Financial performance analysis using economic valued added method on the sub sector of cigarette listed on the Indonesia Stock Exchange

Arien Agustin¹, Febrianty²
¹,²Institut Teknologi dan Bisnis Palcomtech, Palembang

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ABSTRAK
This study aims to determine the financial performance using the Economic Value Added method in the cigarette sub-sector listed on the Indonesia Stock Exchange for the last five years. The research method used is a quantitative method with a descriptive approach. The data used is secondary data in the form of Company Financial Statements obtained from the official website of the Indonesia Stock Exchange. The results of the study are based on an analysis using the EVA method from five food and beverage companies that have good financial performance (positive EVA) during the 2016-2020 period, namely, GGRM and WIIM. Analysis of the company's performance with the method shows the EVA fluctuating results. This is because the value of NOPAT and capital charges is very influential on EVA results. Where if the NOPAT value is greater than the value of capital charges, the resulting EVA will increase and vice versa.

INTRODUCTION
The cigarette industry is a sector that plays an important role in the Indonesian economy, this can support the increase in employment, and the regional economy. This sector provides income for the state in the form of cigarette excise revenues which reached Rp147.72 billion in 2017. The use of cloves in Indonesia is mostly used for the production of kretek cigarettes, where the percentage of use reaches 80-90%. The market share of Indonesian cigarette production is controlled by four large companies, namely PT. Gudang Garam, Tbk, PT. Handjaya Mandala Sampoerna, Tbk, PT. Bentoel International Investama Tbk where two of them acquired transnational companies (Suprihanti et al., 2019). Company performance is the achievement of a person or group in accordance with their respective responsibilities and authorities to achieve company or organizational goals and does not conflict with law and ethics, this can be seen from the company's financial statements listed on the Indonesia Stock Exchange (IDX). According to Ginanjar & Ferlina (2015) "Economic Value Added is a measure of the company's performance in increasing value added for the company. The assumption is that if the management's performance is good or effective (judging by the added value provided) it will be reflected in an increase in the company's stock price and will usually be responded by an increase in stock prices. On the other hand, if it is negative, it means that the company is experiencing a decrease in performance which will usually be responded to by a decrease in price."
Based on the graph of profit for the year, there was a drastic decline in HMSP companies in 2017 by -1%, due to weakening retail consumption, changes in consumer behavior, coupled with an increase in selling prices triggered by an increase in excise taxes that were higher than the inflation rate, the cigarette industry Indonesia fell by 2.6% in 2017. Changes in consumer purchasing patterns to value price products also play a role in the market dynamics of the cigarette industry, adding to the level of competition and pressure on the Company's product portfolio (PT HM Sampoerna Tbk., 2017). Meanwhile, in 2020 again experienced a drastic decline of -1% due to the cigarette industry facing challenges caused by two main factors, namely a significant increase in cigarette excise duty by 24% and a 46% increase in the minimum retail selling price in January 2020, and the impact of the COVID-19 pandemic, this resulted in a decline in industrial sales volume in 2020 (PT. HM Sampoerna, 2020). WIIM in 2017 experienced a drastic decline of -0.62%, the most significant factor occurring was the weakening of people's purchasing power which had direct implications for the Company's performance. Apart from the sales aspect, one of them is the weather, which affects the sales of tobacco in the market. This resulted in a decrease in the quantity and quality of tobacco in Indonesia's three main tobacco-producing regions, namely North Sumatra, Central Java, and East Java (PT. Wismilak Inti Makmur Tbk., 2020).

Even though the company's profits are experiencing instability, the results of the analysis show that the company's financial performance is positive, so the expectations of the owners of capital can be fulfilled properly. The company's stock earnings data above for the period 2016 to 2020 in the cigarette sub-sector shows fluctuations or instability in each period, where if there is an increase in Customs, it can affect the company's income, especially in the cigarette sector.

1. Understanding Financial Performance

According to Rudianto (2013), financial performance is a very important topic to understand in an organization in government and several industrial sectors, since the stipulation of performance budgeting, all local governments are ordered to be able to produce their local government financial performance properly and correctly. Meanwhile, according to Hery (2015) Measurement of financial performance can be seen from the prospects for growth and financial development of the company by relying on its resources, and is a government effort to evaluate the efficiency and effectiveness of the company to generate profits. Based on the above understanding, it can be concluded that financial performance is very important both within the organization and in the government sector in order to be able to control and evaluate the effectiveness and efficiency of measuring public accountability financial performance.

2. Purpose of Assessing Financial Performance

The purpose of assessing the performance of a company according to Sucipto (2013) is as follows:

Source: data processed from the IDX financial statements for the 2016-2020 period of the cigarette sub-sector

Figure 1. Graph of Profit Percentage for the Year in Five Cigarette Sub-Sector Companies for the 2016-2020 Period
a. Companies must be managed very effectively and innovatively through creativity and motivation that is always updated, so as to create planning or a good future for the future.
b. Conduct performance appraisals in order to produce data that is easy to manage and use as the basis for final decision making so that employees have good performance in the company.
c. Carry out development in the form of training for employees so that top management can recognize and assess the weaknesses and strengths of employees whether they are in accordance with company goals.
d. Setting targets for employees so that the company can easily achieve the goals desired by the company.
e. Providing rewards in the form of awards to employees for contributing, where the results of these achievements are used as examples to inspire other employees whether the performance so far has been successful and good to achieve the target within the set period.

3. Definition of Financial Statements
According to Sundjaja (2015) financial statements are the results of an accounting process for a certain time that can be used as data for interested parties whereas a report can describe the results of the financial position of the accounting process. According to Harahap (2018), financial statements are the results of the business of a company where the company's financial condition is described in a certain period. Meanwhile, according to Kasmir (2019), financial statements are reports that describe finances at this time or within the period to be determined. Based on the above understanding, it can be concluded that the financial report is a final report that shows the financial condition of a certain period which is well prepared after going through the process of recording and updating financial data that is useful for interested parties.

3. Types of Financial Statements
a. balance
The balance sheet is a financial statement that describes the company's financial position in terms of capital, debt, and assets for a certain period. The balance sheet has three elements of financial statements, namely capital, debt, and assets (Kasmir, 2019):
1) Assets are assets or assets owned by a company that are expected to provide benefits to the business in the future
2) Liabilities are debts owned by the company that must be paid.
3) Capital is the owner's right used in carrying out company activities in the form of money or goods.
b. Shareholder's Equity Report
Shareholder's Equity Report is a financial report that contains a reconciliation of the beginning balance to the ending balance of all data in the shareholder equity section of the balance sheet. The income statement whose beginning and ending balances have been reconciled, usually describes the statement of shareholder equity as a disclosure in the footnote (Fauziah, 2019).
c. Income statement
The income statement is a systematic arrangement to find out the company is experiencing a profit or loss by looking at the reduction in income obtained by the company with all of the company's expenses for a certain time.
d. Cash flow statement
A cash flow statement is a report that shows the cash receipts and disbursements of a company over a certain period of time. The cash flow statement is divided into three parts, including:
1) Operating activities are activities that detail cash receipts and disbursements related to the company's operating activities during a certain time.
2) Investment activities are activities that detail cash receipts and disbursements related to the disposal of fixed assets and other investments but are not included in cash equivalents.
3) Funding activities are activities that detail cash receipts and disbursements related to the provision of long-term receivables or debts.
e. Notes to Financial Statements
Notes to financial statements are details that provide more detailed data on a section in the balance sheet and cash flow statements.
5. Financial Statement Analysis
According to Septiana (2019), financial statement analysis is an analytical process in financial statements that is used to find out whether the company's financial position is in good condition and has been arranged regularly.

6. Analysis of Economic Value Added
Economic Value Added (EVA) is a comparison of the value of profit after tax with the total cost of capital based on residual income which is stated that wealth includes capital and operating costs (Eugene F. Brigham, 2020). Meanwhile, according to Wijaya (2017), Economic Value Added (EVA) is a technique used to measure company performance without ignoring the needs of company owners.

Based on the above understanding, it can be concluded that Economic Value Added is a technique used to compare operating profit after tax with the total cost of capital used to measure the company's operating performance based on residual income.

7. Strengths and Weaknesses of Economic Value Added
According to Silangit (2018), Economic Value Added (EVA) as an assessor of company performance has advantages, namely:
1) EVA is a stand-alone measurement tool without any comparison with similar companies and without making an analysis of the previous year.
2) EVA is a measurement tool for the company’s performance in terms of economics by monitoring the objectives of the owners of capital fairly on the basis of a weighted measurement based on market value.
3) EVA model can be used as a benchmark when giving bonuses to employees, this model is very appropriate in implementing the stockholders satisfaction concept.

According to Silangit (2018), Economic Value Added (EVA) has weaknesses in the form of:
1. EVA requires a fairly in-depth analysis when analyzing the cost of share capital.
2. EVA is a measuring tool only and cannot be used for company goals.
3. EVA can still be influenced by the capital market so that the level of EVA can increase or decrease.
4. EVA only explains the discovery of the value of a certain year period.
5. EVA participates in the distribution of company funds with low costs for investment in order to avoid big risks in the business.

Based on research conducted (Dewi, 2017) using the Economic Value Added (EVA) method with a descriptive statistical approach with the research title "Assessment of Corporate Financial Performance Using the EVA (Economic Value Added) Method (Case Study at PT. Krakatau Steel Tbk Period 2012 -2016)" concludes that financial performance using Economic Value Added (EVA) analysis in 2012-2016 is not good, which is 5 years shows a negative value because the company is not able to generate a return on operating profit after tax that exceeds the cost of capital.

The research carried out (Manullang, 2019) using a method that EVA which is descriptive with the research title "Financial Performance Assessment Analysis" Companies Using the Economic Value Added (EVA) Method at PT. Telekomunikasi Indonesia (Persero) TBK" resulted in the conclusion that based on the results of EVA analysis at PT. Telekomunikasi Indonesia 2013-2017 shows the EVA value is positive and the company generates a rate of return that is more than the cost of capital and there is efficiency in managing the company's financial performance, as well as experiencing instability and tends to increase except in 2014. This shows the company has been able to manage its financial performance quite well.

The purpose of this study is to analyze Financial Performance using the Economic Value Added Method which is listed on the IDX for the period 2016-2020. This is based on the phenomenon that even though the company's profits are experiencing instability, the results of the analysis show that the company's financial performance is positive so that the expectations of the owners of capital can be fulfilled properly. The company's stock income data above for the period 2016 to 2020 in the cigarette sub-sector shows fluctuations or instability in each period, where if there is an increase in Customs, it can affect the company's income, especially in the cigarette sector.

RESEARCH METHODS

The method used is Economic Value Added (EVA) with quantitative research using a descriptive approach by taking secondary data in the form of previous research journals and annual reports belonging to several Cigarette Sector companies that have been listed on the Indonesia Stock Exchange in 2016-2020. The data collection technique chosen in this study is documentation, namely by collecting data by viewing, studying, and citing documents in the form of...
the 2016-2020 Cigarette Sector annual financial statements listed on the Indonesia Stock Exchange. Data can be obtained by accessing the website www.sahamok.net. There are 5 samples used from 5 total sampling or censuses, namely the annual balance report, annual profit and loss, and annual cash flow from the five Cigarette Sector companies for the 2016-2020 period, namely PT. Gudang Garam, Tbk, PT. Handjaya Mandala Sampoerna, Tbk, PT. Indonesian Tobacco Tbk, PT. Bentoel International Investama Tbk, PT. Wismilak Inti Makmur Tbk. Based on the explanation that has been conveyed previously, the authors develop a framework of thought as follows:

![Diagram](image)

Source: data processed 2022

Figure 2. Thinking Framework

The calculation steps using the Economic Value Added method (Silangit, 2018):

a. Net Operating Profit After Tax (NOPAT)
   NOPAT is basically the level of profit earned from invested capital.
   \[ NOPAT = EBIT - TA \]

b. Invested Capital (IC)
   Invested capital is the result of the translation of estimates in the balance sheet to see the amount of capital invested by the company by creditors and how much capital is invested in the company.
   \[ IC = (\text{total long term debt} + \text{equity}) - \text{short term debt} \]

c. Weighted Average Cost Of Capital (WACC)
   WACC is one of the other important components in EVA. WACC is equal to the sum of the costs of each component of short-term debt capital, long-term debt, and shareholder equity weighted based on their relative proportions in the company’s capital structure to market value.
   \[ WACC = [(D \times rd)(1 - \text{tax}) + (E \times re)] \]

Information:
- D: Proportion of debt in capital structure
- Rd: Cost of long term debt
- tax: Tax rate
- E: Stock return fee
- re: Proportion of shares in capital structure

Where:
Capital Level of Debt (D)
\[ D = \frac{Total \ long \ term \ debt}{Total \ long \ term \ debt + Equity} \times 100\% \]

Cost Of Debt (rd)
\[ \frac{Interest \ expense}{Total \ long \ term \ debt} \times 100\% \]

Tax Rate (Tax)
\[ \frac{Tax \ expense}{Net \ profit \ before \ tax} \times 100\% \]

Equity Level (E)
\[ \frac{Total \ Equity}{Total \ long \ term \ debt + equity} \times 100\% \]

Cost Of Equity (re)
\[ \frac{Net \ Profit \ After \ Tax}{Total \ Equity} \times 100\% \]

d. Capital Charges (CC)
Capital Charges are cash flows required to reimburse investors for the business risk of invested capital.

\[ Capital \ Charges = WACC \times Invested \ Capital \]
e. Economic Value Added (EVA)
\[ EVA = NOPAT - Capital \ Charges \]

1. NOPAT Analysis

![Graph of NOPAT in Five Cigarette Sub-Sector Companies for the 2016-2020 Period](image)

Source: data processed from the IDX financial statements for the 2016-2020 period of the cigarette sub-sector.

Based on the NOPAT chart for five companies in the cigarette sector, NOPAT at PT Gudang Garam Tbk for the past 4 periods tends to increase. The highest NOPAT value was in 2019 at Rp. 10,880,704 while the smallest NOPAT was in 2016 at Rp. 6,672,682. This is directly proportional to the EBIT and Tax values which tend to increase every year, except in the 2020 period, NOPAT decreased by Rp. 7,647,729. NOPAT at PT Handajaya Mandala Samporna Tbk had the highest NOPAT in 2019 of Rp. 13,721,513 this is because the value of EBIT and taxes has increased while the smallest NOPAT value of Rp. 8,581,378 in 2020 experienced a significant decrease this was due to a decrease in sales which resulted in the company's net profit also decreasing.
PT Indonesia Tabacco during the past 5 periods tended to experience a decline. The highest NOPAT value was in 2016 at Rp. 11,041,420,919 while the smallest NOPAT was in 2018 of -Rp. 4,275,217,988. This is directly proportional to the value of EBIT and Tax which tends to decrease every year. NOPAT at PT Bentoel Internasional Investama Tbk for the past 4 periods tends to decrease. The highest NOPAT value was in 2019 at IDR 7,664 while the smallest NOPAT was in 2018 at -IDR 316,332. This is directly proportional to the value of EBIT and Taxes which tend to decrease every year, while at PT Wismilak Inti Makmur Tbk every year it increases and decreases. The NOPAT value in 2016 was Rp. 106,290,306,868, the NOPAT value decreased in 2017 by Rp. 40,589,790,851, this was due to a decrease in profit before tax in 2017. Then the NOPAT value increased but not significantly by Rp. 51,142. 850,919, decreased again in 2019 to 27,328,091,481, and in 2019 decreased by Rp 27,328,091,481. In 2020 the value of NOPAT experienced a significant increase of Rp. 172,506,562,986, this was due to an increase in sales which resulted in the net profit of the company also increasing.

2. Invested Capital Analysis

![Figure 4. Graph of Invested Capital in Five Cigarette Sub-Sector Companies 2016-2020 period](image)

Source: data processed from the IDX financial statements for the 2016-2020 period of the cigarette sub-sector

The value of PT Gudang Garam Tbk's Invested Capital, the amount of Invested Capital in PT Gudang Garam Tbk for the past 5 periods, tends to increase every year. The highest Invested Capital value was in 2020 at IDR 44,171,425 while the smallest Invested Capital was in 2016 at IDR 19,674,504. This is directly proportional to the value of Total Debt and Equity as well as Short-Term Debt which tends to increase every year. The amount of Invested Capital in PT Handajaya Mandala Sampoerna Tbk for the past 5 periods tends to fluctuate. The highest Invested Capital value was in 2019 at Rp. 38,014,568 while the smallest Invested Capital was in 2020 at Rp. 16,186,362. This is directly proportional to the value of Total Debt and Equity as well as Short-Term Debt which has increased and decreased every year. Invested Capital in PT Indonesia Tabacco Tbk for the past 3 periods tends to increase. The highest Invested Capital value was in 2020 at 188,621,510,033 while the smallest Invested Capital was in 2010 at -Rp 10,817,408,961. This is directly proportional to the value of Total Debt and Equity as well as Short-Term Debt which tends to increase every year. Invested Capital in PT Bentoel Internasional Investama Tbk for the past 5 periods tends to fluctuate. The highest Invested Capital value was in 2016 at Rp. 6,219,613 while the smallest Invested Capital was in 2018 at Rp. 2,822,471. This is directly proportional to the value of Total Debt and Equity as well as Short-Term Debt which tends to increase and decrease every year. Invested Capital in PT Wismilak Tbk for the past 5 periods tends to increase. The highest Invested Capital value was in 2020 at Rp. 1,262,651,225,026 while the smallest Invested Capital was in 2016 at Rp. 1,059,922,371,215. This is directly proportional to the value of Total Debt and Equity as well as Short-Term Debt which tends to increase every year.
3. WACC analysis

![Graph of WACC Percentage of Cigarette Sub-Sector Companies for 2016-2020](image)

Source: data processed from the IDX financial statements for the 2016-2020 period of the cigarette sub-sector

Based on the graph above, PT Gudang Garam Tbk experienced a decrease in WACC from 2016-2020 by -15%, -17%, and -16% due to a decrease in the proportion of debt capital and cost of equity, as well as an increase in the cost of debt, while in 2019 until 2020 experienced an increase of 22% and 14% due to an increase in the proportion of equity capital and cost of equity. PT Handajaya Mandala Sampoerna Tbk experienced a decrease in WACC in 2017 by 4%, 2018 by 4%, and 2020 by 28% due to a decrease in the proportion of debt capital and cost of equity. and the WACC value increased by 38% in 2019 due to an increase in the proportion of debt capital and an increase in the cost of debt.

PT Indonesia Tabacco Tbk experienced an increase in WACC in 2017 due to an increase in the proportion of debt capital and cost of equity, as well as an increase in the cost of debt, while in 2016, 2018 to 2020 it decreased by -31%, 27%, 11%, and 5% caused by a decrease in the proportion of debt capital and the cost of equity, as well as an increase in the cost of debt. WACC at PT Bentoel Internasional Investama Tbk experienced a downward trend for 5 periods, namely -12%, -17%, -133%, -6%, and -26% due to a decrease in the proportion of the cost of equity and cost of debt. While the WACC at PT Wismilak Inti Makmur Tbk experienced an increase in 2016 by 2%, 2018 with a value of 4%, and 2020 by 12% due to an increase in the proportion of debt capital and cost of debt, then in 2017 it decreased by 0% due to cost of equity and cost of debt decreased, and 2019 was down by -1% again due to lower cost of debt.

4. Analysis of Capital Charges

![Graph of Capital Charges for 2016-2020](image)

Source: data processed from the IDX financial statements for the 2016-2020 period of the cigarette sub-sector
The value of Capital Charges at PT Gudang Garam Tbk for 3 periods from 2016 to 2018 has decreased. The highest Capital Charges value was in 2019 at Rp 6,240,967 this was due to an increase in the company's Invested Capital value, while the lowest Capital Charges value was in 2016 at Rp -2,894,296. this is due to a decrease in the value of WACC and the value of the company's Invested Capital. PT Handajaya Mandala Sampoerna Tbk fluctuates annually. The value of Capital Charges in 2016 was Rp. 11,060,605, then decreased drastically in 2017 and 2018 to Rp. 1,105,450 and Rp. 1,096,371, due to a decrease in the company's WACC value. In 2019 the value of Capital Charges experienced a significant increase of Rp. 14,581,506. This increase was due to a large increase in the company's WACC and Invested Capital values. In 2020 the value of Capital Charges again decreased by Rp. 4,582,760, due to a decrease in the value of the company's Invested Capital.

The value of Capital Charges at PT Indonesia Tobacco Tbk for the past 3 periods tends to increase. The highest Capital Charges value was in 2016 at Rp 43,099,456,578 while the lowest Capital Charges value was in 2020 at Rp 8,578,254,744, the value of Capital Charges at PT Indonesia Tobacco Tbk for the past 5 periods tended to decrease. The highest Capital Charges value was in 2018 at -Rp 3,747,740 while the lowest Capital Charges value was in 2019 at -Rp 310,670. Meanwhile, PT Wismilak Inti Makmur Tbk fluctuates every year. The highest Capital Charges value was in 2020 at Rp 151,045,979,438 this increase occurred due to an increase in the company's WACC and Invested Capital values while the lowest Capital Charges value was in 2017 at -Rp 1,730,659,201 due to a decrease in the company's WACC value.

5. Economic Value Added Analysis

Based on the Economic Value Added graph, the five companies experienced an increase and decrease in EVA value. PT Gudang Garam Tbk had an Eva value of Rp 9,566,978 in 2016, then increased from 2017 to 2018 by 19% with a value of Rp 11,424,172 and 4% with a value of Rp 11,856,737, then in 2019 it decreased by -61% with a value of Rp 4,639,737, and fell again in 2020 by -64% with a value of Rp 1,656,911. The decrease occurred because the NOPAT value was higher than the Capital Charges value. Even though it has increased and decreased, the EVA value of PT Gudang Garam Tbk from 2016 to 2020 shows a positive value or EVA > 0, meaning that the rate of return generated is higher than the level of cost or rate of return demanded by investors. Although in 2019 to 2020 the company was not able to maintain its added value.

PT Handajaya Mandala Sampoerna Tbk had an Eva value of IDR 1,701,624 in 2016, then experienced an increase in Eva from 2017 to 2018 of 580% with a value of IDR 11,004,728 and 5% with a value of IDR 11,869,247, then in 2019 experienced a decrease of -907% with a value of IDR 859,993, and again in 2020 by -565% with a value of Rp 3,998,618. The decline in 2019 occurred because the value of Capital Charges was higher than the value of NOPAT, while in

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2020 it was due to the value of NOPAT being higher than the value of Capital Charges. Despite the increase and decrease, the EVA value of PT Handajaya Mandala Sampoerna Tbk in 2016 to 2018 and 2020 showed a positive value or EVA > 0, meaning that the rate of return generated was higher than the level of cost or rate of return demanded by investors. While EVA in 2019 is negative or EVA < 0. This means that the rate of return generated by the company is low (loss) from the level of costs expected by investors, this situation shows that the company is not able to create value. Although in 2019 to 2020 the company was not able to maintain its added value.

PT Indonesia Tabacco Tbk has an EVA value of IDR 32,058,035,659 in 2016, then in 2017 it increased by 157% with a value of IDR 81,992,627,414, then decreased for three periods starting in 2018 to 2020 with a percentage of -264%, -16%, -90% with nominal -Rp 29,943,573,147, -Rp 25,243,373,749, and -Rp 2,458,214,532. The decrease in EVA occurs because the Capital Charges are higher than the NOPAT value. Despite the increase and decrease, the EVA value of PT Indonesia Tabacco Tbk in 2017 showed a positive value or EVA > 0, meaning that the rate of return generated was higher than the level of cost or rate of return demanded by investors. While the EVA 2016, 2018, 2019, and 2020 values are negative or EVA < 0. This means that the rate of return generated by the company is low (loss) from the level of costs expected by investors, this situation shows that the company is not able to create value. Although in 2018 to 2020 the company was not able to maintain its added value.

PT Bentoel Internasional Investama had an EVA value of IDR 1,335,335 in 2016, from 2017 to 2018 it increased by 124% and 969% with a nominal value of IDR 320,936, IDR 3,431,408. Then in 2019, it decreased by a percentage of -91%, namely Rp. 318,334 because the NOPAT value was higher than Chapital Charges, then it increased again in 2020 by 230% with a nominal value of Rp. 1,051,149. Despite the increase and decrease, the EVA value of PT Bentoel Internasional Investama Tbk in 2016 was negative or EVA < 0. This means that the rate of return generated by the company is low (loss) from the level of costs expected by investors, this situation shows that the company is not able to create value. While the EVA value from 2017 to 2020 shows a positive value or EVA > 0, it means that the rate of return generated is higher than the level of cost or rate of return demanded by investors. Although in 2019 the company was not able to maintain its added value.

PT Wismilak Inti Makmur Tbk has an EVA value of IDR 87,911,280,828 in 2016, from 2017 to 2018 it decreased by -52% and -93% with a nominal value of IDR 42,320,450,052, IDR 2,872,449,205. Then in 2019, it increased by a percentage of 1105%, namely Rp. 34,606,045,398, then again decreased in 2020 by 38% with a nominal value of Rp. 21,460,583,548. The decrease in EVA occurs because the NOPAT value is higher than Chapital Charges. Despite the increase and decrease, the EVA value of PT Wismilak Inti Makmur Tbk from 2016 to 2020 showed a positive value or EVA > 0, meaning that the rate of return generated was higher than the level of cost or rate of return demanded by investors. Although in 2019 the company was not able to maintain its added value.

CONCLUSIONS

Based on data processing and analysis results using the economic value added method of 5 companies in the food and beverage sub-sector from 2016 to 2020, it can be concluded that there are 2 companies that have positive EVA values for five periods, namely PT Gudang Garam Tbk and PT Wismilak Inti Makmur Tbk. While PT Handajaya Mandala Sampoerna was only able to generate positive EVA values for 4 years except 2019, PT Indonesia Tabacco Tbk produced positive EVA values for 4 years except 2017, and PT Bentoel Internasional Investama produced positive EVA values for 4 years except 2016, PT Wismilak Inti Makmur. The company with the highest EVA value was owned by PT Wismilak Inti Makmur in 2016 amounting to Rp 87,911,280,828, while the lowest EVA value was owned by PT Handaja Mandala Sampoerna Tbk in 2019 amounting to -Rp 859,993. The results of the EVA analysis on the five companies show that the achievement of positive accounting profits does not always show the results that the EVA value is also positive. This is due to the increase in the cost of equity capital which greatly affects the value of WACC, resulting in an increase in the value of capital charges borne by the company, where the value of capital charges reduces the value of EVA. Based on the research results, there are several suggestions that can be considered, namely: 1) For the company, it is expected to continue to maintain financial performance in order to produce a positive EVA because this can make investors invest in the company they are going to. 2) The company is expected to be able to create a net profit at the required cost. This is important because profit is a factor that supports the company’s going concerned and affects its value for investors, 3) The company is expected to be able to manage debt as a component of owned capital financing. This is because debt is a financing component with a large risk and its value can affect the company’s EVA value.
REFERENSI


