

Financial Analysis of Startups Company PT. Limatra Innovation of Subang Honey Pineapple Beverage

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ABSTRACT

Background – Pineapple is one of the most popular types of fruit. In addition to delicious fruit, pineapple fruit also has a very high vitamin C content. With a high level of community mobility and practical reasons, many people turn to packaged fruit juice drinks. PT Limatra is a startups company engaged in the trading business that sells various packaged fruit juices, with the product name "NasNas", with the main ingredient being pineapple from the Subang area, West Java. The product is not only original pineapple juice but also has a variety of flavors. As a start-up company, investment considerations are needed, which are useful for making decisions in the short and long term, financial planning is one important aspect for business continuity.

Method – Using elements of financial planning, financial statement projections, investment feasibility analysis, and ratios for financial performance analysis.

Result – Investment analysis can assist management in making strategic decisions, both short term and long term.

Keywords – Investment, Fruit Juice Drink, Financial Analysis, Startups, Financial Modelling, Strategic Financial, Business Plan.

INTRODUCTION

Pineapple is one of the most popular types of fruit. In addition to delicious fruit, pineapple fruit also has a very high vitamin C content. With a high level of community mobility and for practical reasons, many

people turn to packaged fruit juice drinks. PT Limatra is a startups company engaged in the trading business that sells various packaged fruit juices, with the product name "NasNas", with the main ingredient being honey pineapple from the Subang area, West Java. The product is not only original pineapple juice but also has a variety of flavors. As a start-up company, a feasibility analysis on investment is needed, which is useful for management in making short-term and long-term strategic decisions, financial planning is one important aspect for business continuity. An investment plan can also be used as a basis for making a decision to accept or reject an unprofitable investment. For Investors, it is very important to know and study the Startup Potential [1]. Financial planning is also one of the important aspects for company sustainability [2]. Companies also need to create and plan financial strategies, especially investment strategies [3].

MATERIAL & METHOD

As a start-up company, PT Limatra has challenges in creating superior value for customers and improving financial performance [4], therefore PT Limatra really needs to have a goal to represent the results of a predetermined strategy. These goals must be quantitative, measurable, achievable, and in accordance with the company's vision and mission. Long-term goals can help companies provide direction,

focus coordination, provide the basis for effective planning and control activities.

The financial objectives of PT Limatra are as follows:

Table 2.1

Period	Financial Objectives
Short-term (1-3 Years)	Competitive pricing compared to competitors, in order to maximize sales Get investors to increase the company's capital (30%) in addition to the founder's funds Create product brand awareness at the beginning Minimize costs, especially operational costs and employee costs
Medium-term (3-5 Years)	Achieve payback period in year 3 Optimization of revenue (bypassing BEP points)
Long-term More than 5 Years	Achieve stable net profit Increased revenue due to the expansion carried out Allocating funds for expansion

Source: Author 2021

And the targets for realizing the financial goals of PT Limatra are as follows:

Table 2.2

Period	Financial Targets
Short-term (1-3 Years)	Get investors in the form of shares owned by the company Allocate a larger marketing and promotion budget Optimization of the initial cost, in order to create a competitive price
Medium-term (3-5 Years)	Increasing the company's liquidity, namely the company's ability to meet its short-term obligations exceeding 150% Increased solvency of the company, namely the company's ability to fulfill all its obligations less than 30% Increasing the company's profitability, namely the company's ability to generate a profit of at least 15%
Long-term More than 5 Years	Achieve optimal investment feasibility, in order to increase the confidence of investors to invest

Source: Author 2021

The financial elements used by PT Limatra in financial planning in accordance with the company's financial conceptual framework are income planning, investment policy planning, company operating expenses and costs planning, capital requirements planning, and company operating financing planning (Gansel,

2005). This financial planning will be the foundation for the company's financial strength so that the company's goals to get profits that are always growing can be realized [6].

The financial planning framework of PT Limatra is shown in Figure 2.1 as follows:

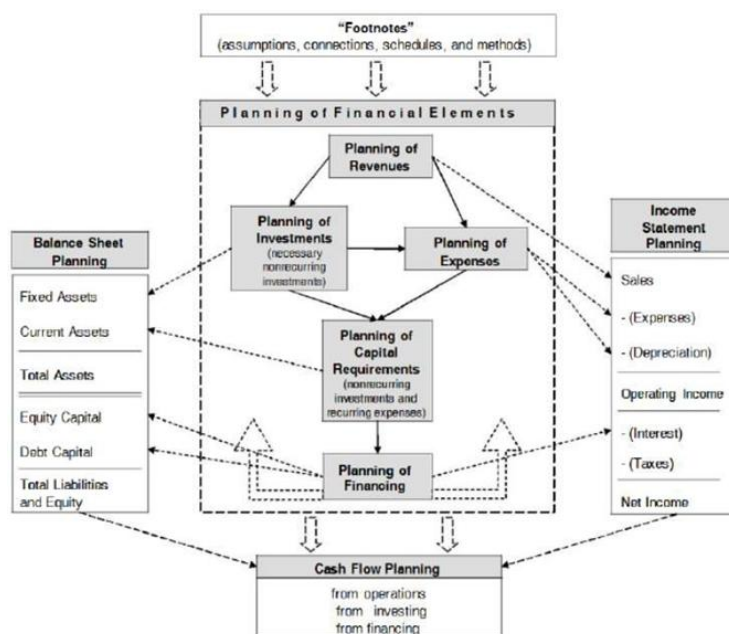


Figure 2.1

RESULT & DISCUSSION

The financial planning element departs from the company's activities which

consist of three main functions, namely the marketing function, operational function, and human resources function.

Table 3.1

Sales Projection	1st year	2nd year	3rd year	4th year	5th year
Unit Sold					
Mass Product Original	604,800	967,680	1,548,288	2,477,261	3,963,617
Mass Product Mix	151,200	241,920	387,072	619,315	990,904
Family Pack 1L	-	-	-	-	198,181
Total	756,000	1,209,600	1,935,360	3,096,576	5,152,702
Price / Unit (Rp)					
Mass Product Original	7,000	7,000	7,350	7,350	7,350
Mass Product Mix	7,500	7,500	7,875	7,875	7,875
Family Pack 1L	-	-	-	-	12,500
Total Sales / Type (Rp)					
Mass Product	4,233,600,000	6,773,760,000	11,379,916,800	18,207,866,880	29,132,587,008
Mass Product Mix	1,134,000,000	1,814,400,000	3,048,192,000	4,877,107,200	7,803,371,520
Family Pack 1L	-	-	-	-	2,477,260,800
Total Sales (Rp)	5,367,600,000	8,588,160,000	14,428,108,800	23,084,974,080	39,413,219,328

PT Limatra's revenue plan is calculated to be an annual target where sales estimates are influenced by several factors, namely economic conditions, target market, market constraints and growth, consumer demographics, competitors and changes in strategy. In accordance with table 3.1, PT

Limatra's five-year revenue plan consists of original products (250ml), flavor mix products (250ml), and in the fifth year a 1L family pack product.

The HPP costs required to produce the product are in accordance with table 3.2 below:

Table 3.2

COGS Projection	1st year	2nd year	3rd year	4th year	5th year
COGS / Unit (Rp)					
Mass Product Original	3,230	3,230	3,392	3,392	3,392
Mass Product Mix	3,780	3,780	3,969	3,969	3,969
Family Pack 1L	7,500	7,500	7,875	7,875	7,875
Unit Sold					
Mass Product Original	604,800	967,680	1,548,288	2,477,261	3,963,617
Mass Product Mix	151,200	241,920	387,072	619,315	990,904
Family Pack 1L	-	-	-	-	198,181
COGS / Type (Rp)					
HPP Mass Product Original	1,953,504,000	3,125,606,400	5,251,018,752	8,401,630,003	13,442,608,005
HPP Mass Product Mix	571,536,000	914,457,600	1,536,288,768	2,458,062,029	3,932,899,246
Family Pack 1L	-	-	-	-	1,560,674,304
Total COGS (Rp)	2,525,040,000	4,040,064,000	6,787,307,520	10,859,692,032	18,936,181,555
Gross Profit (Rp)	2,842,560,000	4,548,096,000	7,640,801,280	12,225,282,048	20,477,037,773

Cost planning is a process in determining how much costs will be incurred in the future, cost planning is

divided into marketing costs, operational costs and human resource costs, according to the table below.

Table 3.3

Cost Projection (Rp)	1st year	2nd year	3rd year	4th year	5th year
Marketing Cost	1,073,520,000	1,717,632,000	2,885,621,760	4,616,994,816	7,882,643,866
Preoperative cost	100,000,000	-	-	-	-
Operational Cost	1,100,000,000	1,155,000,000	1,212,750,000	1,273,387,500	1,337,056,875
Human Capital Cost	1,096,216,280	1,372,440,988	1,956,580,514	2,230,188,022	3,142,889,330
Total Cost	3,369,736,280	4,245,072,988	6,054,952,274	8,120,570,338	12,362,590,070

Investment planning carried out by PT Limatra is in the form of investment capital expenditure or commonly abbreviated as capex, which is a number of costs incurred by the company to buy, repair, or maintain assets that can be used in the long term for the sustainability of its business.

The capital expenditure investment that PT Limatra made was in the first year when the company started operating, and in the 4th year, when the company began to expand throughout Java. The following is the plan for the purchase of PT Limatra's capex, according to table 3.4.

Table 3.4

Capital Expenditure (Rp)	1st year	2nd year	3rd year	4th year	5th year
Fixed Asset					
Land	200,000,000	-	-	250,000,000	-
Building	150,000,000	-	-	200,000,000	-
Vehicle	400,000,000	-	-	200,000,000	-
Equipment	100,000,000	-	-	85,000,000	-
Office Inventory	50,000,000	-	-	60,000,000	-
Total	900,000,000	-	-	795,000,000	-
Depretiation					
Tanah	-	-	-	-	-
Bangunan kantor	15,000,000	15,000,000	15,000,000	35,000,000	35,000,000
Kendaraan	80,000,000	80,000,000	80,000,000	120,000,000	120,000,000
Peralatan	20,000,000	20,000,000	20,000,000	37,000,000	37,000,000
Inventaris kantor	10,000,000	10,000,000	10,000,000	22,000,000	22,000,000
Total	125,000,000	125,000,000	125,000,000	214,000,000	214,000,000
Net Fixed Asset	900,000,000	900,000,000	900,000,000	1,695,000,000	1,695,000,000
- Accumulated Depreciation	125,000,000	250,000,000	375,000,000	589,000,000	803,000,000
= Book Value	775,000,000	650,000,000	525,000,000	1,106,000,000	892,000,000

Planning for capital requirements, as shown in table 3.5, is useful for knowing the initial capital needed by PT Limatra to run its business activities. The efficiency level of capital planning is an effort to increase the capital that will be used to meet the needs of capital expenditure and operating expenditure [7].

From the calculation of capital requirements planning, the company's initial capital requirement to operate is Rp. 4,269,736,280, but for the safety of the company's operational activities, additional capital is still needed from outside investors. The composition of external capital is 30%, and the composition of the founding shareholders is 70% consisting of four people. The following is a plan for the capital structure of PT Limatra.

Table 3.5

Initial Capital Requirement (Rp)	Total
Operating expenditure	
Preoperative cost	100,000,000
Marketing Cost	1,073,520,000
Operational Cost	1,100,000,000
Human Capital Cost	1,096,216,280
Total Operating expenditure	3,369,736,280
Total Capital Expenditure	900,000,000
Total Initial Capital Requirement	4,269,736,280

Financial statement projections are needed so that the company can prepare the strategies needed from the possibilities that the company will experience over the next few years. The projections of the financial statements carried out by PT Limatra consist of projected income statements (table 3.7), projected balance sheets (table 3.8) and projected cash flow statements (table 3.9).

Projected financial statements will be prepared within a period of five years.

Table 3.6

Capital Structure	Shareholding	Price per share (Rp)	Total (Rp)
Founding Capital (70%)			
Saputra Tri Wardana	1,050	10,000	1,050,000,000
Bea Kahfi Arini	1,050	10,000	1,050,000,000
Dita Fryandini	1,050	10,000	1,050,000,000
Wisnu Harinugroho	1,050	10,000	1,050,000,000
Total Founding Capital	4,200		4,200,000,000
Investor's Capital (30%)			
Angel Investor	1,800	10,000	1,800,000,000
Total Investor's Capital	1,800		1,800,000,000
Total Capital	6,000		6,000,000,000

Table 3.7

Profit & Loss Projection (Rp)	1st year	2nd year	3rd year	4th year	5th year
Revenue	5,367,600,000	8,588,160,000	14,428,108,800	23,084,974,080	39,413,219,328
COGS	2,525,040,000	4,040,064,000	6,787,307,520	10,859,692,032	18,936,181,555
Gross Profit	2,842,560,000	4,548,096,000	7,640,801,280	12,225,282,048	20,477,037,773
G&A Expenses					
Marketing Cost	1,073,520,000	1,717,632,000	2,885,621,760	4,616,994,816	7,882,643,866
Preoperative cost	100,000,000	-	-	-	-
Operational Cost	1,100,000,000	1,155,000,000	1,212,750,000	1,273,387,500	1,337,056,875
Human Capital Cost	1,096,216,280	1,372,440,988	1,956,580,514	2,230,188,022	3,142,889,330
Total G&A Expenses	3,369,736,280	4,245,072,988	6,054,952,274	8,120,570,338	12,362,590,070
EBITDA	(527,176,280)	303,023,012	1,585,849,006	4,104,711,710	8,114,447,703
Depreciation	125,000,000	125,000,000	125,000,000	214,000,000	214,000,000
Tax	-	39,165,063	321,386,781	855,956,576	1,738,098,495
Net Profit	(652,176,280)	138,857,950	1,139,462,225	3,034,755,134	6,162,349,208

Table 3.8

Balance Sheet Projection (Rp)	1st year	2nd year	3rd year	4th year	5th year
ASSET					
Current Asset	6,130,958,534	6,478,516,119	8,156,587,252	11,363,715,692	19,829,279,292
Total Fixed Asset	775,000,000	650,000,000	525,000,000	1,106,000,000	892,000,000
Total Asset	6,905,958,534	7,128,516,119	8,681,587,252	12,469,715,692	20,721,279,292
LIABILITIES & EQUITY					
Current Liabilities	733,134,814	1,091,834,449	1,780,443,358	2,808,816,664	4,898,031,056
Long Term Liabilities	825,000,000	550,000,000	275,000,000	-	-
Total Liabilities	1,558,134,814	1,641,834,449	2,055,443,358	2,808,816,664	4,898,031,056
Total Equity	5,347,823,720	5,486,681,670	6,626,143,895	9,660,899,028	15,823,248,236
Total Liabilities & Equity	6,905,958,534	7,128,516,119	8,681,587,252	12,469,715,692	20,721,279,292

After the net cash inflow is known, then it is calculated whether the investment project is feasible or not, by conducting an investment feasibility analysis, which is carried out to determine the prospects of a company. This is very important for

investors in determining whether to invest in the company or not. The investment feasibility analysis consists of four, namely Net Present Value (NPV), Payback Period (PP), Profitability Index (PI), Internal Rate

of Return (IRR) and Break Event Point (BEP), according to table 3.10.

Table 3.9

Cash Flow Projection (Rp)	1st year	2nd year	3rd year	4th year	5th year
Cash Flow From Operating Activities					
Retained earning	(652,176,279.81)	138,857,949.55	1,139,462,224.87	3,034,755,133.68	6,162,349,207.95
Depretiation	125,000,000.00	125,000,000.00	125,000,000.00	214,000,000.00	214,000,000.00
Accounts receivable	(596,400,000.00)	(119,280,000.00)	(486,662,400.00)	(1,106,155,008.00)	(2,618,155,008.00)
Tax Receivable	(50,500,800.00)	(30,300,480.00)	(54,944,870.40)	(81,447,690.24)	(161,529,790.46)
Inventory	(252,504,000.00)	(151,502,400.00)	(274,724,352.00)	(407,238,451.20)	(807,648,952.32)
Prepaid expenses	(154,000,000.00)	(7,700,000.00)	(8,085,000.00)	(8,489,250.00)	(8,913,712.50)
Accounts payable	505,008,000.00	303,004,800.00	549,448,704.00	814,476,902.40	1,615,297,904.64
Other Payable	168,486,813.99	43,766,835.40	90,493,964.30	103,280,903.22	212,100,986.61
Tax payable	59,640,000.00	11,928,000.00	48,666,240.00	110,615,500.80	261,815,500.80
Bank Loan	750,000,000.00	(250,000,000.00)	(250,000,000.00)	(250,000,000.00)	-
Leasing debts	75,000,000.00	(25,000,000.00)	(25,000,000.00)	(25,000,000.00)	-
Net Cash From Operating Activities	(22,446,265.82)	38,774,704.95	853,654,510.77	2,398,798,040.66	4,869,316,136.72
Cash Flow From Investing Activities					
Acquisition of Fixed Assets	(900,000,000.00)	-	-	(795,000,000.00)	-
Net Cash From Investing Activities	(900,000,000.00)	-	-	(795,000,000.00)	-
Cash Flow From Funding Activities					
Capital	6,000,000,000.00	-	-	-	-
Net Cash From Funding Activities	6,000,000,000.00	-	-	-	-
Increase (Decrease)	5,077,553,734.18	38,774,704.95	853,654,510.77	1,603,798,040.66	4,869,316,136.72
Beginning	-	5,077,553,734.18	5,116,328,439.13	5,969,982,949.89	7,573,780,990.55
Ending	5,077,553,734.18	5,116,328,439.13	5,969,982,949.89	7,573,780,990.55	12,443,097,127.27

Table 3.10

Analysis	Result	Requirements	Conclusion
NPV0	6,000,000,000		
NPV1	9,408,244,279	NPV 1 > NPV 0	Feasible
Payback Period	4.07	4 Years 1 Month	Feasible
Profitability Index	1.57	PI > 1	Feasible
IRR	32%	> From Interest rate	Feasible
ROI	164%	5th year	Feasible
Break Event Point	2nd Year	Faster	Feasible

Financial performance analysis or what is often referred to as financial statement analysis is an analysis to measure company performance by comparing data in financial statements, namely balance sheets and income statements in a certain period. Financial ratio analysis is the most widely

used method for determining an organization's strengths and weaknesses in the investment, financing, and dividend areas [8]. The financial ratios consist of liquidity, profitability, solvency and activity ratios.

Table 3.11

Ratio Analysis	1st year	2nd year	3rd year	4th year	5th year
Liquidity Ratio					
Current Ratio	8.4	5.9	4.6	4.0	4.0
Quick Ratio	8.0	5.6	4.2	3.7	3.7
Cash Ratio	6.9	4.7	3.4	2.7	2.5
Profitability Ratio					
Net Profit Margin	-12%	2%	8%	13%	16%
Return on Asset	-9%	2%	17%	31%	38%
Return on Equity	-12%	3%	17%	31%	39%
Return on Investment	-11%	2%	19%	51%	103%
Earning Per Share (Rp)	Rp (108,696)	Rp 23,143	Rp 189,910	Rp 505,793	Rp 1,027,058
Solvability Ratio					
Debt to Equity Ratio	29%	30%	31%	29%	31%
Debt to Asset Ratio	23%	23%	24%	23%	24%
Activity Ratio					
AR Turnover	9	12	12	10	8
Total Asset Turnover	0.8	1.2	1.7	1.9	1.9
Working Capital Turnover	1.0	1.6	2.3	2.7	2.6

It can be seen from table 3.11, the company has good liquidity, although there is a decrease at the end of year 5, but it is not significant, and this is also due to the need for company expansion.

It can be seen in the first year that the profitability ratio of PT Limatra is still minus, this is because as a new company it is still in the stage of developing and establishing brand awareness, which requires greater promotion and marketing costs to build brand awareness. In the third year and so on, profitability starts to be positive, although not too big, but every year it looks like profitability is increasing, and reaches its peak in year 5.

The total ratio of debt to equity and assets in the first year was quite large, due to the purchase of assets and equity which did not have additional equity because they still recorded losses in the first year. This continues until the 2nd year, only the 3rd year and so on, the company's solvency began to improve with the settlement of obligations and the increase in assets and equity owned by the company. So it can be concluded that in terms of solvency ratio, PT Limatra can be said to be solvable.

The increase and decrease in AR turnover is still within reasonable limits. Meanwhile, the total asset turnover and

working capital turnover increase every year, this indicates that PT Limatra has utilized its assets and capital quite well.

CONCLUSION

Based on the analysis that has been done, the investment feasibility analysis (NPV, PP, PI, IRR, ROI and BEP), and also based on the financial ratio analysis, it can be concluded that investing in PT Limatra is worth considering and is feasible.

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