

Profitability Analysis in Halal Food and Beverage Industry Manufacturing Companies in Asian Countries (Malaysia, Indonesia, Turkey, Bahrain)

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Abstract

Indonesia, Malaysia, Bahrain, Turkey are 4 countries in Asia where the majority are Muslims. Indonesia, Malaysia, Bahrain, Turkey have great opportunities to develop quality and quantity in the halal industry. There are several issues currently faced in the development of the halal industry in Indonesia, Malaysia, Bahrain, and Turkey, including infrastructure development, halal assurance systems, and increasing halal contribution to the trade balance. The research methodology is a descriptive analysis method used to measure and collect profitability information on financial statements during the 2019-2023 period carefully and efficiently so that it can be used as a guideline in carrying out research. Types of Data are data that research finds through information or information obtained, as well as finding the right solution to analyze the problems faced or find out the existing problems. The results of the study show that financial performance is in the category of not good from profitability from a profitability.

Keywords: Profitability Analysis, Halal Food

INTRODUCTION

A company will be hampered in its business development if there are financial problems in the company. Getting profit is one of the main goals of the establishment of the company. However, the success or failure of a company that seeks profit and maintains the company depends on good and efficient financial financial performance financial management to generate profits or profits. So, financial performance is important for all companies competing with each other to sustain the company. Indonesia, Malaysia, Bahrain, Turkey are 4 countries in Asia where the majority are Muslims. Indonesia, Malaysia, Bahrain, Turkey have great opportunities to develop quality and quantity in the halal industry. There are several issues currently faced in the development of the halal industry in Indonesia, Malaysia, Bahrain, and Turkey, including infrastructure development, halal assurance systems, and increasing halal contribution to the trade balance. To support the halal industry in Indonesia, Malaysia, Bahrain, Turkey from the governments of the four countries are implementing halal certification policies which are expected to be able to increase the efficiency and competitiveness of the industry to expand access to the halal industry globally.

Financial statement analysis is a deliberate process to help evaluate the company's current and past financial position and operating results, with the aim of determining the most likely elimination and prediction regarding the company's future condition and performance. Analysis of a company's financial statements is basically to find out the level of profitability, solvency level, level of liquidity and stability of the business, and the level of risk or health level of a company. There are actually a lot of analyses of financial statements, but in this study the author uses financial ratio analysis because this analysis is more often used and simpler. Financial ratio analysis is a comparison between two or groups of financial statement data in a certain period, the data can be between data from the balance sheet and profit and loss statement data. The goal is to give an overview of the company's financial weaknesses and capabilities from year to year.

This research was conducted on Halal Food Companies listed on the Indonesia Stock Exchange, Malaysia Stock Exchange, Bahrain Stock Exchange, and Turkish Stock Exchange. The consumer goods sector is a sector that has resilience in the face of unstable economic conditions.

This is because the products produced are products for the primary needs of the community so that when people need these goods, they will still buy them even in difficult economic conditions, especially in the food and beverage sub-sector. Food and beverage companies are one of the sectors that contribute to economic growth because of performance achievements that have always been consistent with increasing productivity, exports and investment.

Based on previous phenomena and research, the sample in this study uses Manufacturing Companies in the Consumer Goods Industry Sector Sub-Sector of the Food and Beverage Sub-Sector which are listed on the Indonesia Stock Exchange, Malaysia Stock Exchange, Bahrain Stock Exchange, Turkey Stock Exchange. The research topic that will be carried out in this study is Profitability Analysis in Halal Food and Beverage Industry Manufacturing Companies in 4 Asian Countries (Malaysia, Indonesia, Bahrain, Turkey).

METHOD

The research methodology is a descriptive analysis method used to measure and collect profitability information on financial statements during the 2019-2023 period carefully and efficiently so that it can be used as a guideline in carrying out research. Types of Data are data that research finds through information or information obtained, as well as finding the right solution to analyze the problems faced or find out the existing problems. Data Source is data that comes from secondary data, namely documents or data that is found quickly with various Books/references related to research, namely: Financial Statements of halal food companies in 4 countries Malaysia, Indonesia, Bahrain, Turkey. The data collection technique is carried out with secondary data, namely company records or documentation in the form of journals, magazines, financial reports, which have been compiled in published and unpublished archives originating from halal food companies in 4 countries Malaysia, Indonesia, Bahrain, and Turkey. The technique used to analyze financial statements in halal food companies in 4 countries in Malaysia, Indonesia, Bahrain, Turkey using the following profitability analysis method:

a. Gross Profit Margin $\frac{\text{Gross profit}}{\text{Sale}}$

b. Net Profit Margin $\frac{\text{Net profit}}{\text{Sale}}$

c. Return On Assets $\frac{\text{Net profit}}{\text{Total Active}}$

d. Return On Equity $\frac{\text{Net profit}}{\text{Modal}}$

RESULTS AND DISCUSSION

Profitability Analysis

3.1 Definition of Profitability Analysis

According to Kasmir (2019: 198) the profitability ratio is a ratio to assess a company's ability to make a profit. The better the profitability ratio, the better it describes the company's high profitability ability. Profitability according to Darminto (2019:73) can be measured by evaluating the level of return on a company's investment in processing its entire assets or money obtained from capital owners. This ratio is divided into two types depending on the investment, namely *return on assets* and *return on equity*.

3.2 Purpose and Benefits of Profitability

According to Kasmir (2019, p. 197), the purpose of using the profitability ratio for the company, as well as for external parties to the company, is as follows.

1. Measuring or calculating the profits earned by the company in a certain period.
2. Evaluate the company's profit position from the previous year to the current year

3. Evaluate the development of profits over time.
4. Evaluation of the amount of net profit after tax with equity.
5. Measuring the productivity of all company funds used, both loan capital and equity.
6. Measure the productivity of all company funds used, both equity.

Some of the benefits obtained from the profitability ratio include the following.

1. Knowing the level of profit that the company earns in a period.
2. Knowing the company's profit position from the previous year to the current year.
3. Know the development of profits over time.
4. Know the amount of net profit after tax with his net worth.
5. Knowing the productivity of all company funds used, both loan capital and equity capital

3.1 Jenin-type profitability

a. Groos Profit Margin

Gross profit margin (GPM) is gross profit margin. Regarding gross profit margin, Lyn M. Fraser and Aileen Ormiston (2008) gave their opinion, namely gross profit margin, which shows the relationship between sales and cost of goods sold, measures the ability of a company to control the cost of inventory or operating costs of goods and pass on the price increase through sales to customers.

$$\text{Groos Profit Margin} = \frac{\text{Gross profit}}{\text{Sale}}$$

b. Net Profit Margin

This ratio is used to measure the net profit margin on sales. According to Kasmir (2014:200), net profit margin (NPM) is a measure of profit to compare profit after interest and tax versus sales. The way to measure this ratio is to compare net profit after tax with net sales. Net profit margin (NPM) is a measure of a company's profitability from sales after taking into account all costs and income taxes.

$$\text{Net Profit Margin} = \frac{\text{Net profit}}{\text{Sale}}$$

c. Return On Assets

Return on total assets or better known as *return on investment* (ROI) is a ratio that shows the return on the number of assets used in a business. This ratio is also a measure of management's effectiveness in managing its investments. The smaller (lower) this ratio, the less good it is and vice versa (Kasmir, 2014:202).

$$\text{Return On Assets} = \frac{\text{Net profit}}{\text{Total Active}}$$

d. Return On Equity

According to Sutrisno (2013:229) "Return on Equity is often referred to as the level of return on equity, which is the ability of a company to generate profits with its capital, so some call this ROE as the profitability of its capital." Return on equity or equity profitability is a ratio to measure net profit after tax to equity capital. This ratio indicates the efficiency of using equity capital. The higher this ratio, the better which means that the position of the owner of the company is stronger and vice versa (Kasmir 2014:204).

$$\text{Return On Equity} = \frac{\text{Net profit}}{\text{Modal}}$$

Table 1 Gross Profit Margin in Halal Food Companies in 4 Countries in 2019-2023

Gross Profit Margin						
INDONESIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	SIDO	54,79%	55,13%	56,85%	56,10%	56,61%

MALAYSIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	OFIH (7107)	16,99%	18,20%	17,87%	15,12%	20,65%
TURKEY						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	PNSUT	11,37%	12,21%	12,37%	7,37%	4,43%
BAHRAIN						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	GTFP	21,29%	20,78%	21,61%	19,43%	19,48%

Data sources in 2024

Based on table 1 above, the calculation of Indonesia's gross profit margin from 2019 to 2021 had decreased in 2022 but increased again in 2023. Meanwhile, the gross profit margin of Malaysia increased in 2019-2020 but again experienced a decline in 2021-2022 and again increased in 2023. And in Turkey, gross profit margins increased in 2019-2021 and decreased in 2022-2023. The last time Bahrain experienced a decline in 2022-2023.

Table 2 Net Profit Margin in Halal Food Companies in 4 Countries in 2019-2023

NET PROFIT MARGIN						
INDONESIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	SIDO	24%	26,3%	28,0%	31,4%	28,6%
MALAYSIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	OFIH (7107)	4%	5%	3,8%	6,3%	6,3%
TURKEY						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	PNSUT	2,1%	2,0%	4,4%	3,9%	2,6%
BAHRAIN						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	GTFP	3,6%	3,9%	3,6%	3,6%	3,8%

Data sources in 2024

Based on table 2 above, the calculation of Indonesia's net profit margin from 2019 to 2022 continues to increase, which means that the company is able to achieve a satisfactory profit value and in 2023 will decrease by 2.8% compared to the previous year. While the net profit margin of Malaysia increased in 2019-2020, the company was able to maintain the stability of its profits, but declined again in 2021 and again increased in 2022-2023. And in Turkey, the net profit margin experienced ups and downs, the highest net profit margin revenue was 4.4% in 2021. Meanwhile, Bahrain's net profit margin experienced stable conditions and the highest increase in net profit margin in 2020 with a value of 3.9%.

Table 3 Return On Assets In Halal Food Companies 4 Countries In 2019-2023

Return On Assets						
INDONESIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	SIDO	22,88%	24,26%	30,99%	27,07%	24,43%
MALAYSIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	OFIG (7107)	4,03%	6,93%	6,59%	6,64%	13,16%
TURKEY						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	PNSUT	2,24%	2,09%	3,46%	3,41%	2,37%
BAHRAIN						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	GTFP	3,02%	3,14%	2,73%	2,92%	3,10%

Data sources in 2024

Based on table 3 above, the calculation of Indonesia's Return On Assets from 2019 is 22.8% and has increased until 2021 which means that the company is able to get a very satisfactory profit even though it has decreased in 2022-2023. Meanwhile, the Return On Assets of Malaysia increased in 2019-2022 and the highest increase in 2023 was 13.16% in 2023, the company was able to create a satisfactory profit. And in Turkey, Return On Assets decreased from 2019-2020 by 1.5% and again increased by 3.46% in 2021 and became the largest profit or profit while in 2022 it was 3.41% and decreased in 2023. Meanwhile, the Return On Assets from Bahrain experienced an increase from 2020 at 3.14% and became the highest figure and satisfactory profit income for the company. Meanwhile, in 2022 the Return On Assets will be 2.92% and in 2023 it will be 3.10%.

Table 4 Return On Equity In Halal Food Companies 4 Countries In 2019-2023

Return On Equity						
INDONESIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	SIDO	26,35%	28,99%	36,32%	31,51%	28,08%
MALAYSIA						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	OFIG (7107)	5,14%	8,84%	8,42%	8,27%	16,46%
TURKEY						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	PNSUT	3,86%	3,79%	8,27%	5,86%	4,25%

BAHRAIN						
NO	COMPANY CODE	YEAR				
		2019	2020	2021	2022	2023
1	GTFP	4,25%	3,79%	6,01%	5,86%	4,25%

Data sources in 2024

Based on table 3 above, the calculation of Indonesia's Return On Equity from 2019-2021 experienced an increase in profit at 36.32% in 2021, in 2022 it gained 31.51% and decreased in 2023 at 28.08%. Meanwhile, the Return On Equity of Malaysia increased in 2019-2023 and the highest increase in 2023 of 14.16% in 2023, the company was able to create satisfactory profits. And in Turkey, Return On Equity experienced the highest profit in 2021 at 8.27%. And experienced the lowest profit figure in 2020 at 3.79%. Meanwhile, Return On Equity from Bahrain experienced the highest profit in 2021 at 6.01%. And experienced the lowest profit figure in 2020 at 3.79%.

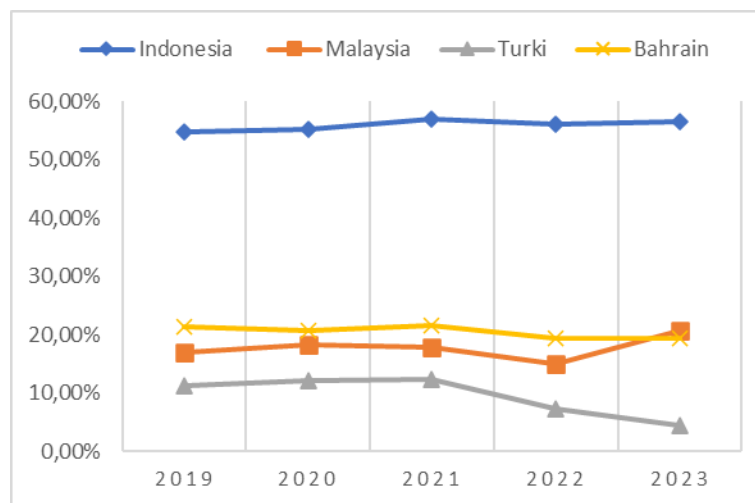


Figure 1 Gross Profit Margin Chart

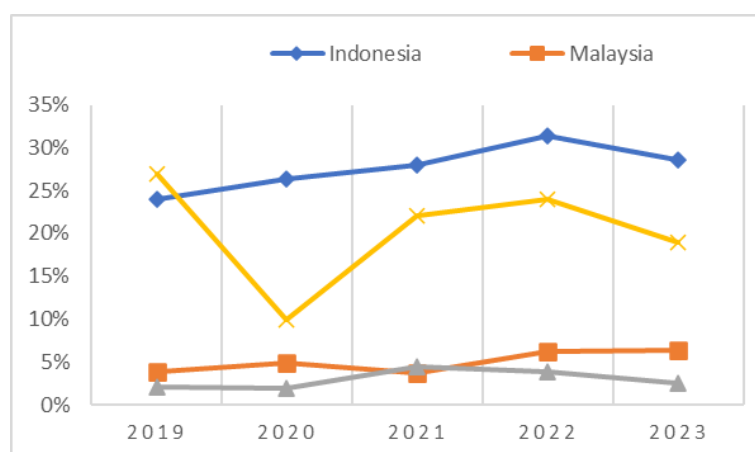


Figure 2 Net Profit Margin Chart

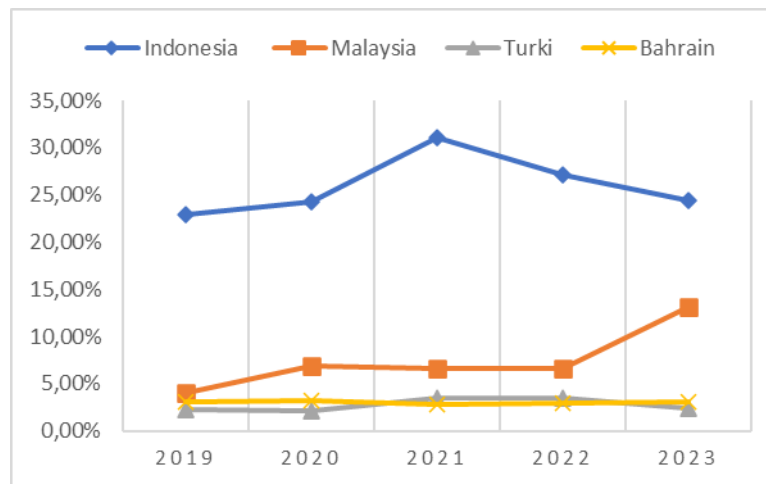


Figure 3 Return On Asset Chart

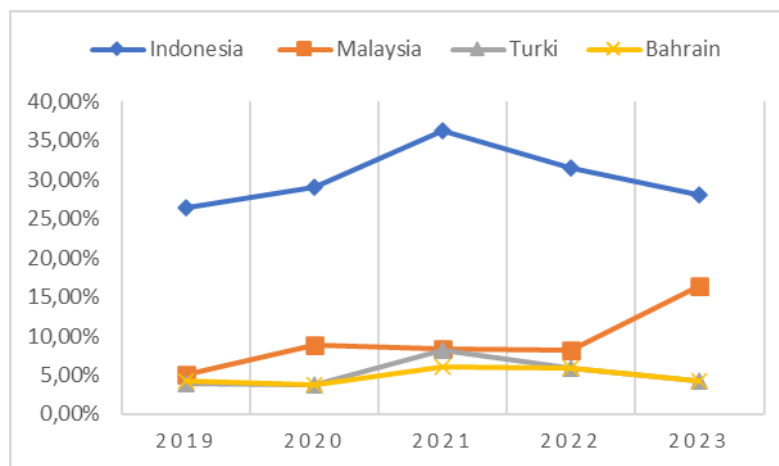


Figure 4 Return On Equity Chart

Analysis of Financial Statements Using Profitability Ratio Analysis of Manufacturing Companies in the Indonesian food and beverage industry for the period 2019-2023 with the following calculation results:

- Indonesia's Gross Profit Margin is known to show a standard average of 27.66%, which means the company is in an unstable condition. Meanwhile, Malaysia is known to show an average standard of 5.08%, which means that the company is in an unstable condition. Turkey is known to show a standard average of 3% which means the company is in an unstable condition. Bahrain is known to show a standard average of 20.4% which means the company is in an unstable condition. The four companies that were sampled in each country experienced unstable conditions when viewed from the industry standard of 30%.
- Indonesia's Net Profit Margin is known to show a standard average of 55.86% which means the company is in good condition. Meanwhile, Malaysia is known to show an average standard of 17.76%, which means that the company is in an unstable condition. Turkey is known to show a standard average of 9.55% which means the company is in an unstable condition. Bahrain is known to show a standard average of 20.58% which means the company is in an unstable condition. This means that the sample company from Indonesia is able to generate profits and capital. Meanwhile, the three samples of

Malaysian, Turkish and Bahraini companies have not been able to generate profits from the company's capital at industry standards, because the greater the value of this ratio, the better the company is at managing its own capital or equity to generate profits.

- c. Indonesia's Return On Assets from 2019 was 22.8% and increased until 2021, which means that the company was able to get a very satisfactory profit even though it declined in 2022-2023. Meanwhile, the Return On Assets of Malaysia increased in 2019-2022 and the highest increase in 2023 was 13.16% in 2023, the company was able to create a satisfactory profit. And in Turkey, Return On Assets decreased from 2019-2020 by 1.5% and again increased by 3.46% in 2021 and became the largest profit or profit while in 2022 it was 3.41% and decreased in 2023. Meanwhile, the Return On Assets from Bahrain experienced an increase from 2020 at 3.14% and became the highest figure and satisfactory profit income for the company. Meanwhile, in 2022 the Return On Assets will be 2.92% and in 2023 it will be 3.10%.
- d. Indonesia's Return On Equity from 2019-2021 experienced an increase in profit at 36.32% in 2021, in 2022 it gained 31.51% and decreased in 2023 at 28.08%. Meanwhile, the Return On Equity of Malaysia increased in 2019-2023 and the highest increase in 2023 of 14.16% in 2023, the company was able to create satisfactory profits. And in Turkey, Return On Equity experienced the highest profit in 2021 at 8.27%. And experienced the lowest profit figure in 2020 at 3.79%. Meanwhile, Return On Equity from Bahrain experienced the highest profit in 2021 at 6.01%. And experienced the lowest profit figure in 2020 at 3.79%.

CONCLUSION

Analysis of the Profitability Ratio of Manufacturing Companies in the Indonesian halal food and beverage industry for the 2019-2023 period with the following calculation results: Indonesia's Gross Profit Margin is known to show a standard average of 27.66% which means that the company is in an unstable condition. Meanwhile, Malaysia is known to show an average standard of 5.08%, which means that the company is in an unstable condition. Turkey is known to show a standard average of 3% which means the company is in an unstable condition. Turkey is known to show a standard average of 9.55% which means the company is in an unstable condition. Bahrain is known to show a standard average of 20.58% which means the company is in an unstable condition. This means that the sample company from Indonesia is able to generate profits and capital. Meanwhile, the three samples of Malaysian, Turkish and Bahraini companies have not been able to generate profits from the company's capital at industry standards, because the greater the value of this ratio, the better the company is at managing its own capital or equity to generate profits. Meanwhile, the Return On Assets from Bahrain experienced an increase from 2020 at 3.14% and became the highest figure and satisfactory profit income for the company. Meanwhile, in 2022 the Return On Assets will be 2.92% and in 2023 it will be 3.10%. Indonesia's Return On Equity from 2019-2021 experienced an increase in profit at 36.32% in 2021, in 2022 it gained 31.51% and decreased in 2023 at 28.08%.

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