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Comparison Analysis of EVA and ROA Methods in Assessing The Financial Performance of The Company

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Abstract:
This study aims to determine the company's financial performance by using a comparative analysis of the Economic Value Added (EVA) and Return On Assets (ROA) methods.
This study employed pre-field research techniques and on-site fieldwork to conduct descriptive qualitative research. Secondary data, data gathering methods utilizing report studies and literature analyses, and data analysis methods utilizing data collection, data reduction, data presentation, and data inference techniques are all used as the data sources. To verify the accuracy of the data, the author uses three sources and three different techniques.
The results showed that EVA INDF in the 2014-2016 period produced an EVA value < 0, which could be interpreted as unfavorable, ICBP, MYOR, and ROTI in the 2014-2018 period, on average, produced an EVA value > 0 which could be construed as positive. Except for ROTI in the last three years which resulted in an EVA < 0. Meanwhile, ROA INDF, ICBP, MYOR, and ROTI in 2014-2018 produced an average ROA value above the industry standard or can be said to be good. Except for INDF in 2015, 2017, and 2018, the average ROA value is below industry standards.
This study concludes that EVA analysis is better because if the average value of EVA is> 0, then the company can provide added value to investors. At the same time, the ROA analysis produces an average ROA value below the industry standard.

Introduction

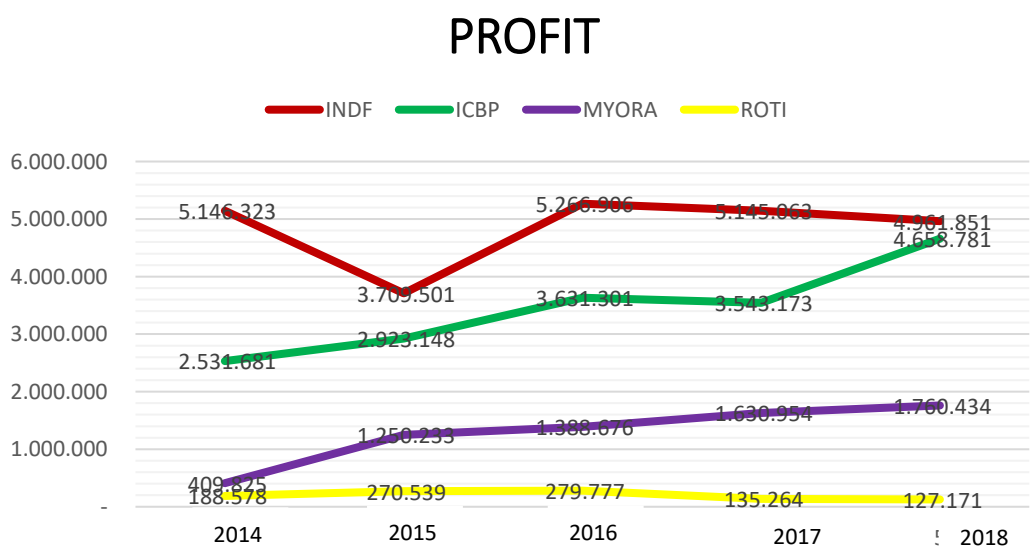
Financial performance is the specific measure that can measure a company's success in generating profits. Comparison of economic performance is an analytical activity comparing the company's financial performance results as proxied through financial ratios in a certain period with potential comparison data.

Food and beverage companies are one of the industrial sector categories that have the opportunity to grow and develop. This country's proliferation of the food and beverage industry is visible, especially since entering a prolonged crisis. This condition makes the competition tighter, so company managers compete to find investors to invest their funds in the food and beverage company. Intense competition between companies will have an impact on increasing company performance which requires companies to be able to work efficiently. Especially for companies whose shares are listed and traded on the stock exchange. The number of companies listed on the Indonesia Stock Exchange (IDX) until 2018 was 18. Four food and beverage companies in Banten Province are listed on the Indonesia Stock Exchange (IDX): PT. Indofood Sukses Makmur Tbk (INDF), PT. Indofood CBP Sukses Makmur Tbk (ICBP), PT. Mayora Indah Tbk (MYOR) and PT. Nippon Indosari Corpindo Tbk (ROTI).

A financial ratio is a company analysis to assess a company's performance based on comparing financial data contained in the post of financial statements. One of the ratios of profitability ratios that are intended to measure the company's ability with the overall assets used for company operations in generating profits is Return On Assets (ROA). This ratio is an analytical technique commonly used by company leaders to measure the company's operational effectiveness in generating profits using their assets. The greater Return On Assets (ROA) indicates the company's performance is improving because the rate of return (return) is getting bigger.

BesidesReturn On Assets(ROA), a tool to measure financial performance is Economic Value Added (EVA). The application of the concept of EVA in a company will make the company focus more attention on the creation of corporate value. This is an advantage of EVA compared to other calculation methods. In addition, another benefit of EVA is that EVA can be used without requiring comparative data. The use of EVA is helpful as a reference considering that EVA provides consideration in terms of the cost of Capital as compensation for the funds used to finance the investment. EVA calculation is complicated, and its value is not listed in the company's financial statements. Only investors who understand this EVA concept will use it to make investment decisions.

Each company will measure the profit it earns. Measurement of earnings will allow the company, in terms of management, to evaluate earnings. Profit is essential because a company must be in a favorable condition to carry out its life. Without profits, it will be difficult for companies to attract investors to invest their Capital.



Source: processed data, 2019

Figure 1. Net profit of the food and beverage company Se-Banten Province listed on the IDX for the period 2014-2018

Seen fromchart1 the average net profit generated by food and beverage companies in Banten Province listed on the IDX, PT. Indofoood Sukses Makmur Tbk in net income for 2014-2018 experienced ups and downs. There was a sharp decline and considerable losses in 2015, and the two years from 2017-2018 experienced a continuous decline. PT. Indofood CBP Sukses Makmur Tbk, PT. Mayora Indah Tbk and PT. Nippon Indosari Corpindo Tbk's net profit value for 2014-2018 experienced a constant increase in the two years from 2017-2018 PT. Nippon Indosari Corpindo Tbk experienced a continuous decline.

Identification of problems

Based on the background of the problems described above, the authors can identify research problems as follows:(1)PT. Indofood Sukses Makmur Tbk in 2015, the worst decline in average net profit. (2)PT. Nippon Indosari Corpindo Tbk, in 2017-2018 decreased its average net profit value continuously.

Research question

Based on the background described above, the questions in this study are:(1)How is the financial performance of food and beverage companies in Banten Province for the 2014-2018 period measured from the Economic Value Added (EVA)? (2)How is the financial performance of food and beverage companies in Banten Province for the 2014-2018 period measured by Return On Assets (ROA)? (3)Which financial performance assessment is better when using EVA and ROA in food and beverage companies in Banten Province listed on the IDX for 2014-2018?

Research purposes

In connection with the title of the research above, the objectives of this research are:(1)To find out the company's financial performance using the EVA method in food and beverage companies in Banten Province listed on the IDX for the period 2014-2018. (2)To determine the company's financial performance by using the ROA ratio in food and beverage companies in Banten Province listed on the IDX for 2014-2018. (3)To analyze the comparison of the results of the financial performance assessment using the EVA and ROA methods in food and beverage companies in All Banten Province listed on the IDX for the 2014-2018 period.

Theoretical Study

Financial performance is the result or achievement that the company's management has achieved in managing company assets effectively during a specific period. Companies need company performance to find out and evaluate to what extent the company's success rate is based on the financial activities that have been carried out. (Rudianto, 2013: 189)

The Economic Value Added (EVA) concept was first introduced by Joel M. Stern g. Bennet Stwart, one of the managing partners of a leading management consulting firm, Stern Stewart & Company, headquartered in New York, in his book entitled "The Quest For Value" in 1991. In Indonesia, the Economic Value Added (EVA) method known as NAMI (Economic Value Added) is a financial management method for measuring economic profit in a company which states that prosperity can only be created if the company can meet all operating costs and capital costs. (Please, 2013: 301)

The term Economic Value Added (EVA) was first popularized by Stern Steward Service Management, a consulting firm from the United States, in the 1980s. Economists have long known Economic Value Added (EVA) as economic profit, namely the value of gain that exceeds (less than) the minimum rate of return that shareholders and creditors can obtain by investing in other securities that have a relative risk (opportunity cost).

Economic Value Added**(**EVA) is a financial management system to measure the company's economic profit, which states that welfare can only be created if the company can meet all operational costs. Economic Value Added (EVA) is net income (operating profit minus taxes) minus the total annual fee of Capital. The company creates wealth if Economic Value Added (EVA) is positive. If negative, then the company does not meet the expectations of investors. (Radiant,2013:217)

Economic Value Added(EVA) is an alternative approach to profitability measurement that can measure managerial performance over a specific time. Economic Value Added (EVA) benchmarks how far the company has added shareholder value within a year or period. Economic Value Added (EVA) can be used at the divisional level or the company as a whole, so Economic Value Added (EVA) can be used as a basis for compensation or evaluation basis for managers in managing the company. In calculating Economic Value Added (EVA), there are three important variables, namely NOPAT (Net Operating Profit After Tax) or profit after

tax, COC (Cost Of Capital) or the cost of Capital and Economic Value Added (EVA) or economic value added it self.

Economic Value Added(EVA) is operating profit after tax (after-tax operating income) minus the total cost of Capital (total cost of Capital). The total cost of Capital is the rate of the cost of Capital multiplied by the total Capital invested. Economic Value Added (EVA) is a simple calculation, easy to understand by non-financial circles but quite comprehensive. Economic Value Added (EVA) is the difference between NOPAT (Net Operating Profit After Tax) and CC (Capital Charge). Or EVA = Spread Economic Value Added (EVA), which is the difference between IC (Invested Capital) and WAAC (Weight Average Cost Of Capital) multiplied by IC (Invested Capital).

According to Brigham and Houston, Economic Value Added (EVA) can be calculated by the following formula:

The stages of calculating the Economic Value Added (EVA) are as follows:

1. Calculating Net Operating After Tax (NOPAT)

Net Operating After Tax(NOPAT) is net profit after tax which is an adjustment of earnings before interest and tax (EBIT), namely operating profit calculated before deducting finance costs. Formula:

NOPAT= EBIT (1 – Tax rate)

Source: Brigham and Houston (2010)

Information :

EBIT : Earning Before Interest & Taxes

Tax: Tax Rate

Tax Rate Formula:

$$\text{Tax Rate} = \frac{\text{Btax burden}}{\text{Net profit before tax}} \text{ x } 100\%$$

2. Calculating Invested Capital (IC)

Invested Capital is the number of funds invested by the company to finance its business. Invested Capital can be obtained by running the total debt and equity minus short-term loans without interest. Formula:

IC=(Total Debt+Equity)–Short-Term Debt

Source: Brigham and Houston (2010)

3. Calculating the Weighted Average Cost of Capital (WACC)

Weight Average Cost of Capital(WACC) is the cost of equity and debt in the company's capital structure. In the condition that the company uses several parties because each fund has its costs or interest, the overall good that the company bears is calculated using the concept of weighted interest costs (WACC). Investors' funds in this study come from long-term debt and shareholder equity. Based on the idea of a weighted average, the amount of WACC can be calculated using the following formula:

WACC = {D x Rd (1- Tax)} + (E x re)

Source: Brigham and Houston (2010)

Information:

D: Capital level

Re: Cost of short-term debt

Tax: The tax rate

E: Capital and equity level

Re: Cost of equity

To calculate the WACC, a company can use the following calculations:

a. Capital rate, formula:

$$\text{Capital Level} = \frac{\text{Ttotal debt}}{\text{Total debt and equity}} \times 100\ \%$$

b. Cost of debt, formula:

$$\textit{Cost Of Debt} = \frac{\text{Beflower tires}}{\text{Total debt}} \times 100\ \%$$

c. Tax rate, formula:

$$\text{Tax Rate} = \frac{\text{Btax burden}}{\text{Net profit before tax}} \times 100\%$$

d. Capital and equity level formula:

$$\text{Capital Level and Equity} = \frac{\text{Ttotal equity}}{\text{Total debt and equity}} \times 100\%$$

e. Cost of equity, formula:

$$\text{LevelCost Capital} = \frac{\text{Net profit after tax}}{\text{Total equity}} \times 100\%$$

4. Calculating Capital Charges

Capital Charges(Cost of Capital) can be seen in the company's statement of financial position on the liability side available in the annual financial statements. Formula:

Capital Charges = Invested capital x WACC

Source: Brigham and Houston (2010)

5. Calculating Economic Value Added (EVA)

EVA = NOPAT – Capital Charges (CC)

Source: Brigham and Houston (2010)

To whether EVA has occurred in the company or not, the following criteria can determine it:

1) EVA > 0, then there has been an economic added value in the company, so the more significant the EVA generated, the expectations of investors can be adequately fulfilled, namely getting the same or more return on investment than invested and creditors getting interested. This situation shows that the company has succeeded in creating value for the owners of Capital, thus indicating that its financial performance has been good.
2) EVA < 0 indicates that there is no value-added economic process for the company because the available profit cannot meet investors' expectations, especially shareholders, not getting a return commensurate with the investment invested and creditors still getting interest. So, no added value indicates the company's financial performance is not good.
3) EVA = 0 shows a break-even position because all profits have been used to pay obligations to creditors and shareholders. (Single, 172)

The Return On Assets (ROA) ratio is often used by management to measure the company's financial performance and assess operational performance in utilizing company resources, in addition to the need to consider financing issues for these activities. The higher the Return On Assets (ROA) value, the better the profitability because every existing asset can generate profits. In other words, the higher the Return On Assets (ROA) love, the better the company's financial performance. The ratio that shows the results (return) on the number of assets used in the company. In addition, Return On Assets (ROA) provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to earn income. (Kasmir,2013:201)

Return On Assets(ROA) is the ratio of return on assets used to evaluate whether management has received adequate compensation from the assets under its control. In calculating this ratio, the yield is usually defined as net income. The Return On Assets (ROA) ratio is helpful if one wants to evaluate how well a company has used its funds, regardless of the relative size of the source. Top management often uses return on Assets (ROA) to evaluate business units within a company. According to industry standards, the Return On Assets (ROA) figure is 5.98%. If the ratio reaches a value of 5.98%, the ROA value can be said to be good.(Niki Lukviarman: 36)

Return On Assets(ROA) measures the profit level on the assets used to generate the profit. The formula for Return On Assets (ROA) is as follows:

$$\text{ROA} = \frac{\text{Earnings After Tax (EAT)}}{\text{Total Assets}} \text{x } 100\%$$

Source: Kasmir (2013: 201)

Based on the theoretical framework that has been put forward, it can be simplified in the form of a frame of thought as follows:

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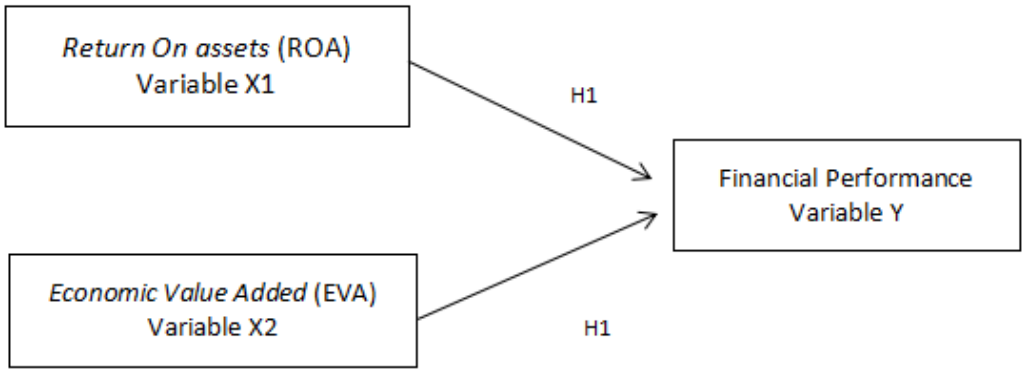

Figure 2. Reseach Model

Hypothesis:

H0 : There is no significant effect between ROA and EVA on financial performance.

H1 : There is a significant influence between ROA and EVA on financial performance.

Research methods

The research method is a scientific way to get valid data to find, develop, prove, solve, and anticipate problems in the business field. This study is a research with a descriptive qualitative approach that aims to explain the comparative analysis between Return On Assets (ROA) and Economic Value Added (EVA) in assessing the performance of companies whose calculation process is by looking at the financial statements of food and beverage companies in Banten Province listed on the Indonesia Stock Exchange (IDX) for the period 2014-2018. The design of this research begins with analyzing the financial statements first.

In qualitative research, data collection techniques use the method of documentation. One of the reasons for using the method documentation in qualitative research is that possible writer records the events that have passed. This research uses the technique of document study, where in practice, the researcher is not directly involved with the activities of the people being observed and only examines the financial statements contained in the Indonesia Stock Exchange.

Data and Data Sources

Data is a raw fact about an object that can reduce uncertainty about a situation and event. The data used in this study is the annual financial report of food and beverage companies in Banten Province listed on the Indonesia Stock Exchange (IDX) for the period 2014-2018 in the form of financial statements (balance sheet and profit and loss).

Secondary data is a source that does not directly provide data to data collectors, for example, through other people or documents. Secondary data sources support information from primary sources: library materials, literature, previous research, books, and financial reports.

Data Collection Techniques and Procedures

The data collection technique is a method used by research for data collection. Data collection is one of the essential stages in research. Data collection techniques in this study are as follows:(1)Report Studies (Field Research), data and information in this research using secondary data, where the data is obtained from financial reports taken from the Indonesia Stock Exchange (IDX) website. That is www.IDX.co.id.(2)Library Research (Library Research), data and other formulations related to this research are sourced from several college textbooks sources. In addition, the authors also get several data sources that come from references to previous studies.

The data collection procedure was conducted to obtain the information needed to achieve the research objectives. The operations carried out include:(1)Planning, including the formulation and limitation of problems and formulating research questions directed at data collection activities. Then develop the research situation, the unit, and the location selected as a source of information. (2) Before data collection began, researchers looked for sources of previous documents and information from internet websites. (3)Basic data collection is intensified by document collection. While data collection continues, data analysis begins. (4)Closing data collection ends after the researcher gets all the information needed or new data is found.

Data Analysis Procedure

Qualitative data analysis is carried out with the data collection process. Because this research is qualitative, the data analysis procedure carried out in this study is a qualitative data procedure. The data analysis procedure used in this study was in several stages as follows:

a)Calculating financial performance with the EVA method using various steps as follows:

1. Menghcalculate Net Operating After Tax (NOPAT) with the formula:

NOPAT= EBIT (1 – Tax rate)

2. Calculating Invested Capital (IC), with the formula:

IC=(TotalUtang+Equity)–Ushort term pliers

3. Calculating the Weighted Average Cost of Capital (WACC) with the formula:

WACC = {D x Rd (1- Tax)} + (E x re)

4. Calculating Capital Charges, with the formula:

Capital Charges = Invested capital x WACC

5. Calculating Economic Value Added (EVA)

EVA=NOPAT - Capital Charge

b)Calculating financial performance with ROA ratio using the formula:

$$\text{ROA} = \frac{\text{Earnings After Tax (EAT)}}{\text{Total Assets}} \text{x } 100\%$$

c)Comparing the assessment results of the financial performance of food and beverage companies in Banten Province listed on the IDX using the EVA and ROA methods.

A reference for the assessment in this study is as follows:

1) According to standard industry, ROA value measurement is said to be good if it reaches 5.98%.

2) Criteria for evaluating a company's performance by using Economic Value Added(EVA) are as follows:

1. EVA > 0, then there has been economic value added in the company, so the more significant the EVA generated by the expected action cultivator funds can be adequately fulfilled, namely getting a return on investment equal to or greater than that invested, and the creditor earns interest. This situation indicates that the company has succeeded in creating value for the owners of Capital, thus indicating that its financial performance has been good.
2. EVA < 0 indicates there is no value-added economic process for the company because the available profits cannot meet the expected actions of cultivator funds, especially shareholders n. So, no added value suggests the company's financial performance is not good.
3. EVA = 0

Data Validity Check

The validity of the data is the standard of truth of research data and emphasizes more on data/information over attitudes and the number of people. Source triangulation is done by collecting data sources obtained from various sites and various data from libraries. And Triangulation of ways or techniques where the author repeatedly checks the same data source at different times, namely financial statements (income statements and statements of financial position).

Result and Discussion

1) Economic Value Added (EVA) Analysis

Table1. Results CalculationEVAin food and beverage companies in Banten Province which are listed on the BEI 2014-2018 period (In Billion Rupiah)

Company	Year	NOUGAT	Capital Charge	EVA
PT. Indofood Success Makmur	2014	5,196,930	5,695,205	(498,274)
	2015	4,785.882	5,337,919	(552,037)
	2016	5.468.105	5,665,957	(197,852)
	2017	5.818.126	5,304,138	513,988
	2018	6,125,823	5,880.032	245,791
PT. Indofood CBP Prosperous Success	2014	2,389,011	2,255,819	133,192
	2015	2,914,256	2,672,576	241,680
	2016	3,550,843	3,140,436	410.407
	2017	3,656,806	2,975,031	681.775
	2018	4,155.665	4,069,763	85,902
PT. Beautiful Mayora	2014	686,299	645,909	40,389
	2015	1,415,592	1,310,595	104,997
	2016	1,736,432	1.446.139	290,292
	2017	1,845,419	1,670,755	174.664
	2018	1,944,640	1,924,079	20,561
PT. Nippon Indosari Corpindo	2014	223,972	201.876	22.096
	2015	326,634	300.353	26.281
	2016	336,714	337,888	(1,174)
	2017	187,730	247,268	(59,537)
	2018	132.202	193.419	(61.217)

Source: processed data, 2019

2) Return On Assets(ROA)

Table2. ResultROA Calculation for CompaniesMwill and drinks in Banten Province, which are listed on BEI 2014-2018 period (In Billion Rupiah)

Company	Year	Profit After Tax	Total Assets	ROA (%)
PT. Indofood Success Makmur	2014	5,146,323	86.077.251	5.98
	2015	3,709,501	91,831,526	4.04
	2016	5,266,906	82,174,515	6.41
	2017	5,145,063	88,400,877	5.82
	2018	4,961,851	96,537,796	5.14
PT. Indofood CBP Prosperous Success	2014	2,531,681	24,910,211	10,16
	2015	2,923,148	26,560.624	11.01
	2016	3,631,301	28,901,948	12.56
	2017	3,543.173	31,619,514	11.21
	2018	4,658,781	34,367,153	13.56
PT. Beautiful Mayora	2014	409,619	10,297,997	3.98
	2015	1,250,233	11,342,716	11.02
	2016	1,388,676	12,922,422	10.75
	2017	1,630,954	14,915,850	10.93

	2018	1,760,434	17.591.706	10.01
PT. Nippon Indosari Corpindo	2014	188,648	2,142,894	8.80
	2015	270,539	2,706,324	10.00
	2016	279,777	2,919,641	9.58
	2017	135,364	4,559,574	2.97
	2018	127.171	4,393,810	2.89

Source: processed data, 2019

DISCUSSION

Economic Value Added(EVA)

EVA is defined as operating profit after tax minus the cost of Capital. In other words, EVA is a measurement of residual income that reduces the cost of Capital to use profit. Based on these two things, EVA is determined by two things: net operating profit after tax and the cost of Capital. Operating profit after tax describes the result of value creation in change, while the cost of Capital can be interpreted as the sacrifice incurred in creating that value.

Whether EVA has occurred in the company or not can be determined by the following criteria:

1) EVA > 0, then there has been an economic added value in the company so that the greater the EVA generated by the expectations of thenameFunds can be adequately fulfilled, namely getting a return on investment equal to or more than what was invested and creditors to get interested. This situation indicates that the company has succeeded in creating value for the owners of Capital, thus indicating that its financial performance has been good.
2) EVA < 0 indicates there is no value-added economic process for the company because the available profits cannot meet the expectations of cultivator funds, especially since shareholders are not getting a return commensurate with the investment invested and creditors are still getting interested. So, no added value indicates the company's financial performance is not good.
3) EVA = 0 points to a break-even position because all profits have been used to pay obligations to cultivator funds for creditors and shareholders.

Table3. ResultsCalculationEVAat food and beverage companies All Banten Provinces listed on the IDX for the 2014-2018 period (In Billion Rupiah)

Company	Year	NOPE	CC	EVA	EVA Analysis
PT. Indofood Success Makmur	2014	5,196,930	5,695,205	(498,274)	Negative
	2015	4,785.882	5,337,919	(552,037)	Negative
	2016	5.468.105	5,665,957	(197,852)	Negative
	2017	5.818.126	5,304,138	513,988	Positive
	2018	6,125,823	5,880.032	245,791	Positive
PT. Indofood CBP Prosperous Success	2014	2,389,011	2,255,819	133,192	Positive
	2015	2,914,256	2,672,576	241,680	Positive
	2016	3,550,843	3,140,436	410.407	Positive

	2017	3,656,806	2,975,031	681.775	Positive
	2018	4,155.665	4,069,763	85,902	Positive
	2014	686,299	645,909	40,389	Positive
	2015	1,415,592	1,310,595	104,997	Positive
PT. Beautiful Mayora	2016	1,736,432	1.446.139	290,292	Positive
	2017	1,845,419	1,670,755	174.664	Positive
	2018	1,944,640	1,924,079	20,561	Positive
	2014	223,972	201.876	22.096	Positive
	2015	326,634	300.353	26.281	Positive
PT. Nippon Indosari Corpindo	2016	336,714	337,888	(1,174)	Negative
	2017	187,730	247,268	(59,537)	Negative
	2018	132.202	193.419	(61.217)	Negative

Source: Data processed, 2019

Based onTable3it can be seen that the EVA value at PT. Indofood Sukses Makmur Tbk period 2014-2016pointingkan EVA value < 0 or it can be said is a negative value, meaning that the company's rate of return is lower than the cost of Capital and is not offset by an increase in existing profits, so the EVA value becomes negative. So that PT. Indofood Sukses Makmur Tbk period 2014-2016pointingkthere is no value-added economic process for the company because the available profits cannot meet the expectations of the name funds, especially shareholders, namely not getting a return commensurate with the investment invested. So, no added value indicates the company's financial performance.

At PT. Indofood CBP Sukses Makmur Tbk, PT. Mayora Indah Tbk, PT. Nippon Indosari Corpindo Tbk appointed period of the EVA value is positive. Then there has been an added economic value in the company, so the more significant the EVA generated, the hope that the increase in incomeanamFunds can be adequately fulfilled, namely getting a return on investment equal to or more than what was invested. This situation indicates that the company has succeeded in creating value for the owners of Capital, thus demonstrating its financial performance. Except in 20016 until2018PT. Nippon Indosari Corpindo Tbk produces an EVA value of EVA < 0 or a negative value, then in 2016 to 2018 PT. Nippon Indosari Corpindo Tbk points out there will be no value-added economic process for the company because the available profit cannot meet the expectations of the company name funds, especially shareholders not getting a return commensurate with the investment invested.

Return On Assets(ROA)

Return On Assets(ROA) assesses the profitability of total assets by comparing the profit after tax with the average total assets. Return On assets (ROA) refers to the company's effectiveness in managing assets both from its Capital and from loan capital. Investors will see how effective a company is in managing assets. The higher the ROA level, the higher the ROA will affect investors' interest in investing their funds and vice versa. The industry standard

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value that must be achieved for ROA is 5.98%. If the ratio reaches 5.98%, the ROA value can be said to be good.

Table4. ResultsROA calculation for food and beverage companies All Banten Province listed on BEI 2014-2018 Period (In Billion Rupiah)

Company	Year	Profit After Tax	Total Assets	ROA (%)	ROA Standard Value	ROA Analysis
PT. Indofood Success Makmur	2014	5,146,323	86.077.251	5.98	5.98 %	Well
	2015	3,709,501	91,831,526	4.04		Not good
	2016	5,266,906	82,174,515	6.41		Well
	2017	5,145,063	88,400,877	5.82		Not good
	2018	4,961,851	96,537,796	5.14		Not good
PT. Indofood CBP Prosperous Success	2014	2,531,681	24,910,211	10,16		Well
	2015	2,923,148	26,560.624	11.01		Well
	2016	3,631,301	28,901,948	12.56		Well
	2017	3,543.173	31,619,514	11.21		Well
	2018	4,658,781	34,367,153	13.56		Well
PT. Beautiful Mayora	2014	409,619	10,297,997	3.98		Not good
	2015	1,250,233	11,342,716	11.02		Well
	2016	1,388,676	12,922,422	10.75		Well
	2017	1,630,954	14,915,850	10.93		Well
	2018	1,760,434	17.591.706	10.01		Well
PT. Nippon Indosari Corpindo	2014	188,648	2,142,894	8.80		Well
	2015	270,539	2,706,324	10.00		Well
	2016	279,777	2,919,641	9.58		Well
	2017	135,364	4,559,574	2.97		Not good
	2018	127.171	4,393,810	2.89		Not good

Source: Data processed, 2019

It was viewed from the table4the results of the calculation of the ROA value of PT. Indofood Sukses Makmur Tbk has a ROA value that goes up and down. Judging from the expected value of a good ROA, it must be above 5.98%, and if the value is above 5.98%, it means that the ROA value can be categorized as good, and vice versa if the ROA value is below 5.98%, it means that the ROA value can be classified as poor. In 2014 and 2016, the ROA value of PT. Indofood Sukses Makmur Tbk is said to be good because it exceeds the industry standard ROA of 5.99% and 6.14%, respectively. And in 2015, 2017 dan 2018, the ROA value of PT. Indofood Sukses Makmur Tbk at below the standard value of ROA, namely 4.04%, 5.88%, and 5.14%. This is due to the high total assets that exceed the company's net profit. So in that year, the ROA value of PT. Indofood Sukses Makmur Tbk is said to be unfavorable. But PT. Indofood CBP Sukses Makmur Tbk, PT. Mayora Indah Tbk, and PT. Nippon Indosari Corpindo Tbk produces a good ROA value. It can be seen that the company's ROA value is above 5.98%, except in 2014, the ROA value of PT. Mayora Indah Tbk is below 5.98%, 3.98%, so in that year, PT. Mayora Indah Tbk is categorized as poor. And PT. Nippon Indosari Corpindo Tbk in 2017-2018 ROA value experienced a poor ROA value because the ROA value in that year was below 5.98%, namely 2.97% and 2.89%, respectively.

Comparison of EVA and ROA. methods

The following are the results of comparing the EVA and ROA methods on food and beverage companies in Banten Province listed on the IDX for 2014-2018.

Table5. ResultsComparison of EVA and ROA on food and beverage companies in Banten Province which are listed on the BEI 2014-2018 period (In Billion Rupiah)

Company	Year	EVA	EVA Analysis	ROA (%)	ROA Analysis	Conclusion
PT. Indofood Success Makmur	2014	(498,274)	Negative	5.98	Well	The company's financial performance is better by usingEVAcompared to using the correct method of road
	2015	(552,037)	Negative	4.04	Not good	
	2016	(197,852)	Negative	6.41	Well	
	2017	513,988	Positive	5.82	Not good	
	2018	245,791	Positive	5.14	Not good	
PT. Indofood CBP Prosperous Success	2014	133,192	Positive	10,16	Well	The company's financial performance produces good values, both by using ROA and the EVA method
	2015	241,680	Positive	11.01	Well	
	2016	410.407	Positive	12.56	Well	
	2017	681.775	Positive	11.21	Well	
	2018	85,902	Positive	13.56	Well	
PT. Beautiful Mayora	2014	40,390	Positive	3.98	Not good	The company's financial performance is better by usingEVAcompared to using the suitable method of road
	2015	104,997	Positive	11.02	Well	
	2016	290,292	Positive	10.75	Well	
	2017	174.664	Positive	10.93	Well	
	2018	20,561	Positive	10.01	Well	
PT. Nippon Indosari Corpindo	2014	22.091	Positive	8.80	Well	The company's financial performance is better using ROA than the EVA method?
	2015	26.281	Positive	10.00	Well	
	2016	(1,174)	Negative	9.58	Well	
	2017	(59.537)	Negative	2.97	Not good	
	2018	(61.217)	Negative	2.89	Not good	

Source: Data processed, 2019

Based on the financial ratios contained in the table5.Measurement of the company's financial performance PT. Indofood Sukses Makmur Tbk with ROA pointing an unfavorable result in 2015, 2017, and 2018 where in 2015 and 2018, the ROA value was below the industry standard with a ROA value of 4.04%, 5.88%, and 5.14%. This indicates that the company's performance in 2015, 2017, and 2018 was not good, so the company had not maximized the use of existing resources.

PT. Indofood CBP Sukses Makmur Tbk, PT. Mayora Indah Tbk, and PT. Nippon Indosari Corpindo shows good financial performance from the EVA method and ROA.Except at PT. Nippon Indosari Corpindo Tbk in the last three years produced a negative EVA value. PT. IndofoodCBP Sukses, Makmur Tbk period, 2014-2018produces a positive EVA and a good ROA value. This indicates that the company has been able to provide added value to investors or shareholders, and the company is also able to use existing resources in the company better.

Conclusion

Based on the analysis that has been done, it can be concluded that analysis of the financial performance of food and beverage companies in Banten Province listed on the Indonesia Stock Exchange for the 2014-2018 period is muse Eva methods how EVA. Value positive because the average EVA value of food and beverage companies in Banten Province listed on the IDX produces a value ofaverageEVA>0, so get away occurs value-added economical to the owner of the Capital.

AnalysisFinancial performance of food and beverage companies in Banten Province listed on the IDX for 2014-2018 through the Return On Assets (ROA) ratio approach show ROA. Value is not good because the average ROA value for food and beverage companies in Banten Province is listed on the IDXproducescorebelow average industry standards below 5.98%.

Analysis of the financial performance of food and beverage companies in Banten Province listed on the IDXuseEVA and ROA methods show different values.EVA method this research shows the average value of EVA, which is better than the method road, because the value of average EVAin food and beverage companies in Banten Province which are listed on the BEIproduce an average value of EVA> 0, then the company has been able to provide economic added value to investors. At the same time, the average value ROI of food and beverage companies in Banten Province listed on the BEIshow, score averages below the industry standard. The company's financial performance with the ROA ratio can be said to be not good.

Recommendation

The recommendations that researchers can convey and are expected to be taken into consideration or input both for the company and for other parties as Investors For shareholders or investors, if they want to invest their Capital, they should measure the company's financial performance by using the EVA method because the EVA method is a performance measurement tool for the company's economic finances are appropriate to carry out the stakeholder satisfaction concept, namely paying attention to customers and

capital owners. For investors, measuring the company's financial performance using the EVA method is better. Although the EVA value shows a negative value, the slightest negative EVA value is more profitable because it has been deducted from other capital costs. Companies should be able to complete financial performance appraisals using EVA analysis and analysis of financial ratios that have been conducted; many steps can be done increase the value of NOPAT, and look for alternatives for good financing debt and equity.

Recommendations for academics and advanced researchers to develop further research on the company's financial performance analysis, especially by using EVA and ROA analysis tools. Further research can also be done on different industries.

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