
ANALYSIS OF DEBT POLICY AND INVESTMENT DECISIONS AT PT GARUDAFOOD PUTRA-PUTRI JAYA TBK FOR THE PERIOD 2020-2024

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ABSTRACT

This study aims to analyze the relationship between capital structure and financial performance of PT Garudafood Putra Putri Jaya Tbk from 2020 to 2024. The method used is quantitative descriptive with a case study approach, utilizing secondary data in the form of financial reports and the company's stock prices. The analysis was conducted by calculating financial ratios such as the Debt to Equity Ratio (DER) and Price Earnings Ratio (PER) and comparing performance trends from year to year. The results show that Garudafood's capital structure is considered balanced, with a relatively stable proportion of liabilities and equity.

Keywords: Debt Policy, Investment Decisions, PT Garudafood Putra Putri Jaya Tbk

INTRODUCTION

In an increasingly competitive business world, companies are required to make sound strategic decisions to maintain their sustainability and growth. Two key decisions that significantly impact a company's performance and value are debt policy and investment decisions. Debt policy relates to how a company finances its operational and investment activities, whether through internal or external sources, particularly loans or bond issuance. Meanwhile, investment decisions involve selecting projects or assets that can generate long-term benefits for the company.

PT Garudafood Putra Putri Jaya Tbk, one of the leading companies in Indonesia's food and beverage industry, has been a leading player for decades. Since listing its shares on the Indonesia Stock Exchange in 2018, the company has drawn increasing scrutiny, particularly regarding its capital structure and investment practices.

The period from 2020 to 2024 will be full of challenges and opportunities. The COVID-19 pandemic, which began in early 2020, has placed significant pressure on various sectors, including the food and beverage industry. In this situation, funding and investment decisions become crucial for the company's operational continuity and growth. Therefore, it is important to analyze how PT Garudafood manages its debt policy, whether it tends to be conservative or aggressive, and to evaluate its investment decisions during this period.

An analysis of debt policy and investment decisions not only provides insight into the company's financial strategy but also reflects management's risk management and growth direction. This study aims to gain a deeper understanding of the relationship between funding structure and investment allocation and PT Garudafood Putra Putri Jaya Tbk's financial performance over the past five years.

Research purposes

1. Analyzing debt policy at PT Garudafood Putra Putri Jaya Tbk for the 2020-2024 period
2. Analyzing investment decisions at PT Garudafood Putra Putri Jaya Tbk for the 2020-2024 period

METHOD

The method used is a quantitative descriptive approach with a case study approach, utilizing secondary data in the form of financial reports and company stock prices. The analysis was conducted by calculating financial ratios such as the Debt-to-Equity Ratio (DER) and Price-Earnings Ratio (PER) and comparing performance trends from year to year. The results indicate that Garudafood's capital structure is relatively balanced, with a relatively stable proportion of liabilities and equity.

RESEARCH RESULTS AND DISCUSSION

1. Debt Policy Analysis Results

a. Debt Equity Ratio (DER) Formula

$$DER = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

b. Total Liabilities and Equity Data

Year	Total Liabilities (Rp Billion)	Total Equity (Rp Billion)
2020	3,713.98	2,956.96
2021	3,724.37	3,030.66
2022	3,975.93	3,351.00
2023	3,518.50	3,909.21
2024	4,426.00	4,005.84

c. DER calculation per year

▪ 2020

$$DER_{2020} = \frac{3.713,98}{2.956,96} \times 100\% = 1.26$$

▪ 2021

$$DER_{2021} = \frac{3.724,37}{3.030,66} \times 100\% = 1.23$$

▪ 2022

$$DER_{2022} = \frac{3.975,93}{3.351,00} \times 100\% = 1.19$$

▪ 2023

$$DER_{2023} = \frac{3.518,50}{3.909,21} \times 100\% = 0.90$$

▪ 2024

$$DER_{2024} = \frac{4.426,00}{4.005,84} \times 100\% = 1.10$$

Based on the results of calculations over the last five years, the financial structure of PT Garudafood Putra Putri Jaya Tbk shows a relatively stable and

controlled tendency, as seen from the Debt to Equity Ratio (DER) which is calculated from total liabilities divided by the company's total equity.

In 2020, the DER was recorded at 1.26, indicating that the company financed its assets with a higher proportion of liabilities than equity. This is still within the reasonable range, despite its aggressive use of debt. This ratio decreased slightly in 2021 to 1.23, and then again to 1.19 in 2022. This decrease reflects the company's efforts to strengthen its capital structure by increasing the proportion of equity through retained earnings or additional capital without significantly increasing its debt burden.

The peak occurred in 2023, when the DER dropped sharply to 0.90, indicating that for the first time in five years, the company's equity exceeded its total liabilities. This reflects an increasingly healthy and conservative financial condition, indicating that the company is starting to rely more heavily on equity to finance operations and investments.

However, in 2024, the DER ratio increased again to 1.10. While this ratio remains healthy, the increase is potentially linked to the company's expansion and acquisition strategy, particularly the takeover of new entities such as PT Garuda Beverage Sukses. The increase in liabilities, which boosted the DER ratio, indicates additional borrowing or new obligations used to support business growth.

2. Investment Decision Analysis Results

a. The formula used

$$\text{EPS (Earnings per share)} = \frac{\text{Laba Bersih (net profit)}}{\text{Jumlah sahan beredar}}$$

$$\text{PER (Price Earning Ratio)} = \frac{\text{Harga Saham}}{\text{EPS}}$$

b. Basic data

- Number of Shares Outstanding: Quoted from the financial report, the number of shares outstanding per year did not change during the 2020–2024 period, namely: 7,379,580,291 shares
- Net income (distributed to the parent entity):

Year	Net Profit (Rp)
2020	259,412,261,010
2021	424,831,013,000
2022	425,213,540,000
2023	389,779,479,000
2024	476,183,197,000

- Stock price

Year	Stock Price (Rp)
2020	1,200
2021	1,300
2022	1,450
2023	1,550
2024	1,600

c. EPS & PER Calculation per Year

- **2020**

$$\text{EPS} = 259,412,261,010 \div 7,379,580,291 = \text{IDR } 35.20$$

$$\text{PER} = 1,200 \div 35.20 = 34.09$$

The stock is fairly valued, as investors are paying 34 times net earnings per share.

- **2021**

$$\text{EPS} = 424,831,013,000 \div 7,379,580,291 = \text{IDR } 11.60$$

$$\text{PER} = 1,300 \div 11.60 = 112.07$$

The spike in PER is due to a significant decrease in EPS (due to the increase in outstanding shares), while the share price remains high. This indicates overvaluation, or investors being overly optimistic about future growth.

- **2022**

$$\text{EPS} = 425,213,540,000 \div 7,379,580,291 = \text{IDR } 11.64$$

$$\text{PER} = 1,450 \div 11.64 = 124.57$$

PER is getting higher even though EPS is stagnant → there are indications that stock prices are rising faster than profit performance, indicating high market sentiment or growth expectations.

- **2023**

$$\text{EPS} = 389,779,479,000 \div 7,379,580,291 = \text{IDR } 15.78$$

$$\text{PER} = 1,550 \div 15.78 = 98.23$$

EPS starts to rise again, causing PER to decline. This indicates that performance is starting to catch up with stock valuation, suggesting potential efficiency improvements or cost controls.

- **2024**

$$\text{EPS} = 476,183,197,000 \div 7,379,580,291 = \text{IDR } 16.93$$

$$\text{PER} = 1,600 \div 16.93 = 94.52$$

Financial performance improved along with increases in net profit and EPS. The PER remained high (94x) but more reasonable than in 2021–2022, indicating that the stock price is starting to align with the company's performance.

d. Recapitulation of Calculation Results

Year	Net Profit (Rp)	EPS (Rp)	Stock Price (Rp)	PER (x)
2020	259,412,261,010	35.20	1,200	34.09
2021	424,831,013,000	11.60	1,300	112.07
2022	425,213,540,000	11.64	1,450	124.57
2023	389,779,479,000	15.78	1,550	98.23
2024	476,183,197,000	16.93	1,600	94.52

From 2020 to 2024, the company's financial performance fluctuated but tended to improve towards the end of the period. Net profit increased from IDR 259,412 million in 2020 to IDR 476,183 million in 2024. A significant increase occurred in 2021, but stagnated in 2022 and declined in 2023, before rising again in

2024. This indicates the company's ability to recover its performance after a slowdown.

Despite increased profits in 2021, EPS (earnings per share) actually dropped drastically from Rp35.20 to Rp11.60. This was likely due to the increase in the number of shares outstanding, resulting in a more evenly distributed profit. Over time, EPS gradually increased, reaching Rp16.93 in 2024, indicating an improvement in earnings per share distribution.

The company's stock price has continued to rise annually, from Rp1,200 in 2020 to Rp1,600 in 2024. This increase occurred despite a decline in EPS, indicating that investors still believe in the company's long-term prospects.

However, the Price-to-Earnings Ratio (PER) indicates that the stock was overvalued. The PER rose from 34.09 times in 2020 to over 120 times in 2022. This means the stock was trading significantly higher than its earnings per share. The PER began to decline to 94.52 times in 2024, as EPS began to improve and the stock price stabilized.

Overall, the company successfully increased profits and improved EPS at the end of the period. However, to maintain investor interest and maintain share price stability, the company needs to continue improving efficiency and ensuring a fair valuation in line with its financial performance.

CONCLUSION

Based on the Debt to Equity Ratio (DER), it can be concluded that PT Garudafood Putra Putri Jaya Tbk implemented a controlled debt policy during the 2020–2024 period. This is reflected in the relatively balanced proportion of liabilities to equity, without showing a significant increase in debt. Despite the increase in liabilities in the past five years, the company was able to maintain a stable capital structure and not rely excessively on external financing. This strategy demonstrates that Garudafood manages financial risks prudently and is able to finance operational activities and expansion without overburdening the balance sheet.

Based on the Price Earnings Ratio (PER), the investment decisions made by PT Garudafood Putra Putri Jaya Tbk are considered quite effective, as reflected in net profit growth, equity growth, and EPS growth during the 2020–2024 period. This positive financial performance indicates that the funds allocated for investment are being used productively and generating good returns for the company. Furthermore, the upward trend in stock prices also reflects a positive market response to the company's investment policies. Therefore, Garudafood's investment decisions significantly contribute to long-term business growth and sustainability.

Overall, PT Garudafood has been able to maintain its financial position prudently and demonstrates its potential as a company with strong fundamentals, prospective for long-term growth, and attractive to investors who consider stability and rational valuation.

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