52% | 2,26% | 8,71% |

Sumber: www.finance.yahoo.com

Tabel 4.5. Data beta (β) dan market return (Km) PT. Indofood Sukses Makmur, Tbk (INDF) periode 2015-2019.

| Years | Beta (%) | Km |
|-------|----------|--------|
| 2015 | 0,87 | 10,50% |
| 2016 | 1,83 | 9,95% |
| 2017 | 1,25 | 11,30% |
| 2018 | 1,30 | 9,95% |
| 2019 | 0,41 | 9,95% |

Sumber: Tabel 4.4. dan diolah

4.1.5. Data on the proportion of long-term debt and equity of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

The next data used is the data on the proportion of debt (Wd) and the proportion of equity (Wcs) which are used to obtain the value of the Weighted Average Cost of Capital (WACC). Below is a data table for getting the proportion of debt and equity.

Table 4.6. Data on the proportion of debt and equity of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019.

*dalam jutaan rupiah

| Years | Long Term Debt (a) | Total Equity (b) | Long-term Debt + equity (c) = (a) + (b) |
|-------|-----------------------|---------------------|---|
|-------|-----------------------|---------------------|---|

| | | | | | | |
|------|----|------------|----|------------|----|------------|
| 2015 | Rp | 16.893.952 | Rp | 43.121.593 | Rp | 60.015.545 |
| 2016 | Rp | 11.887.855 | Rp | 43.941.423 | Rp | 55.829.278 |
| 2017 | Rp | 11.607.093 | Rp | 46.756.726 | Rp | 58.363.819 |
| 2018 | Rp | 7.489.575 | Rp | 49.916.800 | Rp | 57.406.375 |
| 2019 | Rp | 8.954.976 | Rp | 54.202.488 | Rp | 63.157.464 |

Sumber: Laporan keuangan PT. Indofood Sukses Makmur, Tbk (INDF) 2015-2019

Discussion

The steps taken in determining Economic Value Added (EVA) and Market Value Added (MVA) are as follows:

4.2.1. Analysis of NOPAT PT. Indofood Sukses Makmur, Tbk for the period 2015-2019

NOPAT (Net Operating Profit After Tax) is the profit obtained from the company's operations after deducting income tax, but includes financial costs.

Table 4.7. Net Operating Profit After Tax (NOPAT)

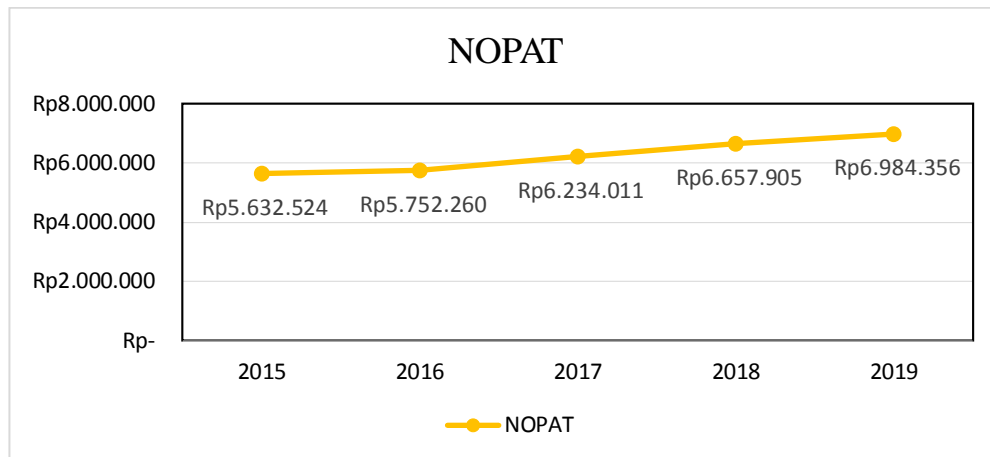
*dalam jutaan rupiah

| <i>Net Operating Profit After Tax (NOPAT)</i> | | | | | |
|---|-------------|-----------|-------------------|-----------|------------------------|
| Years | EBIT (a) | | Income Tax (b) | | NOPAT (c) = (a)-(b) |
| 2015 | Rp | 7.362.895 | Rp | 1.730.371 | Rp 5.632.524 |
| 2016 | Rp | 8.285.007 | Rp | 2.532.747 | Rp 5.752.260 |
| 2017 | Rp | 8.747.502 | Rp | 2.513.491 | Rp 6.234.011 |
| 2018 | Rp | 9.143.020 | Rp | 2.485.115 | Rp 6.657.905 |
| 2019 | Rp | 9.831.024 | Rp | 2.846.668 | Rp 6.984.356 |

Sumber: tabel 4.1. data diolah

Based on table 4.7. from the calculation of the net operating profit after tax (NOPAT) above shows that PT. Indofood Sukses Makmur, Tbk is quite optimal in carrying out its business operations this is because PT. Indofood Sukses Makmur, Tbk (INDF) has a NOPAT value which can increase from 2015 to 2019. The lowest NOPAT value occurred in 2015, namely Rp. 5,632,524, while the highest occurred in 2019 amounting to Rp. 6,984,356, meaning this could indicate an increase in the NOPAT value in 2019 from the previous year, namely 2015 to 2018. This is because the income obtained from the company has increased even though other financial costs also tend to increase but the increase is not greater than the increase. income so that the company can get an increase in operating income or profit before tax.

The results of NOPAT calculations have been obtained from 2015 to 2019 at PT. Indofood Sukses Makmur, Tbk (INDF) is in a good position, this is because NOPAT is the net profit after tax, therefore the NOPAT value will have a positive impact on the EVA value.



Gambar 4.1. Perkembangan NOPAT PT. Indofood Sukses Makmur, Tbk (INDF) Periode 2015-2019.

4.3.2. Invested Capital Analysis of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

The next step in calculating EVA is to calculate the value of the invested capital (IC) the company receives.

Tabel 4.8. Invested Capital (IC)

*dalam jutaan rupiah

| Years | Total Debt + Equity (a) | Short Term Debt (b) | Invested Capital (c) = (a) – (b) |
|-------|----------------------------|------------------------|-------------------------------------|
| 2015 | Rp 91.831.526 | Rp 14.320.331 | Rp 77.511.195 |
| 2016 | Rp 82.174.515 | Rp 14.382.958 | Rp 67.791.557 |
| 2017 | Rp 87.939.488 | Rp 18.874.630 | Rp 69.064.858 |
| 2018 | Rp 96.537.796 | Rp 26.095.856 | Rp 70.441.940 |
| 2019 | Rp 96.198.559 | Rp 23.670.248 | Rp 72.528.311 |

Sumber: tabel 4.2. dan data diolah

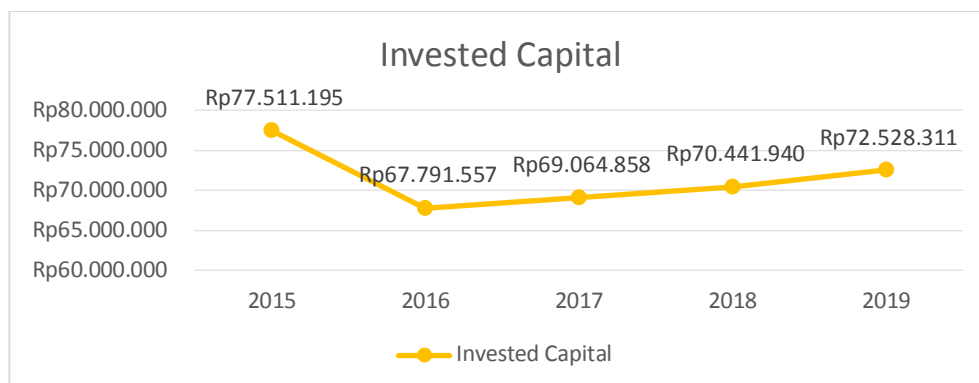
Judging from table 4.8. above the invested capital value generated by PT. Indofood Sukses Makmur, Tbk (INDF) fluctuated from 2015 to 2019. Where in 2015, the value of invested capital obtained by PT. Indofood Sukses Makmur, Tbk amounting to Rp. 77,511,195, which is the highest value during the calculation period, this is because the number of short-term debts held is quite low, namely Rp. 14,320,331 but the figure on the total debt and equity is high, namely Rp. 91.831,256.

In 2016, the invested capital value obtained by PT. Indofood Sukses Makmur, Tbk amounting to Rp. 67,791,557, which is the lowest value during the calculation period. This is due to the low value of debt and equity held by PT. Indofood is only Rp. 82,174,515.

In 2017, the invested capital value obtained by PT. Indofood Sukses Makmur, Tbk has increased from the previous year to Rp. 69,064,858. This is due to the increase in the value of total debt & equity and short-term debt from the previous year amounting to Rp. 87,939,488 and Rp. 18,874,630.

Then in 2018 the invested capital value obtained by PT. Indofood Sukses Makmur, Tbk has increased to Rp. 70,441,940, this happened even though the short-term debt value was greater than the previous year to Rp. 26,095,856 but total debt and equity increased to Rp. 96,537,796.

Then in 2019, the invested capital value obtained by PT. Indofood Sukses Makmur, Tbk increased to Rp. 72,528,311, this happened because of a decrease in the value of short-term debt obtained from the previous year amounting to Rp. 23,670,248. For more details, see Figure 4.2. the following.



Gambar 4.2. Perkembangan nilai *Invested Capital* PT. Indofood Sukses Makmur, Tbk (INDF) Periode 2015-2019.

4.3.3. Analysis of the cost of debt (Kd) of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

Below are the results of the calculation of the cost of debt (Kd) of PT. Indofood Sukses Makmur, Tbk (INDF) can be seen in table 4.11, but first, we must first look for the value of the tax rate (t) and the value of the interest rate (Kd *) contained in table 4.9 and table 4.10.

Table 4.9. Interest Rate (Kd*)

*dalam jutaan rupiah

| Years | Interest Expense (a) | Total Debt (b) | Kd* (%) (c) = (a)/(b)*100% |
|-------|-------------------------|-------------------|-------------------------------|
| 2015 | Rp 2.665.675 | Rp 48.709.933 | 5,47% |
| 2016 | Rp 1.574.152 | Rp 38.233.092 | 4,12% |
| 2017 | Rp 1.486.027 | Rp 41.182.764 | 3,61% |
| 2018 | Rp 2.022.215 | Rp 46.620.996 | 4,34% |
| 2019 | Rp 1.727.018 | Rp 41.996.071 | 4,11% |

Sumber: tabel 4.3. data diolah

After obtaining the interest rate (Kd *) then we can calculate or find the value of the tax rate (t) used by PT. Indofood Sukses Makmur, Tbk (INDF) every year.

Tabel 4.10. Tax

*dalam jutaan rupiah

| Years | Tax Expense (a) | Net Income Before Tax (b) | Tax Rates (c) = (a)/(b)*100% |
|-------|--------------------|------------------------------|---------------------------------|
| 2015 | Rp 1.730.371 | Rp 4.962.084 | 34,87% |
| 2016 | Rp 2.532.747 | Rp 7.385.228 | 34,29% |
| 2017 | Rp 2.513.491 | Rp 7.658.554 | 32,82% |
| 2018 | Rp 2.485.115 | Rp 7.446.966 | 33,37% |
| 2019 | Rp 2.846.668 | Rp 8.749.397 | 32,54% |

Sumber: tabel 4.3. data diolah

After knowing how much the value of the tax rate at PT. Indofood Sukses Makmur, Tbk (INDF), then the next step is to find out the results of the calculation of the cost of debt (Kd) in the table below.

Tabel 4.11. Cost of Debt (Kd)

| Years | Kd* (a) | Tax rates (1-t) (b) | Kd (c) = (a) x (b) |
|-------|------------|------------------------|-----------------------|
| 2015 | 5,47% | 0,65 | 3,56% |
| 2016 | 4,12% | 0,66 | 2,71% |
| 2017 | 3,61% | 0,67 | 2,43% |
| 2018 | 4,34% | 0,67 | 2,89% |
| 2019 | 4,11% | 0,67 | 2,77% |

Sumber: tabel 4.9 dan tabel 4.10 data diolah

In table 4.11. it can be seen that the Cost of Debt (Kd) of PT. Indofood Sukses Makmur, Tbk (INDF) the occurrence fluctuated from year to year during the study period. The lowest Cost of Debt was in 2017 at 2.43% and the highest was in 2015 at 3.56%.

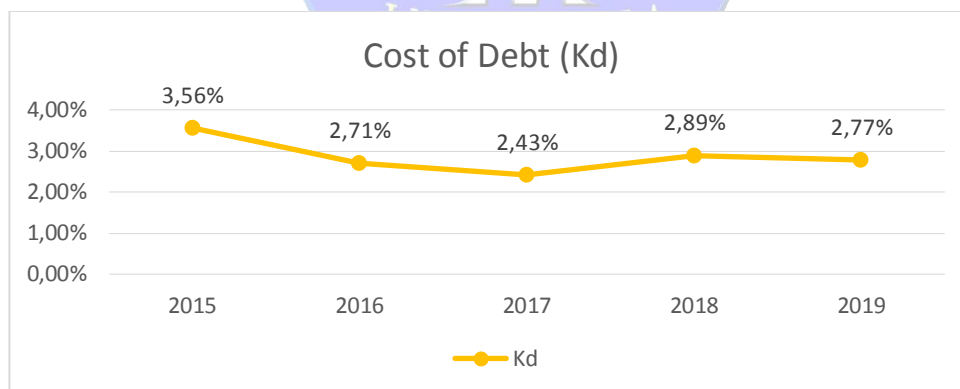
In 2015, the resulting cost of debt was the highest value during the study period at 3.56%, this was due to the small value of the interest expense of Rp. 2,665,675 which is much lower than the total debt value of Rp. 48,709,933.

In 2016 there was a decrease in the value of the cost of debt, namely to 2.71%, this is because the value of interest expense and total debt decreased from the previous year, namely Rp. 1,574,152 and Rp. 38,233.092.

Then in 2017, the resulting cost of debt was the lowest value during the study period, namely 2.43%, this is due to the small value of the interest expense earned from the previous year to Rp. 1,486,027 but the total debt value increased to Rp. 41,182,764.

Furthermore, in 2018, the resulting cost of debt increased from the previous year to 2.89%, this is because the value of interest expense and total debt earned also increased from the previous year, which was Rp. 2,022,215 and 46,620,996.

Then in 2019, the value of the cost of debt was low compared to the previous year, which was 2.77%, this happened because the value of interest expense and total debt decreased from the previous year which was Rp. 1,727,018 and Rp. 41,996,071.



Gambar 4.3. Perkembangan *cost of debt* (Kd) PT. Indofood Sukses Makmur, Tbk (INDF) periode 2015-2019.

4.3.4. Analysis of Cost of Equity approach CAPM (Kcs) PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019

Following are the results of the calculation of the cost of equity at PT. Indofood Sukses Makmur, Tbk (INDF) can be seen in the table below. Where the risk free rate (Krf), beta (β) and market return (Km) have been calculated in table 4.5, and then we will calculate the cost of equity value as follows:

Tabel. 4.12. Cost of Equity (Kcs)

| Years | Risk Free (Krf) (a) | Beta (b) | Return Market (Km) (c) | Cost of Equity (Kcs) (d) = {(a+b)*(c-a)} |
|-------|------------------------|-------------|---------------------------|---|
| 2015 | 4,00% | 0,87 | 10,50% | 5,92% |
| 2016 | 4,00% | 1,83 | 9,95% | 11,13% |
| 2017 | 4,00% | 1,25 | 11,30% | 9,42% |
| 2018 | 4,00% | 1,30 | 9,95% | 7,97% |
| 2019 | 4,00% | 0,41 | 9,95% | 2,68% |

Sumber: tabel 4.5 data diolah

In the table above is the result of the cost of equity of PT. Indofood Sukses Makmur, Tbk (INDF) during the 2015-2019 period fluctuated where the lowest value was obtained in 2019 of 2.68% and the highest in 2016 of 11.13%. However, in 2015, the cost of equity was 5.92% and increased in 2016 to 11.13%. Then in 2017, the cost of equity obtained decreased from the previous year to 9.42%. Furthermore, for 2018 there was also a decrease from the previous year in the resulting cost of equity, which was 7.97%. Then the last one in 2019, the result of the cost of equity obtained was the lowest value and experienced a significant decrease from the previous year, which was 2.68%. This happens because the low beta value obtained in 2019 has a small value compared to other years, starting from 2015-2018 which is 0.41.

4.3.5. Analysis of the Weighted Average Cost of Capital (WACC) PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019.

To be able to get the results of the weighted average cost of capital (WACC), PT. Indofood Sukses Makmur, Tbk (INDF), we must determine the results of the cost of debt (Kd) and the cost of equity (Kcs) first, which is shown in table 4.11. and table 4.12. above. Then the next step is to find the proportion of debt and proportion of equity to get the value of the weighted average cost of capital (WACC). The following table shows the results of the proportion of debt or weight of debt (Wd).

Tabel 4.13. Debt Weight (Wd)

*dalam jutaan rupiah

| Years | Long Term Debt (a) | Total Long Term Debt and Equity (b) | Debt weight (Wd) (c) = (a)/(b)*100% |
|-------|-----------------------|--|--|
| 2015 | Rp 16.893.952 | Rp 60.015.545 | 28,15% |
| 2016 | Rp 11.887.855 | Rp 55.829.278 | 21,29% |
| 2017 | Rp 11.607.093 | Rp 58.363.817 | 19,89% |
| 2018 | Rp 7.489.575 | Rp 57.406.375 | 13,05% |
| 2019 | Rp 8.954.976 | Rp 63.157.464 | 14,18% |

Sumber: tabel 4.6. data diolah

From the table 4.13 above, it can be seen that the highest proportion of debt or debt weight owned by PT. Indofood Sukses Makmur, Tbk (INDF) is in 2015 with a percentage of 28.15%, this is because the total long-term debt in 2015 is higher than the other years of Rp. 16,893,952 and the

lowest debt weight was in 2018 at 13.05%, where the total long-term debt held at that time was quite low among other years, namely Rp. 7,489,575.

Next we look for the result of the proportion of equity or weighted equity (Wcs). The following table shows the results of the proportion of equity or equity weight.

Tabel 4.14. Equity Weight (Wcs)

*dalam jutaan rupiah

| Years | Total Equity (a) | Total Debt and Equity (b) | Equity Weight (Wcs) (c) = (a)/(b)*100% |
|-------|---------------------|------------------------------|--|
| 2015 | Rp 43.121.593 | Rp 91.831.526 | 46,96% |
| 2016 | Rp 43.941.423 | Rp 82.174.515 | 53,47% |
| 2017 | Rp 46.756.724 | Rp 87.939.488 | 53,17% |
| 2018 | Rp 49.916.800 | Rp 96.537.796 | 51,71% |
| 2019 | Rp 54.202.488 | Rp 96.198.559 | 56,34% |

Sumber: tabel 4.6. data diolah

From table 4.14 above, it can be seen that the lowest proportion of equity or equity weight was in 2015 with a percentage of 46.96% where total equity in 2015 was Rp. 43,121,593 (in million rupiah) and the highest equity weighting was in 2019 with a percentage of 56.34% where the total equity in 2019 was Rp. 54,202,488 (in million rupiah).

After getting the value of the debt weight and equity weight, then the next step we can find the WACC results.

Tabel 4.15. Weighted Average Cost of Capital (WACC)

| Years | Kd (a) | Wd (b) | Kcs (c) | Wcs (d) | WACC (e) = {(a*b)+(c*d)} |
|-------|-----------|-----------|------------|------------|-----------------------------|
| 2015 | 3,56% | 28,15% | 5,92% | 46,96% | 3,78% |
| 2016 | 2,71% | 21,29% | 11,13% | 53,47% | 6,53% |
| 2017 | 2,43% | 19,89% | 9,42% | 53,17% | 5,49% |
| 2018 | 2,89% | 13,05% | 7,97% | 51,71% | 4,50% |
| 2019 | 2,77% | 14,18% | 2,68% | 56,34% | 1,90% |

Sumber: tabel 4.11 sampai 4.14 data diolah

Judging from the table 4.15 above, it can be seen that the WACC value of PT. Indofood Sukses Makmur, Tbk, the lowest was obtained in 2019 with a percentage of 1.90% and the highest was obtained in 2016 with a percentage of 6.53%.

In 2015, PT. Indofood Sukses Makmur, Tbk has a WACC value of 3.78% consisting of 3.56% cost of debt (Kd), 28.15% debt weight (Wd), 5.92% cost of equity (Kcs), and equity weight (Wcs) of 46.96%.

In 2016, PT. Indofood Sukses Makmur, Tbk has a WACC value of 6.53%, an increase of 2.75% from the previous year, this is due to the increase in the value of the cost of equity (Kcs) from the previous year to 11.13% and the weight of equity to 53.47% although the cost of debt and debt weight decreased from the previous year.

In 2017, PT. Indofood Sukses Makmur, Tbk has a WACC value of 5.49%, decreased by 1.04% from the previous year, this is due to the decrease in the value of the cost of equity (Kcs) from the previous year to 9.42% and the weight of equity to 53.17%.

In 2018, PT. Indofood Sukses Makmur, Tbk has a WACC value of 4.50%, a decrease of 0.99% from the previous year, this is due to the decrease in the value of the cost of equity (Kcs) from the previous year to 7.97% and the weight of equity to 51.71 %.

Then in 2019, PT. Indofood Sukses Makmur, Tbk has a WACC value of 1.90% which is the lowest value during the study period, this is due to the decrease in the value of the cost of equity (Kcs) from the previous year to 2.68% even though the weight of equity increased from the previous year to 56.34%.

4.3.6. Economic Value Added (EVA) Analysis of PT. Indofood Sukses Makmur, Tbk (INDF) for the period 2015-2019.

After obtaining the cost of debt (Kd), debt weight (Wd), cost of equity (Kcs), equity weight (Wcs) and the WACC value are known, an Economic Value Added (EVA) assessment can be carried out. This EVA is obtained from the calculation of the net operating profit after tax (NOPAT) minus the capital charge (CC).

Below are the results of the EVA calculation for the company PT. Indofood Sukses Makmur, Tbk (INDF) for 5 years (2015-2019).

Tabel 4.16. Economic Value Added (EVA)

*dalam jutaan rupiah

| Years | NOPAT (a) | WACC (b) | IC (c) | EVA (d) = (a) - {(b*c)} |
|-------|--------------|-------------|---------------|----------------------------|
| 2015 | Rp 5.632.524 | 3,78% | Rp 77.511.195 | Rp 2.702.601 |
| 2016 | Rp 5.752.260 | 6,53% | Rp 67.791.557 | Rp 1.325.471 |
| 2017 | Rp 6.234.011 | 5,49% | Rp 69.064.858 | Rp 2.442.350 |
| 2018 | Rp 6.657.905 | 4,50% | Rp 70.441.940 | Rp 3.488.018 |
| 2019 | Rp 6.984.356 | 1,90% | Rp 72.528.311 | Rp 5.606.318 |

Sumber: tabel 4.7, tabel 4.15, dan tabel 4.2 data diolah

Based on the calculation of table 4:16 above, it can be seen that PT. Indofood Sukses Makmur, Tbk from 2015 to 2019 produced positive economic value added (EVA) or $EVA > 0$ and fluctuated. This means that the company has provided added value for shareholders and proves that managers have been optimal in creating added value in the company and using its appropriate capital structure. The lowest EVA value was in 2016, namely Rp. 1,325,471 and the highest value was in 2019 amounting to Rp. 5,606,318.

The value of EVA in 2015 was Rp. 2,702,601. Furthermore, the value of EVA in 2016 decreased from the previous year of Rp. 1,377,130 then it becomes Rp. 1,325,471. Then the value of EVA in 2017 increased from the previous year of Rp. 1,116,879 it becomes Rp. 2,442,350. Whereas in 2018 the resulting EVA value was Rp. 3,488,018 more than Rp. 1,045,668 from the previous year and the last one in 2019 had the highest EVA value of Rp. 5,606,318 (in million rupiah).

4.3.7. Market Value Added (MVA)

Market Value Added (MVA) is defined as the difference between the market value of a company's equity and the value of equity supplied by its investors. The market value of equity or market value added in a certain period is calculated and is the result of multiplying the number of shares outstanding and the share price per share, the market value of the shares, or often referred to as the market capitalization value of the company's shares. Equity capital supplied can be calculated from the multiplication of the number of shares outstanding at a certain time with the market price of shares per share.

Tabel 4.17. The value of company

*dalam jutaan rupiah

ANALYSIS OF THE USE OF ECONOMIC VALUE ADDED (EVA) AND MARKET VALUE ADDED (MVA) METHODS TO ASSESS FINANCIAL PERFORMANCE AT PT. INDOFOOD SUKSES MAKMUR, TBK (INDF) PERIOD 2015-2019

| Value of Company | | | |
|------------------|----------------------------------|-----------------|----------------------------------|
| Years | Number of shares outstanding (a) | Stock Price (b) | Value of Company (c) = (a) x (b) |
| 2015 | 8.780.426.500 | Rp 5.175 | Rp 45.438.707.137.500 |
| 2016 | 8.780.426.500 | Rp 7.925 | Rp 69.584.880.012.500 |
| 2017 | 8.780.426.500 | Rp 7.625 | Rp 66.950.752.062.500 |
| 2018 | 8.780.426.500 | Rp 7.450 | Rp 65.414.177.425.000 |
| 2019 | 8.780.426.500 | Rp 7.925 | Rp 69.584.880.012.500 |

Sumber: Laporan keuangan PT. Indofood Sukses Makmur, Tbk (INDF) 2015-2019

Based on the calculation results in table 4:17 above, it can be seen that the company value obtained by PT. Indofood Sukses Makmur, Tbk gave a fairly good value and experienced fluctuations. In 2015, the company value of PT. Indofood Sukses Makmur, Tbk is the lowest value for the last 5 (five) years, which is Rp. 45,438,707,137,500. This happens because there is a change in the price of shares owned which is decreasing to Rp. 5,175.

In 2016 and 2019, the company value of PT. Indofood Sukses Makmur, Tbk had the highest number during the calculation in the period 2015 to 2019. In 2016 and 2019 the company value obtained was Rp. 69,584,880,012,500. This happens because of the change in the price of shares owned, which has increased from the previous year to Rp. 7,925.

In 2017, the company value of PT. Indofood Sukses Makmur, Tbk received Rp. 66,950,752,062,500, this happened because of a change in the company's stock price which was decreasing from the previous year to Rp. 7,625.

In 2018, the company value of PT. Indofood Sukses Makmur, Tbk received Rp. 65,414,177,425,000, this happened because of a change in the company's stock price which was decreasing from the previous year to Rp. 7,450.

Tabel 4.18. Market Value Added (MVA)

*dalam jutaan rupiah

| Years | Value of Company (a) | Total Equity (b) | MVA (c) = (a) – (b) |
|-------|-----------------------|------------------|-----------------------|
| 2015 | Rp 45.438.707.137.500 | Rp 43.121.593 | Rp 45.438.664.015.907 |
| 2016 | Rp 69.584.880.012.500 | Rp 43.941.423 | Rp 69.584.836.071.077 |
| 2017 | Rp 66.950.752.062.500 | Rp 46.756.724 | Rp 66.950.705.305.776 |
| 2018 | Rp 65.414.177.425.000 | Rp 49.916.800 | Rp 65.414.127.508.200 |
| 2019 | Rp 69.584.880.012.500 | Rp 54.202.488 | Rp 69.584.825.810.012 |

Sumber: tabel 4.17 data diolah

Based on the results of the above calculations in table 4:18. it can be seen that PT. Indofood Sukses Makmur, Tbk. starting from 2015 to 2019, resulted in positive market value added (MVA) or $MVA > 0$ and fluctuated. This is because the calculation of company value is influenced by the stock market price given by the company. If the given stock market price is experiencing an increase, the resulting company value will get a large enough number and vice versa, if the stock price given is decreasing or has a low number, the resulting company value will also get a low number. And the size of the market value added (MVA) value that occurs is due to the difference between the nominal value and the stock market value.

With the company PT. Indofood Sukses Makmur, Tbk, which gives an MVA value > 0 or a positive value, this shows that the company has succeeded in increasing the value of the capital invested by the funder. The greater the MVA value obtained, it shows an indication that the MVA value is getting better. So it can be said that if the resulting MVA value is positive, it shows that the company has succeeded in increasing the value of capital invested in long-term debt.

In 2015, PT. Indofood Sukses Makmur, Tbk has the lowest MVA value during the period 2015 to 2019, namely Rp. 45,438,664,015,907.

In 2016, PT. Indofood Sukses Makmur, Tbk had the highest MVA value during the period 2015 to 2019 and an increase of Rp. 24,146,172,055,170 then it becomes Rp. 69,584,836,071,077,

In 2017, PT. Indofood Sukses Makmur, Tbk experienced a decrease in the MVA value from the previous year of Rp. 2,634,130,765,301 then it becomes Rp. 66,950,705,305,776.

In 2018, PT. Indofood Sukses Makmur, Tbk experienced another decline in the MVA value given from the previous year which was Rp. 1,536,577,797,576 then it becomes Rp. 65,414,127,508,200.

In 2019, PT. Indofood Sukses Makmur, Tbk experienced an increase in the MVA value which was obtained which was Rp. 4,170,698,301,812 from the previous year it became Rp. 69,584,825,810,012.

V. CONCLUSION

5.1. Conclusion

Based on research and analysis of Economic Value Added (EVA) and Market Value Added (MVA) at PT. Indofood Sukses Makmur, Tbk (INDF) which has been explained as in the previous chapter, the following conclusions can be conveyed from the results of the researchers as follows:

1. During the 2015-2019 period, PT. Indofood Sukses Makmur, Tbk (INDF) obtained the results of the calculation of economic value added (EVA) where the results obtained during that period fluctuated with a value of $EVA > 0$ or positive, which means that the company has succeeded in creating economic value added because operating net income can meet expectations for shareholders and produce good performance for shareholders.
2. Based on the calculation of the cost of debt generated by PT. Indofood Sukses Makmur, Tbk (INDF) in 2015 had a cost of debt value of 11.29%. In 2016, the cost of debt decreased to 8.28%, which is lower than the previous year. In 2017, the cost of debt also decreased to 7.60%. However, in 2018 the company experienced an increase in the value of the cost of debt to 13.12%. And in 2019 there was a decrease in the value of the cost of debt to 9.98%. Calculation of the cost of capital (cost of equity) generated by PT. Indofood Sukses Makmur, Tbk during the 2015-2019 period also experienced fluctuations, where in 2015 the percentage of the cost of capital owned was 8.60%, in 2016 it increased to 11.99%, in 2017 and 2018 it decreased to be amounting to 11.00% and 9.94%, then in 2019 the percentage of the cost of capital in the company has increased to 10.89%.
3. During the 2015-2019 period, PT. Indofood Sukses Makmur, Tbk (INDF) has produced market value added (MVA) where the results obtained during this period fluctuate and have an $MVA > 0$ or positive value, which means that the company has been able to increase the wealth and value of capital invested by people funds for the company and the wealth of the shareholders.
4. Based on calculations on the company value generated by PT. Indofood Sukses Makmur, Tbk (INDF) in 2015 had the lowest company value during the study period from 2015 to 2019, namely Rp. 45,438,707,137,500. Furthermore, 2016 and 2019 have the highest company value during the calculation of the 2015 to 2019 period, namely Rp. 69,584,880,012,500 and this happened because of an increase in market share prices. Furthermore, in 2017, the company

value decreased to Rp. 66,950,752,062,500. Next, in 2018, there was another decrease in the value of the company obtained, which was Rp. 65,414,177,425,000.

5.2. Suggestion

Based on the results of the conclusions described above, the researchers suggest using the EVA and MVA methods in assessing financial performance. Because even though the company has made a profit in its financial statements, it does not or has not yet provided economic added value to the company.

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