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Corresponding author:

Aida Nur Arifah

Email: aidanuraarifah@gmail.com

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EVALUATING PT UNILEVER INDONESIA FINANCIAL PERFORMANCE AMID CONSUMER BOYCOTTS USING THE DUPONT MODEL

Aida Nur Arifah¹

¹ Universitas Terbuka, Indonesia

ABSTRACT

Objective: This study analyzes the financial performance of PT Unilever for the 2021–2023 period in response to the impact of the Boycott, Divestment, and Sanctions (BDS) movement arising from the Israel–Palestine conflict, using the DuPont System method.

Research Design & Methods: This study adopts a quantitative descriptive approach using secondary data derived from the company's financial statements, including balance sheets and income statements. The analysis employs the DuPont System, consisting of Net Profit Margin (NPM), Total Asset Turnover (TATO), and Return on Investment (ROI), to evaluate financial performance comprehensively.

Findings: The results indicate that PT Unilever's financial performance fluctuated over the observed period, improving in 2022 but declining significantly in 2023. This deterioration is reflected in decreasing NPM, TATO, and ROI values, suggesting reduced operational efficiency and profitability.

Contributions: This study contributes to the literature on financial performance analysis using the Du Pont System and offers an additional perspective on the impact of external factors, specifically, consumer boycott movements on the performance of multinational companies.

Novelty: The novelty of this study lies in integrating financial performance analysis with a global socio-political phenomenon, namely the BDS movement, which has rarely been explored in corporate finance studies in Indonesia.

Keywords: Financial Performance; DuPont System; Consumer Boycott.

JEL codes: G30; M41; D12

Article type: research paper

INTRODUCTION

Global industry trends, particularly in the Fast-Moving Consumer Goods (FMCG) sector, require companies to maintain stable financial performance amid increasingly complex market dynamics. Financial performance serves as a key indicator for assessing a company's success in managing resources, generating profits, and ensuring business sustainability. One widely used method for comprehensively analyzing financial performance is the DuPont model, which breaks down Return on Equity (ROE) into the components of Net Profit Margin (NPM), Total Asset Turnover (TATO), and Equity Multiplier (EM). This approach provides a deeper insight into operational efficiency, the effectiveness of asset utilization, and the company's capital structure ([Puspitaningtyas, 2025](#)).

Recently, a global phenomenon has emerged that affects the performance of multinational corporations: consumer boycott campaigns triggered by geopolitical, social, and ethical issues. These campaigns not only lead to a decline in sales but also impact a company's social legitimacy in the eyes of consumers and erode public trust. Various studies indicate that consumer boycotts can result in reduced profitability and financial instability for companies. One notable example is the boycott of products associated with the Palestinian–Israeli conflict, mobilized by various community groups and non-governmental organizations (NGOs) as a form of economic pressure against Israeli political policies. The campaign aims to weaken economic activity by reducing consumption of products deemed to have direct or indirect ties to that country. This phenomenon underscores that social and political factors have a significant influence on the business activities and financial performance of multinational companies ([Klein et al., 2004](#); [Sen et al., 2001](#); [Wuryanti et al., 2023](#)).

Consumer boycotts in Indonesia have intensified significantly since October 2023, coinciding with the worsening escalation of the Palestinian–Israeli conflict, which has drawn widespread public attention. This dynamic has intensified following the issuance of the Indonesian Ulema Council (MUI) Fatwa No. 83 of 2023 on November 10, 2023, which reaffirmed the obligation of Muslims to support the Palestinian struggle for independence and to

avoid any form of support for Israeli aggression (Husna et al., 2023). This decision serves not only as a religious normative reference but also acts as a catalyst driving social mobilization in the form of boycott actions against various products deemed to have ties whether direct or indirect to Israel. The widespread public response to this fatwa demonstrates that religious factors and humanitarian solidarity can influence collective consumption preferences and behavior, even impacting shifts in market demand patterns (El-Bassiouny, 2014). This phenomenon underscores that, in the Indonesian context, consumption decisions are not solely based on rational economic considerations but are also influenced by moral and religious values, as well as global geopolitical issues.

One company that has felt the impact of the consumer boycott campaign is PT Unilever Indonesia Tbk. The company has become a target of the boycott due to public perceptions regarding its ties to Israel, including the global policies of its parent company, Unilever, which continues to conduct business in the region. In 2022, Unilever was reported to have continued its business partnership with a licensee in Israel, Avi Zinger, for the distribution of Ben & Jerry's products, even though the brand had previously come under scrutiny regarding geopolitical issues. Additionally, a statement by Unilever's then-CEO, Alan Jope, reaffirming the company's commitment to continue operating in Israel, further triggered negative reactions from the global public, including in Indonesia (Unilever, 2023). This reaction has impacted the company's reputation and has the potential to affect its financial performance (de Fretes, 2025). The company, as one of the largest FMCG companies in Indonesia, also faces other external challenges such as changes in consumer behavior, intensifying competition, and negative sentiment toward multinational corporations. Several studies indicate that the company's financial performance has declined, as reflected in the weakening of components in the DuPont Analysis, particularly in profit margins and asset efficiency, signaling pressure on profitability and operational effectiveness amid an increasingly complex business environment.

Furthermore, the rapid development of information technology and the use of social media have accelerated the spread of public opinion, thereby significantly amplifying the impact of boycott campaigns on companies. Digital platforms enable information, opinions, and negative sentiment to spread virally in a short period of time, which can ultimately shape the public's collective perception of a brand. Research by Nicolas et al., (2023) indicates that reputation risks triggered by such social sentiment can directly impact market performance and corporate value, including a decline in stock returns due to increased risk perception among investors. In this context, investors consider not only financial fundamentals but also non-financial factors such as corporate image, ethical issues, and evolving social pressures in the digital space. Therefore, a company's financial performance in the modern era is no longer determined solely by internal factors such as operational efficiency and profitability, but is also significantly influenced by the dynamics of public perception, which can change rapidly in tandem with the intensity of interactions on social media and the global digital ecosystem.

The impact of consumer boycotts is a crucial issue to examine, particularly in relation to a company's financial performance as a key indicator of operational success and business sustainability. Financial performance reflects a company's ability to manage resources efficiently and effectively to generate profits and optimize the utilization of its assets. Through financial statement analysis, companies can identify the extent to which external pressures, such as boycott campaigns, affect their financial stability and performance. In this study, the DuPont Analysis approach is used to analyze the financial performance of PT Unilever Indonesia Tbk more comprehensively, as this method integrates various financial ratios that reflect the company's profitability, asset efficiency, and capital structure. Based on this, evaluating financial performance using the DuPont approach is relevant in the context of the consumer boycott era to deeply understand the factors influencing performance changes, whether in terms of profit margins, asset turnover, or leverage. The novelty of this study lies in the integration of DuPont-based financial performance analysis with contemporary social phenomena, specifically consumer boycott campaigns triggered by geopolitical issues, which have yet to be extensively examined empirically, particularly among multinational corporations in Indonesia. Thus, this study not only enriches the literature on the relationship between social factors and corporate financial performance but also offers a new perspective on how non-economic external pressures can influence strategic decisions and business sustainability in the era of globalization.

LITERATURE REVIEW

Financial Performance

Financial performance is one of the key indicators used to assess a company's success in managing its economic resources effectively and efficiently to generate profits and ensure business sustainability. This performance reflects the extent to which a company is able to optimize its assets, manage its liabilities, and create value for stakeholders. Information regarding financial performance is generally obtained through financial statements, which include the balance sheet, income statement, and cash flow statement for a specific period. These reports serve as a crucial foundation for evaluating the company's overall condition (Kasmir, 2019; Mahayani & Wirakusuma, 2019). Generally, financial performance is analyzed through financial statements, which include the balance sheet, income statement, and cash flow statement prepared on a periodic basis (Kieso et al., 2019).

Financial statements serve as the primary tool for evaluating a company's financial condition because they provide relevant and reliable information regarding the company's financial position and operating results. Through the analysis of financial statements, various stakeholders such as management, investors, and creditors can assess

the company's financial health, including its ability to meet obligations, generate profits, and maintain financial stability. In addition to being influenced by internal factors such as operational efficiency and management strategy, financial performance is also significantly influenced by external factors. Macroeconomic conditions, changes in government policy, social dynamics, and even global political issues can have a significant impact on a company's performance. In recent years, phenomena such as consumer boycott campaigns have become one of the external factors that can affect a company's revenue and reputation, thereby impacting overall financial performance (Heilmann, 2016).

To obtain a more comprehensive picture of financial performance, various indicators in the form of financial ratios are used. Profitability ratios are used to measure a company's ability to generate profits from its operating activities. Liquidity ratios indicate a company's ability to meet its short-term obligations, while solvency ratios measure the extent of a company's reliance on debt. Additionally, activity ratios are used to assess a company's efficiency in utilizing its assets. This financial ratio analysis serves as an effective tool for evaluating a company's performance, particularly for large companies operating in competitive global markets (Brigham & Houston, 2018). Financial performance plays a strategic role as the foundation for decision-making among various stakeholders. For management, financial performance information is used to formulate policies and strategies to improve the company's efficiency and profitability. Meanwhile, for investors and creditors, financial performance is a primary consideration in determining investment decisions and loan approvals.

Financial Statement Analysis

Financial statement analysis is a systematic process of evaluating a company's financial information as presented in financial statements such as the balance sheet, income statement, and cash flow statement. This process focuses not only on calculating figures but also involves an in-depth interpretation of financial data to gain a comprehensive understanding of the company's financial condition. The primary objective of financial statement analysis is to assess a company's financial performance, financial position, and future prospects. The information generated serves as a critical foundation for economic decision-making by various parties, such as management in formulating strategies, investors in making investment decisions, creditors in assessing creditworthiness, and regulators in conducting oversight (Islami, 2024).

Academic literature generally employs a quantitative approach to financial statement analysis, which includes financial ratio analysis, trend analysis, and comparative analysis. Financial ratio analysis is the most widely used method because it simplifies complex information into easily understandable indicators. Liquidity ratios are used to measure a company's ability to meet short-term obligations, solvency ratios to assess funding structure and financial risk, profitability ratios to evaluate profit-generating capacity, and activity ratios to assess the efficiency of asset utilization. Additionally, trend analysis allows researchers and practitioners to observe changes in financial performance over time, while comparative analysis is used to compare performance among companies within the same industry. Research by Sitorus et al., (2024) indicates that the use of financial ratios provides a comprehensive overview of a company's financial condition and serves as a crucial foundation for financial performance evaluation.

The development of science and technology has transformed financial statement analysis into a more modern, data-driven approach. Advanced statistical methods and data analytics techniques are increasingly being used to improve the accuracy and reliability of analysis results. One emerging approach is compositional data analysis (CoDa), designed to address the limitations of traditional methods, such as the assumption of a normal distribution and sensitivity to outliers. This approach enables a more proportional and realistic analysis of the relative nature of financial data structures. Additionally, technologies such as machine learning and big data analytics are increasingly being applied in financial statement analysis, particularly for predicting corporate performance and detecting data anomalies (Linares-Mustarós et al., 2022). This demonstrates that financial statement analysis continues to evolve alongside advancements in technology and research methods.

Financial statement analysis also plays a strategic role in detecting financial statement fraud, which is one of the critical issues in modern accounting practice. Various models have been developed in the literature to identify potential manipulation of financial statements, such as the M-Score developed by Beneish, the F-Score, and the application of Benford's Law to detect anomalies in the distribution of numbers. These models work by identifying unusual patterns in financial statements that may indicate manipulation. The existence of these methods significantly contributes to enhancing the transparency and accountability of financial statements, and helps auditors, investors, and regulators minimize the risk of misleading information (Heni & Payamta, 2023).

On the other hand, transparency and the quality of financial statement disclosures are key factors influencing the effectiveness of analysis. Adequate disclosure can reduce information asymmetry between management and stakeholders, thereby increasing investor confidence in the company. Good corporate governance practices, such as the presence of an independent board of commissioners, an effective audit committee, and a robust internal control system, have been shown to contribute to improved financial reporting quality. The literature indicates that companies with high levels of disclosure tend to have better stock liquidity and lower cost of capital (Farman et al., 2024).

Financial statement analysis can also be linked to assessments of a company's sustainability and non-financial performance. In today's context, investors consider not only financial aspects but also environmental,

social, and governance (ESG) factors. Therefore, financial statement analysis is increasingly being integrated with sustainability reports to provide a more holistic view of a company's performance. This approach allows stakeholders to assess not only short-term profitability but also the long-term sustainability of the business. Consequently, financial statement analysis has become an increasingly complex and multidimensional tool in supporting more informed and strategic decision-making.

The DuPont System Method

The DuPont System Method is a popular financial analysis technique for evaluating a company's financial performance. It was developed by DuPont in the early 20th century as a tool to understand the factors influencing a company's profitability by decomposing Return on Equity (ROE) into several key components: profit margin, asset turnover, and financial leverage. Empirical studies show that DuPont analysis not only provides an operational overview of a company but also offers useful incremental information for predicting future profits and assessing a company's operational characteristics (Soliman, 2008). This method is also applied to measure company performance across various industries. For example, a DuPont analysis of the top three companies in the food industry shows that this analysis can reveal in-depth differences in financial performance and generate more informative investment recommendations, where the results of the DuPont analysis indicate that returns to shareholders can vary significantly among companies within the same industry (Doorasamy, 2016).

Conceptually, the DuPont System breaks down ROE into three main components: Net Profit Margin (NPM), Total Asset Turnover (TATO), and Equity Multiplier (EM). Net Profit Margin measures a company's ability to generate profit from sales; Total Asset Turnover reflects the efficiency of asset utilization in generating revenue; and the Equity Multiplier indicates the level of leverage or debt usage in the company's capital structure (Liu & He, 2025). Thus, the DuPont analysis not only assesses the rate of return but also identifies the sources influencing that performance.

Various empirical studies indicate that the DuPont System is an effective tool for evaluating a company's financial performance because it provides a comprehensive overview of operational efficiency, asset utilization, and capital structure policies. For example, research by de Fretes (2025) shows that a decline in a company's ROE can be traced through the decline in each component of the DuPont System, thereby facilitating the identification of the sources of the company's financial performance issues. This demonstrates that the DuPont approach has an advantage in diagnostic analysis compared to single ratios (de Fretes, 2025). Other studies also confirm that the DuPont System can be used as an evaluation tool to support managerial and investment decision-making. Kusumaningtyas et al., (2025) state that by breaking down ROE into several components, companies can identify the dominant factors influencing the rate of return to shareholders, allowing improvement strategies to be focused on the weakest aspects.

Overall, the literature review on the DuPont System confirms that this method is a comprehensive and multifunctional financial analysis tool. In addition to providing an in-depth analysis of a company's operational and financial performance, this method is also useful in the context of industry evaluation, profit forecasting, ESG impact assessment, and stock investment strategies. The adaptation and development of the DuPont method to the specific contexts of each field further strengthen its relevance and application in financial statement analysis and financial decision-making.

Consumer Boycott

A consumer boycott is a form of collective consumer behavior in which individuals or groups deliberately refuse to purchase products or services from a specific company as a form of protest against actions, policies, or values deemed inconsistent with social norms, ethics, or the public interest. In economic and marketing literature, a boycott is viewed as a form of "anti-consumption behavior" aimed at exerting economic pressure on a company to change its behavior. According to Innes (2006), consumer boycotts emerge as a result of strategic interactions between companies and consumers, where the threat of a boycott can influence a company's decisions regarding production policies and business ethics.

According to Mulyono and Rolando (2025) a consumer boycott is a phenomenon in which consumers collectively refrain from or refuse to purchase products or services from a particular company as a form of protest against practices deemed unethical, unfair, or in violation of their social and cultural values. This phenomenon has become increasingly significant in the digital age, where social media facilitates the rapid and widespread mobilization and dissemination of boycott movements, as well as amplifies the impact of boycotts on brand reputation and business performance.

Theoretically, consumer boycotts are also explained through behavioral economics and signaling theory. Research by Glazer et al., (2010) shows that consumers who have moral concerns about a particular issue will boycott as a form of punishment against companies that violate norms, while other consumers may join in to send a social signal that they support those values. This is reinforced by a study by Heijnen and van der Made (2012) which states that boycotts can occur even in the presence of a "free rider problem," as consumers tend to exaggerate their concern through boycott actions to influence corporate decisions.

The decision to participate in a boycott is influenced by various psychological and social factors from a consumer behavior perspective. Research by [Farah and Newman \(2010\)](#) using the Theory of Planned Behavior (TPB) approach, indicates that attitude, subjective norms, and perceived behavioral control play a significant role in determining consumers' intention to boycott. Additionally, factors such as religiosity, moral values, brand loyalty, and social pressure have also been shown to influence consumer participation in boycott actions.

In the context of marketing and management, consumer boycotts have significant implications for corporate performance. Boycotts can reduce sales, damage reputation, and disrupt a company's relationships with stakeholders. However, research indicates that the impact of boycotts is not always strictly negative. [Haan \(2023\)](#) found that the threat of a boycott can actually encourage companies to be more responsive to consumer preferences; in some cases, it can even enhance a company's competitive position. Additionally, corporate response strategies such as public communication and image rehabilitation also play a role in mitigating the negative effects of boycotts ([Yuksel & Mryteza, 2009](#)).

METHODS

This study employs a descriptive research method with a quantitative approach aimed at objectively analyzing and describing a company's financial performance based on numerical data. This approach is used to assess the impact of international conflicts, particularly the Palestinian–Israeli conflict, on the financial performance of companies associated with this issue. The subject of this study is PT Unilever Indonesia Tbk, one of the largest consumer goods companies listed on the Indonesia Stock Exchange (IDX). The observation period spans 2021–2023, with the objective of comparing the company's financial condition before and after the intensification of consumer boycott campaigns.

The data used in this study consists of secondary data in the form of the company's financial statements, specifically the balance sheet and income statement. The data was obtained from the company's annual reports and official publications of the Indonesia Stock Exchange, ensuring its reliability and relevance for analysis. The use of this data aims to identify quantitative changes in the company's financial performance based on measurable financial indicators.

The data analysis technique used in this study is quantitative analysis using the DuPont System method. This method was chosen because it provides a comprehensive overview of a company's financial performance by analyzing several interrelated ratios: Net Profit Margin (NPM), Total Asset Turnover (TATO), and Return on Investment (ROI). These three ratios are used to assess profitability, asset efficiency, and the company's ability to generate profits.

Net Profit Margin (NPM) is a ratio used to measure a company's ability to generate net profit from total sales. The higher the NPM value, the better the company's performance in generating profits ([Harahap, 2019](#)). The formula used is as follows:

$$\text{NPM} = \frac{\text{Net Profit After Tax}}{\text{Net Sales}} \times 100\%$$

Total Asset Turnover (TATO) is a ratio used to measure a company's effectiveness in utilizing all its assets to generate sales. The higher the TATO value, the more efficient the company's use of assets ([Tantya & Sapari, 2019](#)). The formula used is:

$$\text{TATO} = \frac{\text{Penjualan Bersih}}{\text{Total Aset}} \times 100\%$$

Return on Investment (ROI) is used to measure a company's ability to generate profit from all its assets. ROI is the product of NPM and TATO, thereby providing a comprehensive overview of the company's financial performance ([Kusumaningtyas et al., 2025](#)). The formula used is:

$$\text{ROI} = \text{NPM} \times \text{TATO}$$

Using the DuPont System method, this study aims to provide a more in-depth analysis of changes in the financial performance of PT Unilever Indonesia Tbk during the study period. Consequently, it will be possible to determine whether the boycott campaign had an impact on the company's profitability and efficiency, as well as how the company managed to maintain its performance amid external social and political pressures.

RESULT

Based on an analysis of PT Unilever Indonesia Tbk's balance sheets and income statements for the 2021–2023 period, it is evident that the company's financial performance has fluctuated, reflecting changes in both internal and external conditions. Using the DuPont System approach, financial performance is broken down into three main components: Net Profit Margin (NPM), Total Asset Turnover (TATO), and Return on Investment (ROI). The analysis results indicate that changes in profitability levels, as reflected in the NPM, are influenced by operational cost pressures and sales dynamics. Meanwhile, asset utilization efficiency, as measured by TATO, also varies, indicating changes in the company's ability to manage assets to generate revenue.

Overall, the integration of NPM and TATO within the DuPont framework yields an ROI that reflects the company's overall financial performance. Fluctuations in ROI during the study period indicate that PT Unilever Indonesia Tbk's performance is not entirely stable but is influenced by factors such as changes in consumer purchasing power, market competition, and the company's operational strategies. Nevertheless, the company has been able to maintain relatively good performance, demonstrating managerial competence in effectively managing resources. Thus, the DuPont System approach provides a deeper understanding of the sources of changes in financial performance, serving as a foundation for future strategic decision-making.

Table 1. PT Unilever Financial Data for 2021–2023

(In Millions of Rupiah)

	2021	2022	2023
Assets	19,068,532	18,318,114	19,558,427
Liabilities	14,747,263	14,320,858	14,215,694
Equity	4,321,269	3,997,256	5,342,732
Revenue	10,282,521	10,839,246	10,606,487
Expenses	8,584,442	8,818,039	9,201,204
Net Income	1,698,080	2,021,207	1,405,283

Based on the financial statements of PT Unilever Indonesia Tbk for the 2021–2023 period, it can be observed that, in terms of financial structure, the company's total assets fluctuated, decreasing in 2022 from 19,068,532 to 18,318,114, then increased again in 2023 to 19,558,427. Meanwhile, liabilities showed a gradual downward trend from 14,747,263 (2021) to 14,215,694 (2023), indicating the company's efforts to reduce its reliance on external financing. On the other hand, equity decreased in 2022 but increased significantly in 2023 to 5,342,732, reflecting the strengthening of the company's capital structure. This situation indicates that, in general, the company is beginning to improve its financial structure by increasing the proportion of equity relative to debt.

In terms of operational performance, the company's revenue increased from 2021 to 2022 but declined slightly in 2023 to 10,606,487. On the other hand, expenses continued to rise each year, from 8,584,442 (2021) to 9,201,204 (2023). The increase in expenses, which was not offset by revenue growth, caused net profit to rise in 2022 but decline significantly in 2023 to 1,405,283. This indicates pressure on the company's profitability, likely caused by rising operational costs or external factors such as inflation and market competition.

Overall, this analysis indicates that while PT Unilever Indonesia Tbk remains profitable, the company's financial performance during this period has shown trends that warrant attention. The decline in net profit in 2023 indicates that operational efficiency needs to be improved, particularly in controlling expenses. Additionally, improving the capital structure through increased equity is a positive signal for the company's sustainability. Therefore, the company needs to continue optimizing asset and cost management to enhance profitability in the future.

Net Profit Margin (NPM) Analysis

Net Profit Margin (NPM) is a profitability ratio used to measure a company's ability to generate net profit from every rupiah of sales. This ratio indicates how efficiently a company manages its operating and non-operating costs relative to its revenue. The higher the NPM value, the better the company's performance in generating profits. In this analysis, NPM is calculated by comparing net profit to total revenue, then multiplying by 100% to obtain a percentage.

Table 2. Net Profit Margin (NPM)

Year	Calculation	Result
2021	$\text{NPM} = \frac{\text{Rp } 1,698,080}{\text{Rp } 10,282,521} \times 100\%$	16,51%
2022	$\text{NPM} = \frac{\text{Rp } 2,021,207}{\text{Rp } 10,839,246} \times 100\%$	18,64%
2023	$\text{NPM} = \frac{\text{Rp } 1,405,283}{\text{Rp } 10,606,487} \times 100\%$	13,24%

Empirically, PT Unilever Indonesia Tbk's Net Profit Margin (NPM) showed an increase from 2021 to 2022, indicating an improvement in operational efficiency and the company's ability to control costs. This increase reflects that the company is able to optimize revenue into net profit more effectively, whether through pricing strategies, production cost efficiency, or operational expense management. This condition is in line with the

theory put forward by [Melisa and Hidayat \(2025\)](#), which states that the higher the NPM value, the better the company's ability to generate profit from every sale made. Furthermore, in the international literature, profit margin is also considered a key indicator of managerial efficiency in managing a company's cost structure and operational strategies.

However, in 2023, there was a significant decline in the net profit margin (NPM) of 5.4%, indicating a decrease in the company's operational efficiency. This decline suggests that the net profit generated is not commensurate with sales levels, implying an increase in operating expenses, rising raw material prices, or pressure from market demand. Theoretically, this condition contradicts the concept of profitability efficiency, whereby companies unable to control costs will experience a decline in profit margins ([Pirliana et al., 2025](#)). Thus, the decline in NPM in 2023 reflects internal challenges in cost management as well as external factors affecting the company's performance.

The decline in performance can also be explained from the perspective of business externality theory through the influence of non-economic factors, such as consumer boycott campaigns. A boycott is a form of social pressure that can influence consumer behavior in making purchasing decisions, thereby having a direct impact on a company's sales. According to [Herwanto et al., \(2025\)](#), consumer boycotts can reduce product demand, damage a company's reputation, and significantly affect financial performance. Empirical research also shows that boycott actions can lead to a decline in revenue and profitability, particularly for companies with high brand exposure in the global market. Thus, the results of this study support the theory that external factors, specifically social pressure in the form of boycotts, can be a key determinant in influencing a company's financial performance not only from an operational perspective but also regarding market perceptions of the company.

Total Asset Turnover (TATO) Analysis

Total Asset Turnover (TATO) is an activity ratio used to measure a company's effectiveness in utilizing its total assets to generate sales. This ratio indicates the contribution of each rupiah of assets to the company's revenue. The higher the TATO value, the more efficiently the company manages its assets to generate sales. Conversely, a low TATO value indicates that asset utilization is not yet optimal. In the context of financial performance analysis, TATO is a key component of the Du Pont System because it reflects a company's ability to manage assets productively. Therefore, an analysis of TATO is necessary to determine the extent of a company's operational efficiency in terms of asset utilization over a specific period.

The following table shows PT Unilever's Total Asset Turnover (TATO) for the 2021–2023 period:

Table 3. Total Asset Turnover (TATO) Calculation

Year	Calculation	Result
2021	$\text{TATO} = \frac{\text{Rp } 10,282,521}{\text{Rp } 19,068,532}$	0,54
2022	$\text{TATO} = \frac{\text{Rp } 10,839,246}{\text{Rp } 18,318,114}$	0,59
2023	$\text{TATO} = \frac{\text{Rp } 10,606,487}{\text{Rp } 19,558,427}$	0,54

PT Unilever's Total Asset Turnover (TATO) for the 2021–2023 period indicates that the company's asset utilization efficiency remains relatively low, as it falls below the ideal standard of ≥ 1 times. This suggests that each rupiah of the company's assets has not yet been able to generate sales optimally. In 2022, the TATO value increased to 0.59 times compared to 0.54 times in 2021. This increase reflects an improvement in the company's effectiveness in utilizing assets to generate revenue, although the improvement has not yet reached an optimal level of efficiency.

Theoretically, the TATO ratio is used to measure a company's ability to manage its total assets to generate sales. The higher the TATO value, the more efficiently the company utilizes its assets, as the assets are able to turn over more quickly to generate revenue. Conversely, a low TATO value indicates the presence of underproductive assets or assets that have not been fully utilized ([Brigham & Houston, 2018](#); [Kasmir, 2019](#)). Thus, the increase in TATO in 2022 can be interpreted as an improvement in asset management, either through increased sales or the optimization of resource utilization.

However, in 2023, the TATO ratio declined again to 0.54. This decline indicates that the increase in the company's total assets was not accompanied by a commensurate increase in sales. This situation suggests a decline in asset utilization efficiency, as some of the company's assets are unable to generate maximum revenue contributions. From a financial management theory perspective, this reflects the presence of idle assets or assets that are less productive in supporting the company's operational activities ([Horne & Wachowicz, 2005](#)).

When considering external factors, the decline in TATO performance in 2023 may also be influenced by changes in market conditions, including consumer boycott campaigns targeting specific products. The phenomenon of consumer boycotts can have a direct impact on reduced demand, which ultimately depresses the company's sales volume (John & Klein, 2003). When sales decline while total assets remain relatively constant or even increase, the TATO ratio will automatically decrease. This indicates that although the company possesses substantial asset capacity, external factors such as consumer perceptions and social pressures still play a significant role in determining the effectiveness of asset utilization in generating revenue.

Return on Investment (ROI) Analysis

Return on Investment (ROI) is one of the key indicators in financial performance analysis used to measure a company's ability to generate profits from its total assets. In the Du Pont System approach, ROI is calculated by multiplying the Net Profit Margin (NPM) by the Total Asset Turnover (TATO). Thus, ROI not only reflects a company's profitability but also the efficiency of asset utilization in generating sales. The ROI analysis for PT Unilever for the 2021–2023 period was conducted by multiplying the NPM and TATO values for each year. This calculation aims to provide a more comprehensive picture of the company's financial performance, particularly regarding operational effectiveness and the efficiency of asset utilization. The results of the ROI calculations for each year are shown in the following table.

Table 4. Return on Investment (ROI) Calculation

Year	Calculation	Result
2021	$ROI = 16,51\% \times 0,54$	8,91 %
2022	$ROI = 18,64\% \times 0,59$	10,99 %
2023	$ROI = 13,24\% \times 0,54$	7,15 %

Return on Investment (ROI) is a key indicator for assessing a company's effectiveness in generating profits from its assets. This ratio reflects management's ability to manage all available resources to generate profits. In the context of modern financial analysis, ROI is often used as a comprehensive measure because it integrates aspects of profitability and operational efficiency into a single indicator. Based on the calculations, PT Unilever's ROI increased in 2022, indicating that the company was able to optimize the use of its assets to generate higher profits. This increase reflects improvements in both profit margins and the effectiveness of asset utilization. Theoretically, an increase in ROI indicates that the company is becoming more efficient at converting investments into profits, thereby reflecting improved financial performance.

However, in 2023, there was a significant decline in ROI to 7.15%. This decline indicates a decrease in the company's effectiveness in generating profits from its assets. A high ROI reflects optimal investment performance, whereas a decline in ROI indicates reduced efficiency in the management of the company's investments. This situation may signal issues in both cost control and asset utilization. The decline in ROI in 2023 was caused by a simultaneous decrease in the Net Profit Margin (NPM) and Total Asset Turnover (TATO). The decline in NPM indicates that the company is facing pressure on profitability, which may be caused by rising operating costs, declining sales, or other external factors. Meanwhile, the decline in TATO indicates that the company is less efficient in utilizing assets to generate revenue. The combination of these two declines reinforces the indication that the company's operational performance is under pressure. From the perspective of the DuPont theory, the decline in ROI is a direct consequence of the weakening of the two main components: profit margin and asset turnover. The DuPont model explicitly explains that ROI is the product of profit margin and asset turnover; therefore, changes in either or both of these components will directly impact ROI.

DISCUSSION

Overall, the findings of this study indicate that PT Unilever's financial performance during the 2021–2023 period exhibited a fluctuating pattern, with a peak in 2022 and a decline in 2023. Conceptually, this phenomenon aligns with the modern financial performance theory framework, which emphasizes that profitability and operational efficiency are the primary determinants in creating corporate value. In this context, the improvement in performance in 2022 reflects the company's success in managing its cost structure and maximizing revenue, thereby generating a higher Net Profit Margin (NPM) and Return on Investment (ROI). These findings are consistent with research by Arhinful and Radmehr (2023) which states that an increase in corporate profitability directly contributes to improved investment efficiency and asset returns.

Furthermore, from an asset efficiency perspective, the increase in Total Asset Turnover (TATO) in 2022 indicates that the company was able to optimize the use of its assets to generate sales. This reinforces the theory of operational efficiency, which states that the higher the asset turnover, the more effectively a company utilizes its resources. Research by Dwaikat et al., (2023) also found that asset utilization efficiency has a significant impact on a company's financial performance, particularly in enhancing profitability and competitiveness. Thus, the conditions in 2022 reflect alignment between theory and practice, where improvements in efficiency and profitability occurred simultaneously.

However, in 2023, there was a decline in all performance indicators, namely NPM, TATO, and ROI. This situation indicates a deviation from the ideal conditions described in classical financial theory. This decline can be analyzed through the lens of externalities and consumer behavior theory, which highlights that external factors such as social and political dynamics, as well as consumer preferences, can significantly influence a company's performance. In this context, boycott campaigns related to geopolitical issues have the potential to reduce demand for a company's products, thereby directly impacting sales and profits. A study by Mulyono and Rolando (2025) shows that consumer boycotts can significantly reduce the financial performance of multinational companies through declines in revenue and brand reputation.

Furthermore, modern consumer behavior theory also explains that purchasing decisions are influenced not only by economic factors but also by social values, ethics, and consumer identity. This is supported by the research of Klein et al., (2004) which states that consumers tend to avoid products from companies perceived as inconsistent with their social or political values. On the other hand, the use of the DuPont System method in this study proved effective in comprehensively identifying the sources of changes in financial performance. This approach allows for a deeper analysis of the components that make up ROI—namely NPM and TATO—thereby revealing that the decline in ROI in 2023 resulted from a simultaneous decrease in profitability and asset efficiency. This aligns with Doorasamy (2016) research, which states that DuPont analysis provides a more structured insight into evaluating a company's financial performance because it integrates aspects of profitability, efficiency, and leverage into a single analytical framework.

The results of this study not only reinforce existing financial theories but also underscore the importance of considering external factors in the analysis of a company's financial performance. Financial performance cannot be viewed as the result of internal factors alone, but rather as a complex interaction between corporate strategy and the dynamics of the external environment. Therefore, companies need to develop adaptive strategies that focus not only on operational efficiency but also on reputation management and responding to emerging social issues in society.

CONCLUSION

Based on the results of the financial performance analysis of PT Unilever Indonesia Tbk for the 2021–2023 period using the DuPont System method, it can be concluded that the company's performance fluctuated, with the best results achieved in 2022, as evidenced by increases in Net Profit Margin (NPM), Total Asset Turnover (TATO), and Return on Investment (ROI), but experienced a significant decline in 2023 due to weakened profitability and asset utilization efficiency. This decline was influenced not only by internal factors such as rising operating expenses but also by external factors in the form of consumer boycott campaigns that led to a drop in sales. This indicates that a company's financial performance is not solely determined by internal managerial capabilities but is also significantly influenced by social and political dynamics. Thus, the DuPont System has proven effective in comprehensively identifying the sources of changes in a company's financial performance through analyses of profitability and asset efficiency.

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