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Performance Analysis of Processed Food Primary Consumer Subsector with Profitability Ratio Approach and Valuation for the 2021-2023 Period

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ABSTRACT

This study aims to evaluate the financial performance of processed food primary consumer sub-sector companies listed on the Indonesia Stock Exchange (IDX) and IDN Financials during the 2021–2023 period, using a profitability ratio and valuation approach. The profitability ratios analyzed include Gross Profit Margin, Operating Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity. In contrast, valuation ratios include market capitalization, stock price, Year to Date (YTD), Price Earnings Ratio (PER), and Price to Book Value (PBV). This research uses a descriptive quantitative method with a deductive approach. The sample was selected through purposive sampling based on specific criteria, so 10 companies were obtained with 30 observations. The data used is secondary data from the company's annual financial statements accessed through the official IDX website, IDN Financials, and related company websites. The results showed an imbalance between profitability and valuation and the need to improve operational strategies and strengthen company value to increase competitiveness amid dynamic industry challenges. The implication is that companies need to improve their company performance and build their company image so that they can compete in the market.

1. INTRODUCTION

As the world's second-largest economy, development in rising Asia is anticipated to quicken to 4.8 per cent by 2023, driven by utilization, speculation, private administrations, and recuperation in tourism (Langeland & Santos, 2023). Amid the global economic slowdown, Indonesia recorded a positive performance with economic growth of 5.31% in 2022, up from 3.70% in 2021. The transportation and storage sector grew significantly by 19.87%, while in terms of expenditure, exports of goods and services rose by 16.28% (Ayuni et al., 2023). The projection demonstrates good faith, is backed by residential request, facilitates versatility, expands outside speculation, and quickens National Key Ventures (PSN).

Post-pandemic financial recuperation requires cross-sectoral arrangement bolster, counting nourishment security. (Indonesia, 2012) characterizes nourishment security as satisfying adequate, secure, nutritious, and reasonable needs worldwide challenges such as rising vitality costs, swelling, and geopolitical pressures are approaching. The IMF even projects global economic growth to decline to 2.8% by 2023 (International Monetary Fund, 2023). The primary consumer sub-sector in Indonesia is an important pillar, attracting the attention of investors in the capital market, particularly the IDX, due to its stable growth prospects.

The primary consumer sub-sector in Indonesia, mainly processed food, is one of the essential pillars of the economy. Its contribution to the GDP of the non-oil and gas processing industry increased from 36.45% in 2019 to 37.71% in 2023 (BPS, 2024). Although faced with fluctuating raw material prices, intense competition, and changes in purchasing power, its growth prospects remain strong. Population growth and changing consumer preferences provide opportunities for market and product expansion. In addition, implementing elections and various national agendas has the potential to boost the development of the *Fast Moving Consumer Goods* (FMCG) industry, including the performance of companies in it (Kristianto, 2023).

Table 1. Financial Data of Companies in the Primary Consumer Goods Sub-Sector Listed on the IDX

No.	Stock Code	Net Profit (Rp)	Percentage Change (%)	Percentage Change (%)
		2021	2022	2023
1.	PT. AISA	8,771	-62,359	18,796
2.	PT. COCO	8,532,631,708	6,621,236,433	-50,439,861,088
3.	PT. GOOD	492,637,672,186	521,714,035,585	601,467,293,291
4.	PT. MYOR	1,211,052,647,953	1,970,064,538,149	3,244,872,091,221
5.	PT. SKLT	84,524,160,228	74,865,302,076	78,089,597,225
6.	PT. ICBP	6,399,431	4,587,367	6,990,572
7.	PT. UNVR	5,758,148	5,364,761	4,800,940
8.	PT. CAMP	99,278,807,290	121,257,336,904	127,426,464,539
9.	PT. ULTJ	1,276,793	965,486	1,186,161
10.	PT. FOOD	-14,658,771,261	-22,068,477,089	-20,380,916,766

Source: (Indonesia Stock Exchange, 2025)

Based on the data above, there are significant variations in financial performance across companies, which form the basis for profitability and valuation ratio analysis. PT AISA experienced drastic changes in net profit, from Rp 8,771 million in 2021 to a loss of Rp -62,359 million in 2022 (-811%), before returning to a profit of Rp 18,796 million in 2023 (130%). PT COCO also suffered a steep decline, from a net profit of Rp 8,532,631 million in 2021 to a loss of Rp -50,439,861 million in 2023 (-862%). These conditions highlight the need for operational efficiency evaluation through NPM, GPM, and OPM ratios. In contrast, PT GOOD and PT MYOR recorded steady growth. PT GOOD reported an increase in profit from Rp 492,637,672 million in 2021 to Rp 601,467,293 million in 2023, while PT MYOR achieved more significant growth from Rp 1,211,052,647 million in 2021 to Rp 3,244,872,091 million in 2023. Asset and equity management effectiveness can be further analyzed using ROA and ROE. PT SKLT and PT ICBP experienced fluctuations, with profit declines in 2022 before rebounding in 2023. Meanwhile, PT UNVR showed a downward trend in profits from Rp 5,758 million in 2021 to Rp 4,800 million in 2023, thus valuation ratios such as PER and PBV need to be reviewed. PT CAMP saw decelerating profit growth, while PT ULTJ declined in 2022 before recovering in 2023. PT FOOD continuously recorded losses throughout the study period, from Rp -14,658,771 million in 2021 to Rp -20,380,916 million in 2023. In addition to profitability ratios such as ROA, ROE, NPM, GPM, and OPM, the analysis of Market Capitalization and Year to Date (YTD) returns can provide further insights into the investment attractiveness of this sub-sector. This research aims to support both investors and company management in making strategic decisions. This shows that the nutrition segment is central to maintaining national financial stability. For this reason, analyzing monetary execution through productivity and valuation proportions could be vital in guaranteeing companies' competitiveness and maintainability in the face of changing marketplace flows.

Previous research confirms the importance of financial performance. (Widyaningrum & hendrawan, 2022) found that increasing *total assets turnover* can improve financial performance in food and beverage manufacturing companies, especially ROA. (Novia et al., 2023) emphasizes the importance of financial performance for funding and business sustainability. (Simanullang & Chandra, 2021) It states that financial performance reflects operational success and is the basis for future planning. (Lumantow et al., 2022) suggests continuous evaluation with financial ratios as an analysis tool.

An in-depth analysis of the financial performance of companies in the processed food sub-sector needs to be done now. This is because if someone makes an investment in this sector, they need the results of the company's performance analysis so that investors know the condition of the company targeted as an investment object. This analysis can be done by integrating the profitability ratio and valuation. This performance disparity phenomenon underscores the importance of an in-depth analysis of the financial performance of companies in the processed food sub-sector. Analysis of profitability ratios (ROA, ROE, NPM, GPM, OPM) will provide *insight into* operational efficiency and the company's ability to generate profits from its assets and capital. Meanwhile, the valuation ratio analysis (PER, PBV) will provide an overview of the company's market value and investment potential.

Past investigations have talked about different perspectives of monetary execution, particularly utilizing productivity proportions, but numerous have not comprehensively connected them to viewpoints of company valuation. The case, (Sumarsana & Hernawati, 2024) concluded that Bank BJB's money-related execution in 2018-2022 was fabulous. ROA (1.76%), ROE (16.47%), and NIM (6.02%) reflect the company's capacity to preserve money-related solidness. In any case, this thing does not coordinate valuation perspectives and is still restricted to benefit examination. In contrast, (Natasha & Aulia, 2024) shows less favourable results. Within 2020-2022, ROA was 0.1%, and NPM was 0.52%, underneath the benefits division MSME standard. Be that as it may, the company's ROE reached 14%, reflecting effectiveness in utilizing capital. This inquiry affirms the significance of effectiveness in operational costs and capital administration. It is relevant to the current research on profitability but has not included valuation aspects such as PER or PBV. Meanwhile (Rudiwantoro, 2021) provides different insights using the PBV and PER valuation approaches. The companies examined are within the underestimated category, making them appealing to speculators. In expansion, a profit surrender investigation shows that these stocks are worth collecting for long-term ventures due to the company's capacity to pay profits reliably. This investigation affirms the significance of valuation investigation in making venture choices.

This research identifies a gap in previous studies, namely the lack of integration of profitability analysis, such as Gross Profit Margin (GPM), Operating Profit Margin (OPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE) with valuation ratios such as stock price, Year-to-Date (YTD) performance, market capitalization, Price Earnings Ratio (PER), and Price to Book Value (PBV) in food processing sub-sector companies on the Indonesia Stock Exchange (IDX) and IDN Financials during the 2021–2023 period.. The valuation aspect is crucial to provide a comprehensive picture of the company's market position and financial performance.

Selection of the title *"Performance Analysis of Processed Food Primary Consumer Subsector with Profitability Ratio Approach and Valuation for the 2021-2023 Period"* was motivated by the importance of this subsector in supporting national economic growth, as well as the magnitude of growth potential and challenges faced. This research is aimed at identifying the strengths and weaknesses of each company. The analysis results are expected to be the basis for strategic recommendations, such as improving operational efficiency, optimizing capital structure, and strengthening brand value. In addition, the analysis of valuation ratios will assist companies in assessing whether their share prices reflect intrinsic value and in attracting investor confidence through objective and comprehensive performance reports.

Based on the research objective to evaluate financial performance through profitability and valuation ratios, and considering the observed discrepancies between these two aspects, this study explores the relationships between key profitability measures and company valuation in the processed food sub-sector listed on the Indonesia Stock Exchange (IDX). The analysis examines how Gross Profit Margin (GPM) influences Price Earnings Ratio (PER) and Price to Book Value (PBV), how Operating Profit Margin (OPM) affects market capitalization and stock price, and how Return on Assets (ROA) relates to Year-to-Date (YTD) stock returns. Additionally, Net Profit Margin (NPM) is considered for its impact on investor perceptions of firm value as reflected in

PBV, while Return on Equity (ROE) is assessed for its effect on market capitalization. The study also acknowledges that imbalances between profitability and valuation may indicate challenges in operational strategy or market perception of firm value. Companies with high profitability but low valuation tend to have weaknesses in communication strategies or corporate image in the eyes of investors.

RESEARCH METHODS

This research uses a descriptive quantitative approach to describe the financial performance of processed food primary consumer subsector companies listed on the IDX and IDN in 2021-2023. Performance is measured through profitability and valuation ratios. According to (Sugiarto, 2022), the quantitative approach is carried out by analyzing data deductively after the collection process is complete and using statistics for descriptive analysis, estimation, and testing relationships between variables.

The population includes 34 processed food primary consumer subsector companies listed on the IDN and IDX. The sample was determined using *purposive sampling*, namely selection based on specific criteria. (Uma Sekaran, 2017) This technique selects subjects considered able to provide data per the research objectives.

Table 2. Sample Criteria

No.	Sample Criteria	Accepted	Rejected
1.	Companies included in the primary consumer subsector of processed food listed on IDN Financial and listed on the IDX.	34	
2.	Companies that regularly publish financial statements.		11
3.	The company has complete data from the research variables, namely profitability and valuation, for 2021-2023.		13
	Number of Company Samples	10	
	Total Research Sample 10 x 3	30	

This table shows that the sample used consists of 10 companies with a research period of three consecutive years, so the number of observations (n) is 30 (3 years × 10 companies).

This research utilizes secondary data from the company's annual financial statements, which were reviewed on the web at https://www.idnfinancials.com/id/, www.idx.co.id, and respective websites.

The quantitative approach aims to evaluate company performance based on profitability and valuation ratios and provide readers with in-depth insights. In this study, analysis was used using the profitability ratio and valuation approaches. As explained by (Nurhana Dhea Parlina et al., 2023) and (Indra Mahardika Putra, 2023), the analytical tools and ratio standards used in this study are designed to support the evaluation process, which includes systematically.

Table 3. List of Company Ratio Standards

Profitability	Formula	Book Standard	Output	Valuation	Formula	Book Standard	Output
GPM (Gross Profit Margin)	GPM = Gross Profit / Sales	>30%	Good	**Stock Price**	Closing stock prices from 10 observed companies	-	Used as reference
OPM (Operating Profit Margin)	OPM = Operating Profit / Sales	>20%	Good	**YtD Performance**	YtD = (Current Stock Price − Price at Beginning of Year) / Price at Beginning of Year	Increase >10%	Good
NPM (Net Profit Margin)	NPM = Net Profit / Sales	>20%	Good	**Market Cap**	Market Cap = Stock Price × Shares Outstanding	>10 Trillion IDR	Good
ROA (Return on Assets)	ROA = Net Profit / Total Assets	>30%	Good	**PER** (Price Earnings Ratio)	PER = Stock Price / Earnings Per Share (EPS)	<10x	Good
ROE (Return on Equity)	ROE = Net Profit / Equity	>40%	Good	**PBV** (Price to Book Value)	PBV = Stock Price / Book Value per Share	<1x	Good

Source: (Nurhana Dhea Parlina, 2023; Indra Mahardika Putra, 2023)

2. RESULTS & DISCUSSION

Profitability ratio benefit investigation incorporates Net Benefit Edge (GPM), Working Benefit Edge (OPM), Net Benefit Edge (NPM), Return on Resources (ROA), and Return on Value (ROE).

Gross Profit Margin (GPM), according to (Indra Mahardika Putra, 2023) is calculated by comparing gross profit to sales. A GPM above 30% is considered good, indicating that the higher the margin, the better the company's performance. The average GPM results obtained are presented in Table 4:

Table 4. Average GPM

Year	Average GPM	Book Standards	Output
2021	33%	GPM >30%	Good
2022	31%	GPM >30%	Good
2023	32%	GPM >30%	Good

Source: (Data Processed, 2025)

The analysis of Gross Profit Margin (GPM) for ten companies in the primary consumer subsector listed on the Indonesia Stock Exchange (BEI) from 2021 to 2023 reveals varied operational efficiency across the firms. CAMP showed a significant increase in GPM from 54% in 2021 to 59% in 2023, reflecting effective cost reduction and enhanced sales of flagship products. UNVR maintained stability around 50%, despite a slight dip in 2022 likely due to raw material price fluctuations. ICBP and AISA also improved operational efficiency, with GPM rising from 36% to 37% and 22% to 33%, respectively, possibly driven by product innovation and better marketing strategies. Conversely, COCO's GPM sharply declined from 17% to 8%, indicating cost control issues and potential market demand drops, while FOOD's GPM fell from 31% to 18%, likely due to rising production costs not matched by sales prices. GOOD and MYOR showed unstable fluctuations, with MYOR achieving a GPM increase to 27% in 2023, possibly thanks to aggressive marketing. SKLT experienced a slight decrease but remained stable around 26%, whereas ULTJ consistently dropped from 36% to 32%, likely affected by increased competition and challenges in maintaining market share.

The industry average GPM shows a relatively stable trend, at 33% in 2021, falling slightly to 31% in 2022, and rising again to 32% in 2023. Despite fluctuations, these achievements remain above the industry standard of 30%, indicating that most companies can maintain good operational efficiency and profitability.

Operating Profit Margin (OPM), according to (Indra Mahardika Putra, 2023), the OPM ratio is calculated by comparing operating profit to sales; the higher the margin, the better. The ideal standard is above 20%. The average OPM of the observed companies is presented in Table 5:

Table 5. Average OPM

Year	Average OPM	Book Standards	Output
2021	9%	OPM >20%	Bad
2022	6%	OPM >20%	Bad
2023	4%	OPM >20%	Bad

Source: (Data Processed, 2025)

The analysis of Operating Profit Margin (OPM) from 10 consumer primary subsector companies (2021-2023) shows significant variation. ULTJ recorded the highest OPM at 25% in 2021, dropping to 18% in 2023 due to rising operating costs. UNVR also declined from 19% to 16%, affected by increased production costs. AISA and COCO performed poorly, with COCO dropping sharply to -14% in 2023. MYOR improved from 6% to 14%, indicating better efficiency. GOOD remained stable at 7-8%, ICBP fluctuated between 9%-14%, SKLT and CAMP were stable at 6-13%. FOOD had the worst performance with a worsening negative OPM from -11% to -34%, reflecting cost control and demand issues.

The average industry OPM has decreased from 9% in 2021 to 6% in 2022, then down again to 4% in 2023. This figure is still far below the industry standard of 20%, showing that the benefit of most companies is not perfect. A few companies may keep steady edges, but most others experienced sharp, negative vacillations. This decrease is likely activated by rising crude fabric costs, expanding operational costs, and serious competition. Better operational efficiency and cost management strategies are needed for companies to improve their profit margins in the future.

Net Profit Margin (NPM)**,** according to (Nurhana Dhea Parlina et al., 2023), NPM is a measure of profit by comparing earnings after interest and tax compared to sales. Judging from the book standards, a good NPM average is above 20%. The average acquisition of NPM in the companies studied is presented in Table 6:

Table 6. Average NPM

Year	Average NPM	Book Standards	Output
2021	6%	NPM >20%	Bad
2022	3%	NPM >20%	Bad
2023	1%	NPM >20%	Bad

Source: (Data Processed, 2025)

The analysis of Net Profit Margin (NPM) from 10 consumer primary subsector companies between 2021 and 2023 reveals notable variation. ULTJ recorded the highest NPM at 19% in 2021, dropping to 14% in 2023, likely due to rising operational costs not matched by sales growth. UNVR also showed a relatively high NPM, but declined from 15% in 2021 to 12% in 2023, possibly due to increased production costs and market competition.

The average industry NPM decreased from 6% in 2021 to 3% in 2022 and then down again to 1% in 2023. This figure is still far from the ideal standard of over 20%, indicating a low level of company profitability. Although there are companies with relatively stable margins, the majority of others have recorded a sharp decline, even harmful.

This decline in NPM could be due to rising raw materials and operations costs and intense competition. Companies that can manage operational efficiency and costs tend to record higher NPM. That is why evaluating cost management and efficiency strategies to boost profitability is crucial.

Return On Asset (ROA), according to (Nurhana Dhea Parlina et al., 2023), ROA is the rate of return on assets owned by the company by comparing the total profit owned by the company with the company's total assets. The average acquisition of ROA in the companies studied is presented in Table 7:

Table 7. Average ROA

Year	Average ROA	Book Standards	Output
2021	7%	ROA >30%	Bad
2022	6%	ROA >30%	Bad
2023	4%	ROA >30%	Bad

Source: (Data Processed, 2025)

The Return on Asset (ROA) analysis of 10 consumer primary subsector companies from 2021 to 2023 shows variation in asset utilization effectiveness. UNVR recorded the highest ROA at 30% in 2021, slightly decreasing to 29% in 2023, reflecting strong operational efficiency and cost management. MYOR showed a positive trend, with ROA rising from 6% in 2021 to 14% in 2023, indicating improved asset management and strong sales growth.

The industry's average ROA generally decreased from 7% in 2021 to 6% in 2022 and fell to 4% in 2023. The more significant part of them recorded moo or negative ROA. Tall working costs, wasteful resource administration, and furious competition can impact this. Companies that can maintain operational productivity and maximize resources tend to record a way better ROA. In this manner, more compelling resource administration and taken-a-toll control methodologies are required to move forward with money-related execution in the future.

Return On Equity (ROE), according to (Kasmir, 2022), measures the efficiency of a company in utilizing its own capital to generate net profit after tax. A higher ROE indicates better performance, with the ideal industry standard being above 40%. The ROE results of the companies observed are presented in Table 8:

Table 8. Average ROE

Year	Average ROE	Book Standards	Output
2021	20%	ROE >40%	Bad
2022	16%	ROE >40%	Bad
2023	11%	ROE >40%	Bad

Source: (Data Processed, 2025)

The Return on Equity (ROE) analysis of 10 consumer primary subsector companies from 2021 to 2023 reveals varying effectiveness in using equity to generate profits. UNVR posted the highest ROE, reaching 133% in 2021 and rising to 142% in 2023. This exceptionally high ROE reflects outstanding efficiency in capital management, likely supported by strong business strategies and effective cost control.

The sector's average ROE declined from 20% (2021) to 11% (2023), well below the ideal standard of 40%. Most companies recorded low or negative ROE, indicating challenges in managing capital efficiently. Factors such as high operating expenses and fierce competition are the main culprits, making it necessary to evaluate strategies to improve profitability.

Valuation ratios measure the relationship between a company's market value and financial health by comparing its stock price with its financial indicators, such as net income, book value, and sales. The five valuation ratios analyzed are Stock Price, Year-to-Date Performance, Market Capitalization, price-to-earnings ratio (PER), and price-to-book value (PBV).

Share price, according to (Maghfirah, 2022) the share price used in this study refers to the closing stock price obtained from the ten selected companies. This closing price data is utilized in the calculation of valuation performance ratios, including Year-To-Date (YTD) return, market capitalization, Price to Earnings Ratio (PER), and Price to Book Value (PBV), to evaluate the extent of each company's valuation. The complete data is presented in Table 9:

Table 9. Average Share Price

Year	Average Share Price
2021	2026,8
2022	2197,7
2023	1960,6

Source: (Data Processed, 2025)

The average share price of 10 primary consumer subsector companies fluctuated from 2021 to 2023. After rising from 2,026.8 in 2021 to 2,197.7 in 2022, the share price declined to 1,960.6 in 2023. This movement reflects market dynamics and investors' response to each company's performance, where some experienced an increase, but the majority experienced a decline.

The Year-to-Date (YTD) ratio measures the gain or loss of an investment from the beginning of the calendar year up to a specific point in time, providing an overview of the company's performance during the current period. YTD performance is considered strong if the company's share price increases by more than 10–20%. Conversely, it is regarded as weak if the share price decreases by more than 10%. The YTD performance data is presented in Table 10:

Table 10. YtD Average

Year	YtD Average	Book Standards	Output
2021	-6%	Increase > 10%	Bad
2022	10%	Increase > 10%	Good
2023	-5%	Increase > 10%	Bad

Source: (Data Processed, 2025)

The commonplace year-to-date results for 2021 uncovered a drop of -6%, which is considered troublesome, as various enterprises saw significant diminishes in their stock values. In 2022, the normal year-to-date execution rose to 10%, meaning a commonly advertised upgrade and a bounce back within the execution levels of certain companies. In 2023, the typical year-to-date execution lessened to -5%, highlighting additional hindrances these firms encounter, conceivably coming from exterior impacts like an extension or around-the-world money-related unusualness. The line chart traces vital assortments from one year to another, showing the insecurity of company execution.

The Market Capitalization ratio is calculated from the number of outstanding shares multiplied by the share price, reflecting the market value of a company. (Gafner, 2024) This ratio indicates the company's position in the industry and its attractiveness for investment. The IDX classifies market capitalization into Big Cap (>Rp10 trillion), Mid Cap (Rp1-10 trillion), and Small Cap (<Rp1 trillion). Based on the data, most of these companies belong to Big Cap during 2021-2023, indicating dominance and large scale in the industry. The detailed results of the market capitalization calculation are presented in Table 11:

Table 11. Average Market Cap

Year	Average Market Cap	Book Standards	Output
2021	IDR 36 T	Market Cap >10 T	Good
2022	IDR 40 T	Market Cap >10 T	Good
2023	IDR 35 T	Market Cap >10 T	Good

Source: (Data Processed, 2025)

The average market capitalization of primary consumer companies during 2021-2023 remains above IDR10 trillion, indicating stability and growth potential. In 2021, it recorded IDR36.01 trillion, rose to IDR40.34 trillion in 2022, then fell to IDR35.07 trillion in 2023. The increase in 2022 was driven by post-pandemic recovery, while the decline in 2023 indicates pressure from competition and market changes. Despite the fluctuations, most companies can still survive and compete.

The Price to Earning Ratio (PER), ratio is obtained by comparing the share price and earnings per share (EPS). According to (Indra Mahardika Putra, 2023), an ideal PER is generally considered to be below 10x, indicating a balanced stock valuation. If the PER exceeds 20x, the stock may be regarded as overvalued, meaning its price is relatively high compared to its profit potential. However, this benchmark is only a general guideline and should be interpreted within the context of the specific industry and company circumstances. The detailed PER results for the companies studied are presented in Table 12.

Table 12. Average PER

Year	Average PER	Book Standards	Output
2021	81x rounds	PER < 10x	Bad
2022	91x rounds	PER < 10x	Bad
2023	60x rounds	PER < 10x	Bad

Source: (Data Processed, 2025)

The average PER for the 10 Primary Consumer companies over 2021-2023 indicates results well above the ideal standard of <10x. 2021 it was recorded at 81x, increased to 91x in 2022, and slightly decreased to 60x in 2023. Despite the improvement, the value remains overvalued and reflects suboptimal performance. This high PER indicates that the company still faces challenges in creating stable and sustainable profits, and its performance tends to be poor.

The Price to Book Value (PBV) ratio compares the stock price to the book value per share. According to (Indra Mahardika Putra, 2023) a PBV ratio below 1x generally indicates that the stock is undervalued, whereas a PBV above 1x suggests that the stock price may be overvalued. The detailed PBV results for the companies observed are presented in Table 13.

Table 13. Average PBV

Year	Average PBV	Book Standards	Output
2021	56x	PBV < 1x	Bad
2022	64x	PBV < 1x	Bad
2023	56x	PBV < 1x	Bad

Source: (Data Processed, 2025)

The average PBV for the 10 Primary Consumer companies over 2021-2023 shows that most companies are overvalued. The value reached 56x in 2021, rose to 64x in 2022, and then returned to 56x in 2023. This is well above the ideal standard of <1x, signalling challenges in improving book value and market confidence. While PT COCO and PT SKLT show PBVs close to ideal, most other companies face fundamental issues. The line chart also shows no significant upward trend, reflecting performance stagnation and the need for further evaluation.

3. CONCLUSION & SUGGESTION

Based on the results of the analysis, primary consumer companies demonstrate a relatively strong ability to generate gross profit, which reflects efficient management of production costs despite some fluctuations during the observed period. However, their ability to generate operating and net profits remains below industry standards, mainly due to high operating expenses, ineffective pricing strategies, and market demand volatility. These challenges limit their capacity to increase investments, manage debt effectively, and navigate market instability. Asset management performance is also suboptimal, as companies face difficulties in utilizing assets efficiently amid rising operational costs and declining revenues. Similarly, equity management has not reached its full potential, negatively impacting investor confidence and stock performance.

The companies' market value has experienced significant fluctuations, which have affected market capitalization and the ability to secure external funding, posing risks to investment planning, competitiveness, and investor interest. Despite these challenges, the companies show signs of stability and growth potential, although they continue to face considerable risks. To improve their performance and sustain growth, companies need to implement effective cost control measures and develop more adaptive pricing strategies that respond to market dynamics. Expanding market reach and diversifying product portfolios are crucial to increasing revenue streams and reducing risks.

Improving asset utilization by eliminating unproductive costs and enhancing operational efficiency is essential, while better capital management can improve profitability and investor appeal. Furthermore, strengthening risk management frameworks and establishing early warning systems will enhance resilience against market fluctuations. To regain and maintain investor trust, companies should reinforce their business fundamentals through transparent communication and adherence to sound corporate governance principles. Finally, addressing the current overvaluation of stocks requires companies to improve financial fundamentals, optimize asset efficiency, and restructure unproductive assets. Emphasizing sustainable growth strategies and transparent investor relations should be prioritized to support long-term competitiveness and financial stability within the primary consumer sector.

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