

Performance Assessment Based on Added Value Management (Study of Cigarette Issuers in Indonesia)

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ABSTRACT

The research aims to evaluate the financial performance of PT Gudang Garam Tbk. and PT Hanjaya Mandala Sampoerna Tbk. for the 2018-2022 period based on Economic Value Added (EVA), Market Value Added (MVA), Financial Value Added (FVA). The data used is financial report data from the Indonesia Stock Exchange (BEI). The research results show that the EVA value at PT Gudang Garam Tbk. in 2018 and 2020 it was negative, while during 2019-2022 the EVA value was positive. A positive EVA value illustrates that the company's performance is good and able to create economic added value. MVA PT Gudang Garam Tbk. 2018 to 2020 is positive. Meanwhile, in 2021 and 2022 the MVA value is negative, which means the company has not been able to maximize shareholder wealth because resource management has not been optimal. FVA PT Gudang Garam Tbk. during 2018-2022 is positive. This can be interpreted as PT Gudang Garam Tbk. has created added financial value for the company. During 2018-2022 PT Hanjaya Mandala Sampoerna Tbk. having EVA, MVA and FVA is positive. This shows that the company can maximize shareholder wealth because resource management is optimal.

INTRODUCTION

Sustainable Competitive Advantage is a company's means of achieving its goals. The goal to be achieved is to increase company value. Companies that have a competitive advantage will create value for their customers that is superior to other businesses. One indicator of competitive advantage is seen in financial performance. Company performance can be measured on an accounting basis, a market basis, and a value-added basis.

Financial performance is a reflection of the success or failure of business people in running their business. Financial achievements can be seen from financial reports. Financial reports are a description of financial conditions in a certain period. Financial performance information is very useful for stakeholders and shareholders. Financial report data is used by interested parties to determine the company's position. Before making a decision, the financial report information is analyzed first.

Earnings-based financial report assessments are considered less relevant at this time. The indicators used such as operating income, operating profit, return on investment, earnings before income taxes, and earnings after taxes are often manipulated, invalid, and unable to explain value creation (Sura et al., 2022). Traditional accountants believe that net income is a reward from shareholders. This perception is considered a very narrow understanding (Sahoo & Pramanik, 2017).

Financial ratios have weaknesses because they ignore the cost of capital, fixed asset contributions, and stock market capitalization. Whether or not a company has been able to create value for stakeholders and shareholders cannot be seen in financial ratios (Abu Bakar, 2010). This approach cannot be used for strategic decision-making (Akgun et al., 2018)

The value approach as a performance measurement will eliminate the weaknesses of the accounting approach. This measurement can be used as a basis for company management in managing capital, and financing plans, as a means of communication with shareholders, and can be used as a basis for determining incentives for employees (Tunggal 2001). The value-based approach takes into account the element of opportunity cost. This is in line with the emergence of the paradigm of maximizing shareholder value. The goal of today's economic institutions is not only to pursue profits but rather to pursue the company's market value

LITERATURE RIEVIEW

Performance evaluation in this research uses Economic Value Added (EVA), Market Value Added (MVA), and Financial Value Added (FVA). The concept of EVA is a determining factor in creating company value. In essence, the EVA concept describes a real measure of profit that can be used as the hope of investors and creditors. EVA is net income that has deducted all capital costs including share capital. This is because shareholders who have invested their funds hope for a return. The desired level of return is the same as the level of risk that will occur. The risks faced are opportunity costs and share capital (Prabowo, 2017).

The EVA concept provides a measure of economic profit that excludes all

operational costs and capital costs. Prosperity can be obtained if the company can cover all costs, both operational costs and capital costs (Sakdiyah, 2017). EVA is not only used as a tool to measure a company's performance but also as a measure of the added value the company produces for investors. EVA can also be used as a basis for providing incentives to employees if the EVA is positive. EVA can be used as a tool for managers to make investment decisions

The value-added measure that reflects shareholders' expectations of the company in creating wealth during its acquisition is MVA. MVA is the difference between market capitalization or market equity value and the book value on the balance sheet (Brigham, Eugene F. and Houston, 2010). The MVA model is an external performance measurement tool and can only be used if the company has gone public. This results in the MVA value tending to be greater than the actual investment.

MVA is seen as the difference between the market value (debt and equity) of a company and the total capital invested in the company. Market value is other parties' assessment of the company at a certain time. The total capital invested in the company is all investments made by all parties in the company at a certain time (Manurung, 2007). The advantage of MVA is that MVA is a single measure and is easy to understand for management and investors.

FVA is a measure of financial performance that considers the role of fixed assets in obtaining the company's net profit (Irfani, 2020). The interpretation of FVA is stated as follows: a. If the FVA value is positive, it means that management has created financial value added for the company or that there is an excess value of net profit and the company's depreciation can cover expenses equivalent to depreciation, b. if the FVA value is equal to zero, it means that management cannot create financial value added for the company and also a decrease in value because the company's net profits and depreciation have been used to cover expenses equivalent to depreciation and c. If the FVA value is negative, it means that management cannot create financial value for the company or that the company's net profit and depreciation cannot cover expenses equivalent to depreciation.

The results of research relating to value-added-based financial performance have been widely carried out. MVA is related to traditional performance measures (Akgun et al., 2018), EVA has a weak relationship with MVA while operating income has a strong relationship with MVA (Altaf, 2016). Financial performance seen from EVA, MVA, REVA, FVA, and SVA has been carried out (Triuspitorini, 2021) and (Agustin et al., 2021).

The object of the study is cigarette issuers. The existence of cigarette companies is like a double-edged sword. Cigarette companies are contributors to state excise and people's livelihood and on the other hand, the health burden due to smoking is very large. Cigarettes are a tobacco product that is liked by the public. BPS data shows that the percentage of people aged ≤ 18 years who smoke nationally has decreased. In 2022 it was 3.81% and decreased to 3.44% in 2022.

Judging from gender, the majority of smokers are men (BPS, 2022). Based on the Global Adult Tobacco survey results report, the smoking prevalence of the adult population will reach 33.5% in 2021. The highest smoking prevalence

comes from the 25-44 year age group, namely 37.7%. The prevalence of smoking in the 45-64 year age group is 33.9%. Then, the prevalence of smoking at the age of 15-24 years was 27.9%. Meanwhile, the prevalence of smoking among those aged 65 years and over is 26.5% (Bayu, 2022). Even though the percentage of smokers is decreasing, the effects of cigarettes are very dangerous for active smokers and passive smokers.

To reduce the number of smokers in Indonesia, especially among women and teenagers, the government decided to increase cigarette excise rates. On December 22 2022, the Minister of Finance issued regulation Number 109/PMK.010/2022 concerning Excise Rates for Tobacco Products in the form of Cigarettes, Cigars, Leaf Cigarettes or Kluffs, and Sliced Tobacco. The government decided to increase the excise rates for tobacco products (CHT) for cigarettes by 10 percent in 2023 and 2024 (Bramasta, 2022). For cigarette companies, production costs increase and profits will decrease. Cigarette companies will face stiff competition. The increase in excise tax on tobacco products will impact the business growth rate of cigarette issuers

Cigarette excise tariff policies have an impact on the financial performance of cigarette issuers. The financial performance of the two largest cigarette issuers, namely HM Sampoerna and Gudang Garam, experienced a decline in net profit percentage in Q1 2021 compared to Q1 2020. The increase in cigarette excise rates pressured issuers' margins because it was not easy for producers to pass on the excise increase to consumers (Ulfah, 2021).

Table 1. Financial Performance of Cigarette Issuers

Financial Performance of Cigarette Issuers (Rp.Milyard)						
Component	HM Sampoerno			Gudang Garam		
	Q1 2020	Q1 2021	Growth (%)	Q1 2020	Q1 2021	Growth(%)
Income	23.689	23.558	- 0,6	27.261	29.747	9.1
Cigarette Load	17.821	18.521	3,9	22.319	25.838	15.8
Excise	13.665	14.479	6,0	19.528	23.543	20.6
Gross Profit	5.868	5.037	- 14,1	4.942	3.909	- 20.9
Operating Expense	1.915	1.879	= 1,9	1.704	1.792	5.3
Operating Profit	4.310	3.312	- 23,1	3.341	2.259	- 32.4
Net Profit	3.322	2.586	= 22,1	2.447	1.747	- 28.6
Sorces : Financial Report						

The table above shows that the net profits of the two cigarette companies, HM Sampoerna and Gudang Garam, experienced negative growth rates.

Management is always required to increase company value so that shareholders have a sense of trust in the company. Whether the company's work is effective or not will be seen from the market's appreciation for the company (Jakub et al., 2015). Value-based performance assessment is expected to be a realistic reflection of the company concerned so that users of financial reports can

make good decisions about investing.

Stakeholder theory underlies the research that will be carried out because this theory explains the relationship between companies and stakeholders. Stakeholders are groups or individuals who have influence or who can be influenced to achieve company goals. A company is not an entity that operates for the benefit of the company alone, but rather the existence of the company must provide utility for stakeholders. Stakeholders are not just shareholders or shareholders but include suppliers, creditors, consumers, employees, government, politicians and the community who are part of the social environment.

Considering that the company's market value is very important for shareholders, the research conducted was about the value-added-based financial performance of cigarette issuers in Indonesia for the 2018-2022 period. The research problem proposed is: How is the financial performance of PT Gudang Garam Tbk. and PT Hanjaya Mandala Sampoerna Tbk. which are listed on the Indonesian Stock Exchange in 2018-2022 based on value added (EVA, MVA, FVA).

METHODOLOGY

Research Object

The population in this study are cigarette issuers that are registered on the Indonesian Stock Exchange. There are five companies, namely PT Gudang Garam Tbk; PT Hanjaya Mandala Sampoerna Tbk; PT Bentoel International Investama Tbk; PT Wismilak Inti Makmur Tbk; PT Indonesian Tobacco Tbk. The research objects are two cigarette companies listed on the Indonesian Stock Exchange which are the two largest cigarette companies in Indonesia, namely PT Gudang Garam Tbk; and PT Hanjaya Mandala Sampoerna Tbk. The research period is 2018-2022.

Data collection

The data needed is secondary data. Data was collected using the documentation method. The data source comes from the annual report of PT Gudang Garam Tbk. and PT Hanjaya Mandala Sampoerna Tbk. from 2018-2022. Data is downloaded from the Indonesian Stock Exchange website, namely www.idx.co.id

Data analysis

a. Calculation of Economic Value Added (EVA) (Irfani, 2020)

EVA	= NOPAT - Capital Charges
Capital Charges	= WACC * IC dimana
NOPAT	= EBIT * (1 - Tax)
IC	= Long-term liabilities + Own CapitalGr
WACC	= $(w_u * k_d (1-T) + (w_e * k_e))$
k_d	= Interest Expenses / Long -Term Liabilities
k_e	= $(D_1/P_0) + g$
g	= $ROE * (1 - \text{divident payout ratio})$

Dividend Payout Ratio= Dividend per Share / Earning per Share

Information :

EVA	: <i>Economic Value Added</i>
NOPAT	: <i>Net Operating Profit After Tax</i>
WACC	: <i>Weighted Average Cost of Capital</i>
IC	: <i>Invested Capital</i>
EBIT	: <i>Earning Before Income Taxes</i>
wu	: <i>Weight of long-term liabilities to invested capital</i>
we	: <i>The weight of own capital to invested capital</i>
kd	: <i>Cost of debt before taxes</i>
ke	: <i>Cost of debt before taxes</i>
D1	: <i>Dividend per Share (DPS)</i>
Po	: <i>Price per Share (PPS)</i>
g	: <i>Growth rate</i>
ROE	: <i>Return on Equity</i>

Indicators used:

EVA > 0 shows that there has been a value-added process in the company and succeeded in creating value for fund providers.

EVA < 0 shows that there is no value-added process in the company and failure to create value for fund providers.

b. Market Value Added (MVA) Calculation

MVA = Company Value - Invested capital

Company Value = Number of outstanding shares * price per share

Indicators used:

MVA > 0: the manager has succeeded in creating added value for investors.

MVA < 0: the manager failed to create added value for investors

c. Financial Value Added (FVA) Calculation

FVA = (NOPAT + Depreciation) - Equivalent Depreciation

Equivalent depreciation = k * total resources = WACC * IC

Indicators used:

FVA > 0 means that management has created added financial value for the company

FVA = zero, which means management cannot create added financial value for the company

FVA < 0, meaning management cannot create added financial value for the company

RESEARCH RESULT

Performance of PT Gudang Garam Tbk. in 2018-2022 based on Economy Value Added (EVA)

EVA is an indicator of management's success in managing a company. The results of the EVA calculation can provide information that the company is able or unable to provide added value for funders. EVA can be used to describe a company's prospects.

Tabel 1. *Economy Value Added (EVA) PT Gudang Garam Tbk 2018-2022*

	Year	NOPAT	Capital Charge	EVA
PT Gudang Garam Tbk	2018	8.296.948.599.400	9.509.496.293.678	-1.212.547.694.278
	2019	11.320.321.591.680	10.751.581.649.528	568.739.942.152
	2020	7.950.628.084.421	7.737.211.023.823	213.417.060.598
	2021	5.662.951.563.895	4.362.450.418.287	1.300.501.145.608
	2022	2.979.773.262.540	4.471.939.709.604	-1.492.166.447.064

Source: 2024 Data Processing Results

Based on the table above, the highest NOPAT during the research year was achieved in 2019. From 2020 to 2022, PT Gudang Garam Tbk's gross profit decreased quite significantly. The decrease in gross profit had an impact on NOPAT.

Capital Charges is the amount of capital costs that have taken into account the cost of equity that must be paid to investors and the cost of obligations that must be paid to creditors. $Capital\ Charges = Invested\ Capital \times WACC$. PT Gudang Garam Tbk's WACC in 2019 was 20%, then fell to 13% in 2020 and 2021 to 8%. A lower WACC value indicates that the costs the company pays to capital providers, whether in the form of debt or equity, are getting smaller. This has resulted in capital charges decreasing from year to year. Capital Charges tend to decrease which indicates that the rate of return on investment is decreasing.

The variables that influence EVA are NOPAT and capital charges. Even though NOPAT and capital charges decreased from 2019 to 2021, added value can still be created. During 2020-2021, the EVA value is > 0 , meaning that the performance of PT Gudang Garam Tbk. in good condition and able to create added value. During that time PT Gudang Garam Tbk. said to be in good condition and experiencing added economic value. This situation shows that the company can pay its obligations according to investors' expectations; The company has succeeded in managing its resources efficiently and the company has contributed to the prosperity of shareholders. In 2022 the value is negative, which means PT Gudang Garam Tbk. has not been able to meet investors' expectations, and asset management has not been optimal so the company has not been able to improve the welfare of investors. This is due to a significant decrease in NOPAT from 2020-2022.

Performance of PT Hanjaya Mandala Sampoerna Tbk in 2018-2022 Based on Economy Value Added (EVA)

Tabel 3. *Economy Value Added* PT Hanjaya Mandala Sampoerna Tbk. 2018-2022

PT	Year	NOPAT	Capital Charge	EVA
PT Hanjaya Mandala Sampoerna Tbk	2018	12.799.370.591.315	11.069.262.734.770	1.730.107.856.545
	2019	12.852.063.861.089	10.474.381.634.607	2.377.682.226.482
	2020	8.028.496.156.671	5.872.936.613.167	2.155.559.543.503
	2021	6.797.863.332.236	4.503.623.574.088	2.294.239.758.148
	2022	7.544.342.862.877	3.761.955.048.905	2.242.009.900.820

Source: 2024 Data Processing Results

The highest NOPAT was achieved in 2019. PT Hanjaya Mandala Sampoerna Tbk. NOPAT experienced a decline in 2020 and 2021 and increased again in 2022. This situation reflects the company's efforts to increase EBIT.

The determining factors for the cost of capital (capital charge) are WACC and invested capital. The capital invested is the total of long-term debt and equity. WACC is decreasing and accompanied by invested capital which is also decreasing, the cost of capital is also decreasing from year to year. A quite drastic decline occurred in 2020 compared to 2019.

The data in the table above shows that the NOPAT value from 2019 to 2021 has decreased and on the other hand the cost of capital has also decreased. The calculation results show that EVA from 2018-2022 is positive. This reflects that PT Hanjaya Mandala Sampoerna Tbk is in a healthy condition because profits can cover capital costs. The greater the EVA value, the profit the company obtains is greater the cost of capital. Positive EVA means that the company's profits can provide added economic value.

Performance of PT Gudang Garam Tbk in 2018-2022 Based on Market Value Added (MVA)

MVA is a measurement of company performance in creating wealth for funders. The variables that influence MVA are share price, number of shares outstanding and invested capital. MVA is a financial performance measurement tool that takes into account share prices and the number of shares outstanding. This model describes the company's capabilities to the capital paid up by investors. Another variable that is considered in the MVA model is capital invested. Capital invested is equity and total long debt. MVA is the prosperity of shareholders by maximizing the increase in the market value of the company's capital above the value of capital paid in by shareholders.

If the market value can cover the invested capital, it indicates that the company has succeeded in increasing the value of the capital invested by funders (investors). If the MVA is negative, which means the market value cannot cover the capital invested, it can be interpreted that the company has not succeeded in increasing the value of the capital invested by the funders.

Table 4. *Market Value Added (MVA) PT Gudang Garam Tbk 2018-2022*

	Year	Company Value	Invested Capital	Market Value added
PT Gudang Garam Tbk	2018	160.901.859.000.000	47.093.652.000.000	113.808.207.000.000
	2019	101.976.664.000.000	53.388.547.000.000	48.588.117.000.000
	2020	78.887.608.000.000	61.181.417.000.000	17.706.191.000.000
	2021	58.877.092.800.000	61.595.086.000.000	- 2.717.993.200.000
	2022	34.663.584.000.000	59.437.607.000.000	-24.804.023.000.000

Source: 2024 Data Processing Results

Company value is influenced by the number of shares outstanding and the share price. Based on the table above, it can be seen that the company value of PT Gudang Garam Tbk. from 2018 to 2022 it has decreased. During that year there was no corporate action so the number of shares outstanding remained the same. The decline in company value was due to a decline in share prices from year to year. One of the fundamental reasons for the decline in prices is a decrease in gross profit.

Judging from the capital structure, from 2018 to 2022 the capital structure of the Company PT Gudang Garam Tbk. , dominated by equity or own capital. Increased equity is due to additional profits allocated to increase own capital. During 2018-2021, invested capital tends to increase and only in 2022 will it decrease from 2021. The decrease in invested capital due to equity fell from IDR 59,288,274,000,000,- and in 2021 it fell to IDR. 57,855,966,000,000,- in 2022.

Based on data processing results, the MVA value from 2018 to 2020 is positive even though the MVA figure has decreased quantitatively. Meanwhile, in 2021 and 2022 the MVA value is negative, which means the company has not been able to maximize shareholder wealth because resource management has not been optimal. Management of funding sources that have not been optimal has resulted in declining profits and is reflected in the decline in closing stock prices from year to year.

Performance of PT Hanjaya Mandala Sampoerna Tbk in 2018-2022 Based on Market Value Added (MVA)

The closing share price of PT Hanjaya Mandala Sampoerna Tbk. from year to year the share price decreases. The number of shares in circulation remains constant, so the value of the company also decreases from year to year. The share price in 2018 was IDR. 3,710,- and fell to Rp. 2,100,- in 2019. In 2021 and 2022 it will be below Rp. 1,000,- namely Rp. 965,- and drops to Rp. 840,-.

Capital invested from 2019 to 2022 has decreased. This decrease was due to increasing short-term debt. In 2018 it was IDR. 8,793,999,000,000,- to Rp. 24,545,594,000,000,- in 2022.

Table 5. Market Value Added (MVA) PT Hanjaya Mandala Sampoerna Tbk 2018-2022

	Year	Company Value	Invested Capital	Market Value added
PT Hanjaya Mandala Sampoerna Tbk	2018	431.540.065.299.000	37.808.421.000.000	393.731.644.299.000
	2019	244.267.961.490.000	38.175.130.000.000	206.092.831.490.000
	2020	175.058.705.734.500	32.930.196.000.000	142.128.509.734.500
	2021	112.246.944.208.500	31.126.169.000.000	81.120.775.208.500
	2022	97.707.184.596.000	30.241.398.000.000	67.465.786.596.000

Source: 2024 Data Processing Results

The calculation results show that during the research year, the MVA of PT Hanjaya Mandala Sampoerna Tbk was >0 . Quantitatively, the MVA value also decreases from year to year. This shows that management has succeeded in providing added value which has decreased through decreasing growth in the market capitalization value of shares issued.

Performance of PT Gudang Garam Tbk. in 2018-2022 Based on *Financial Value Added (FVA)*

Performance that considers the role of fixed assets is Financial Value Added or more briefly called FVA. This method considers the contribution of fixed assets in generating the Company's net profits. The interpretation of the FVA measurement results is as follows: If $FVA > 0$ this indicates that there is added financial value for the company. If $FVA < 0$ this indicates that there is no added financial value for the company. If $FVA = 0$ this indicates a breakeven position.

Table 6. *Financial Value Added* PT Gudang Garam Tbk 2018-2022

PT Gudang Garam Tbk	Year	NOPAT	ED	D	FVA
PT Gudang Garam Tbk	2018	8.296.948.599.400	9.509.496.293.678	2.264.730.000.000	1.052.182.305.722
	2019	11.320.321.591.680	10.751.581.649.528	2.529.574.000.000	3.098.313.942.152
	2020	7.950.628.084.421	7.737.211.023.823	2.725.627.000.000	2.939.044.060.598
	2021	5.662.951.563.895	4.362.450.418.287	2.896.538.000.000	4.197.039.145.608
	2022	2.979.773.262.540	4.471.939.709.604	2.972.606.000.000	1.480.439.552.936

Source: 2024 Data Processing Results

The table above shows the results of FVA calculations for 2018-2022. According to the $FVA > 0$ criteria, this shows that there is added financial value for the company. During the five years of NOPAT + depreciation research, it was able to cover Equivalent Depreciation (ED) so that the FVA results were positive. This can be interpreted to mean that PT Gudang Garam Tbk has worked well so its financial performance is good. The higher the FVA value, the better the financial performance because depreciation and NOPAT are much higher than the depreciation equivalent

Performance of PT Hanjaya Mandala Sampoerna Tbk in 2018-2022 Based on Financial Value Added (FVA)

Equivalent depreciation (ED) has decreased from year to year. The decrease is due to the WACC value of the PT Hanjaya Mandala Sampoerna Tbk Company from 2018-2022 experiencing a decrease, as well as total equity and total long-term debt tending to decrease. A low WACC value also provides an idea of how much the company must pay to capital providers (good from debt or equity). Meanwhile, the higher WACC value indicates that the company has to spend more on capital. The calculation results show that the WACC of PT Hanjaya Mandala Sampoerna Tbk is decreasing from year to year, meaning that capital providers receive decreasing compensation from the Company.

Table 7. Financial Value Added PT Hanjaya Mandala Sampoerna Tbk 2018-2022

PT	Year	NOPAT	ED	D	FVA
Hanjaya Mandala Sampoerna Tbk	2018	12.799.370.591.315	1.069.262.734.770	952.892.000.000	2.682.999.856.545
	2019	17.102.434.000.000	10.474.381.634.607	1.374.440.000.000	8.002.492.365.393
	2020	10.442.354.000.000	5.872.936.613.167	1.328.205.000.000	5.897.622.386.833
	2021	8.717.154.000.000	4.503.623.574.088	1.157.806.000.000	5.371.336.425.912
	2022	8.717.154.000.000	3.761.955.048.905	1.107.062.000.000	5.199.813.951.095

Source: 2024 Data Processing Results

Based on the calculation results shown in Table 6, the FVA value of PT Hanjaya Mandala Sampoerna Tb. during the research year was positive. The highest FVA value was in 2019 and then decreased until 2022. A positive FVA shows that management has been able to create added value for the company.

DISCUSSION

The two largest cigarette issuers in Indonesia are PT Gudang Garam Tbk and PT Hanjaya Mandala Sampoerna Tbk. The government's increase in tobacco excise has had an impact on the financial performance of the two cigarette issuers. During the research year, the financial performance of PT Gudang Garam Tbk based on the EVA, MVA and FVA approaches showed results that did not meet expectations. In the last year, namely 2022, financial performance based on EVA showed a negative value. This means that there is no added value process for the company and failure to create value for investors. Meanwhile, the financial performance in 2021 and 2022 based on MVA shows that PT Gudang Garam Tbk. . has not been able to maximize shareholder wealth because resource management has not been optimal. Judging from the FVA, PT Gudang Garam Tbk has worked well so that its financial performance is good. The higher the FVA value, the better the financial performance because depreciation and NOPAT are much higher than the depreciation equivalent.

The financial performance of PT Hanjaya Mandala Sampoerna Tbk based on EVA, MVA and FVA shows positive value, which means the Company has been able to provide added value for the Company and also for investors.

CONCLUSION

Based on the results of the discussion it can be concluded:

- a. The Economic Value Added (EVA) value of PT Gudang Garam Tbk (GGRM) in 2018 and 2022 is negative, indicating that there is no added value process for the company and failure to create value for fund providers.
- b. The Economic Value Added (EVA) value of PT Gudang Garam Tbk (GGRM) in 2019 and 2021 is positive, which shows that the value-added process is occurring in the company and is successful in creating value for fund providers.
- c. The Market Value Added (MVA) value of PT Gudang Garam Tbk (GGRM) from 2018-2020 has a positive value, meaning that the company's management can provide added value for the company and its shareholders, the company can meet investors' expectations of obtaining returns above invested capital.
- d. The Market Value Added (MVA) value of PT Gudang Garam Tbk (GGRM) from 2021-2022 has a negative value, meaning that the company management is unable to provide added value for the company and its shareholders, the company is unable to meet investors' expectations of obtaining returns over invested capital.
- e. The Financial Value Added value of PT Gudang Garam Tbk (GGRM) from 2018-2022 means that management has created financial value added for the Company.
- f. The Economic Value Added (EVA), Market Value Added (MVA), and Financial Value Added PTHanjaya Mandala Sampoerna Tbk (HMSP) 2018-2022 are positive. This means that company management can provide added value for the company and its shareholders, and the company can meet investors' expectations of obtaining returns over the invested capital.

FURTHER STUDY

Future research could assess financial performance using all instruments in value-added management

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