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Profitability Insights from Sido Muncul: A Five-Year Financial Analysis

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Abstract

This study examined the profitability dynamics of PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) over 2021–2025, focusing on differences between revenue growth and earnings performance. A descriptive quantitative design was employed using secondary data from the company's annual financial statements. Profitability was assessed through Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE), with annual comparisons against the reference benchmarks specified in the study. The results revealed declining profitability during 2022–2023 followed by recovery in 2024–2025. Average GPM reached 57.20%, consistently exceeding the 30% benchmark, while average NPM was 29.34%, remaining above the 20% benchmark throughout the period. Average ROA was 29.12%, with annual values exceeding the 30% reference only in 2021 and 2025. Average ROE reached 33.78%, rising to a five-year high of 39.4% in 2025. Despite sales exceeding their 2021 level in 2025, net profit and NPM remained lower than their initial values. These differences indicate that improvements in revenue, margins, and resource-based returns did not progress uniformly. The findings support multidimensional profitability assessment while providing descriptive evidence for broader financial performance evaluation and further analysis of earnings efficiency across changing business conditions in Indonesia's pharmaceutical manufacturing sector.

Keywords: *Financial Performance, Financial Ratios, Profitability, Return on Assets, Sido Muncul.*

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INTRODUCTION

Profitability in pharmaceutical and herbal medicine manufacturing reflects not only the capacity to generate revenue but also the efficiency with which companies convert sales, assets, and equity into sustainable earnings. The financial characteristics of pharmaceutical manufacturers require attention to capital structure and company size because these factors are closely associated with differences in profitability performance (Dwiningsih et al., 2024). Financial ratio analysis also provides a basis for examining how effectively corporate assets contribute to earnings generation within the Indonesian pharmaceutical industry (Hermawan et al., 2023). PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO), a publicly listed manufacturer of herbal medicines and health-related products, operates under financial conditions in which working capital management and sales development are relevant to net profit performance (Safitri & Yuningsih, 2024). The 2021–2025 observation period encompasses changes in business conditions following the COVID-19 pandemic, subsequent economic recovery, and adjustments in corporate operating activities. During this period, variations in sales, gross profit, and operating profit indicate the need to distinguish revenue expansion from improvements in profitability and resource utilization. Figure 1 presents the development of these financial indicators and provides an empirical basis for examining whether changes in SIDO's operating performance correspond to consistent movements in profitability.

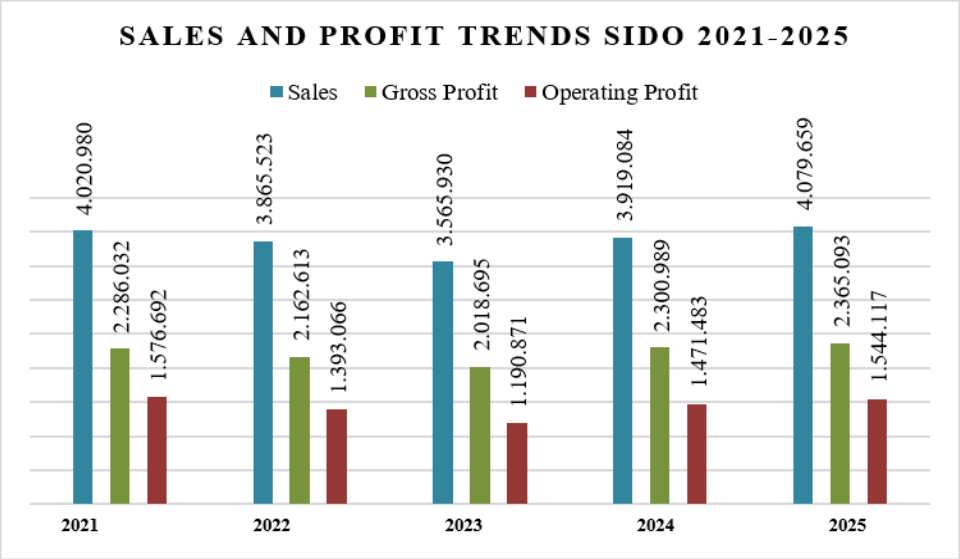


Figure 1. Sales and Profit Trends for PT Industri Jamu dan Farmasi Sido Muncul Tbk for 2021–2025

Source: SIDO Financial Statements, compiled by the researcher

Existing research on financial performance in the pharmaceutical industry has developed several approaches to evaluating profitability, including financial ratio assessment, comparative industry analysis, and the examination of factors associated with earnings development. Company-specific financial analysis covering SIDO during 2020–2024 demonstrates the application of financial ratios to assessing performance across consecutive reporting periods (Alvian et al., 2026). The integration of liquidity and profitability indicators represents another analytical approach in which corporate financial conditions are assessed through the relationship between short-term financial capacity and earnings generation (Movizar & Ningrum, 2026). Comparative analysis of SIDO and the pharmaceutical industry average introduces an external performance benchmark that extends the interpretation of financial ratios beyond company-specific historical movements (Maulida & Yuliyanto, 2026). Research involving Indonesian pharmaceutical firms has also examined the relationship between financial performance and profit growth, indicating a broader scholarly interest in the conditions associated with corporate earnings development (Rahim et al., 2025). These research directions establish a substantial foundation for profitability assessment, although their analytical emphasis differs between internal financial trends, comparative performance, and the relationships among financial indicators.

The existing literature nevertheless presents a specific analytical issue concerning the interpretation of multiple profitability indicators within a consistent observation period. Financial performance research has already examined SIDO over 2021–2025 using financial ratios, establishing that neither the company nor the five-year observation period constitutes an entirely unexplored research setting (Murtadho & Wahyudi, 2026). Earlier analysis covering 2021–2023 combined liquidity and profitability measures, providing a narrower temporal basis for evaluating changes in SIDO's financial conditions (Melyantika et al., 2025). Research encompassing 2020–2024 offers a longer financial perspective but differs from the selected observation period in its starting and ending years (Alvian et al., 2026). At the industry level, investigations of liquidity, leverage, and return on assets emphasize relationships among financial determinants rather than exclusively examining the simultaneous development of sales-based and resource-based profitability indicators within an individual company (Rahmawati et al., 2025). These differences suggest the need for a focused interpretation of whether Gross Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity exhibit consistent or divergent movements across successive financial years. The research gap concerns the integrated interpretation of these four profitability dimensions rather than the absence of previous studies examining SIDO's financial performance.

A distinction between revenue-based margins and returns on invested resources has practical consequences for interpreting corporate financial performance. Profit growth cannot be interpreted independently of the financial conditions under which earnings are generated, particularly when

financial performance indicators provide different perspectives on corporate results (Rahim et al., 2025). Differences in capital structure and company size also complicate profitability assessment because the magnitude of corporate resources does not necessarily correspond to proportionate earnings generation (Dwiningsih et al., 2024). For SIDO, the examination of working capital and sales growth in relation to net profit reinforces the relevance of evaluating earnings performance beyond changes in revenue alone (Safitri & Yuningsih, 2024). An assessment limited to sales or absolute profit may obscure differences between gross margin retention, final earnings generation, asset productivity, and returns attributable to shareholders. A five-year evaluation incorporating these dimensions can provide a more differentiated basis for financial management assessment, investor interpretation, and the identification of changes in corporate profitability.

The present investigation positions profitability as a multidimensional financial outcome by examining Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE) within the same five-year analytical framework. Unlike broader evaluations combining liquidity and profitability, this approach concentrates on the relationships and differences among four measures directly associated with profit generation (Movizar & Ningrum, 2026). Comparative studies involving pharmaceutical industry averages provide external performance assessments, whereas the present analysis prioritizes the internal consistency and temporal development of SIDO's profitability indicators (Maulida & Yuliyanto, 2026). Research examining financial ratios and asset returns contributes evidence regarding financial relationships, while the proposed framework distinguishes profit margins from the returns generated by assets and shareholders' equity (Hermawan et al., 2023). Because financial ratio analysis for SIDO during 2021–2025 has previously been conducted, the contribution of this investigation cannot be attributed solely to its observation period or research object (Murtadho & Wahyudi, 2026). Its analytical contribution lies in systematically separating gross profit retention, net earnings performance, asset-based profitability, and equity-based profitability before comparing their movements throughout the observation period. This emphasis provides an integrated interpretation of profitability dynamics without treating all financial ratios as interchangeable representations of corporate performance.

This study aims to analyze the profitability performance of PT Industri Jamu dan Farmasi Sido Muncul Tbk during 2021–2025 using Gross Profit Margin, Net Profit Margin, Return on Assets, and Return on Equity. The analysis examines annual developments in each profitability indicator using financial information reported by the company throughout the five-year observation period. Particular attention is given to identifying similarities and differences in the movements of sales-based profit margins and returns generated from assets and shareholders' equity. The investigation also evaluates whether changes in the company's revenue and earnings correspond to improvements or deterioration in the efficiency of profit generation. Its academic contribution consists of a structured interpretation of profitability that distinguishes operating margin performance from the effectiveness of corporate resource utilization. The findings are expected to provide an empirical basis for assessing SIDO's financial performance and support more precise financial evaluations by corporate management, investors, and other stakeholders.

RESEARCH METHODS

This study employed a quantitative descriptive design to examine the profitability performance of PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) over the 2021–2025 period. Financial ratio analysis was applied to evaluate company performance across consecutive reporting periods without statistical hypothesis testing or causal estimation (Alvian et al., 2026). The research focused exclusively on SIDO as the unit of analysis, with five consecutive financial years providing the observations for assessing profitability developments. Secondary data were obtained from the company's annual financial reports and comprised net sales, gross profit, operating profit, profit before tax, net income, total assets, and shareholders' equity. The use of financial statements as the primary analytical source is consistent with previous assessments of SIDO's financial performance through profitability and liquidity indicators (Melyantika et al., 2025). All financial figures were organized chronologically, with monetary values expressed in millions of Indonesian rupiah and financial ratios presented as percentages to support consistent year-to-year comparisons (Murtadho & Wahyudi, 2026).

Table 1. Profitability Ratios and Measurement Formulas

Profitability Indicator	Measurement Formula
Gross Profit Margin (GPM)	$GPM = \frac{Gross\ Profit}{Net\ Sales} \times 100\%$
Net Profit Margin (NPM)	$NPM = \frac{Net\ Income}{Net\ Sales} \times 100\%$
Return on Assets (ROA/ROI)	$ROI = \frac{Net\ Income}{Total\ Asset} \times 100\%$
Return on Equity (ROE)	$ROE = \frac{Net\ Income}{Equity} \times 100\%$

The analytical procedure involved extracting the relevant financial figures and calculating four profitability indicators: Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). GPM was calculated by dividing gross profit by net sales, whereas NPM was obtained by dividing net income by net sales to evaluate the proportion of revenue retained as earnings at different stages of profit determination (Movizar & Ningrum, 2026). ROA was calculated by dividing net income by total assets, following the asset-based profitability measurement used in financial ratio assessments of Indonesian pharmaceutical companies (Hermawan et al., 2023). ROE was determined by comparing net income with shareholders' equity to measure the company's capacity to generate earnings from invested capital. Each indicator was calculated separately for the five reporting years using the equations presented in Table 1, with the resulting percentages compared chronologically to identify changes in profit margins, asset utilization, and equity returns. The interpretation focused on describing annual profitability movements and differences among indicators without attributing the observed changes to specific causal factors, consistent with descriptive financial performance assessments in the pharmaceutical industry (Maulida & Yuliyanto, 2026).

RESULTS AND DISCUSSION

Financial Performance and Profit Dynamics of PT Industri Jamu dan Farmasi Sido Muncul Tbk, 2021–2025

The financial performance of PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) was evaluated over five consecutive reporting years from 2021 to 2025. The assessment focused on changes in sales, gross profit, operating profit, profit before tax, and net profit to identify the development of corporate earnings throughout the observation period. These financial components provide complementary information about the company's capacity to generate revenue and retain earnings at different stages of its operating activities. Previous research on SIDO has demonstrated the application of financial ratios to evaluate corporate performance across successive reporting periods (Alvian et al., 2026). The present analysis distinguishes changes in absolute financial figures from profitability indicators because revenue growth does not necessarily correspond to proportional improvements in earnings. This distinction provides an analytical foundation for examining fluctuations in SIDO's profitability during periods of financial contraction and subsequent recovery.

The profitability assessment incorporated four financial indicators comprising Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Investment (ROI), and Return on Equity (ROE). GPM measures the proportion of sales retained as gross profit after accounting for the cost of goods sold, while NPM evaluates the percentage of revenue converted into net income. ROI examines the relationship between net income and total assets, providing information about the company's ability to generate earnings from its asset base. ROE evaluates net income relative to shareholders' equity and reflects the profitability attributable to invested capital. The original analytical framework adopted reference standards of 30% for GPM, 20% for NPM, and 30% for ROI, while no corresponding standard was established for ROE. Research on Indonesian pharmaceutical manufacturers has examined profitability in relation to capital structure and company size, demonstrating the relevance of considering corporate financial characteristics when interpreting profitability indicators (Dwiningsih et al., 2024). These measurement distinctions provide the basis for evaluating SIDO's financial performance using the reference standards presented in Table 2.

Table 2. Industry Standard Ratios

Profitability Ratios	Industry Standard
Gross Profit Margin	30%
Net Profit Margin	20%
Return on Investment	30%
Return of Equity	-

Source: Kasmir (2015)

Table 2 presents the reference standards used to evaluate the profitability ratios of PT Industri Jamu dan Farmasi Sido Muncul Tbk during the 2021–2025 observation period. The benchmark for GPM is 30%, indicating the reference proportion of net sales retained as gross profit, whereas the NPM benchmark is established at 20%. ROI is assessed against a reference value of 30%, which provides a comparison point for evaluating earnings generated relative to total assets. No corresponding benchmark is provided for ROE, requiring its interpretation to focus on changes across reporting periods rather than comparison with a specified industry standard. Previous research on pharmaceutical companies has emphasized the relevance of financial ratios in examining returns generated from corporate assets (Hermawan et al., 2023). These benchmarks are treated as descriptive reference values adopted from the original analytical framework rather than independently established contemporary averages for the pharmaceutical industry.

The application of profitability standards requires attention to the differences between sales-based margins and resource-based returns. GPM and NPM reflect separate stages of earnings determination because gross profit excludes the cost of goods sold, while net income incorporates additional expenses and other recognized financial components. ROI and ROE provide different analytical perspectives by relating earnings to total assets and shareholders' equity rather than sales revenue. The numerical differences among these ratios should not automatically be interpreted as differences in financial efficiency because their denominators represent distinct economic resources. Research examining financial performance and profit growth in Indonesian pharmaceutical firms supports the relevance of distinguishing corporate earnings outcomes from individual financial indicators (Rahim et al., 2025). A consistent interpretation consequently requires the examination of annual changes in reported financial figures before assessing the profitability ratios derived from those figures. The development of SIDO's sales and earnings components during the observation period is illustrated in Figure 2.

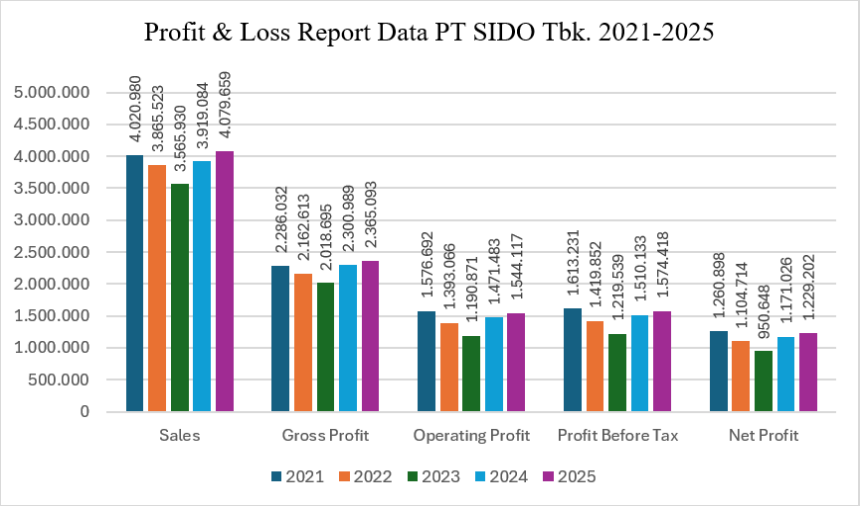


Figure 2. Profit & Loss Report Data for PT Industri Jamu dan Farmasi Sido Muncul Tbk for 2021-2025

Source: SIDO Financial Statements, compiled by the researcher

Figure 2 illustrates the development of SIDO's sales, gross profit, operating profit, profit before tax, and net profit during the five-year observation period. The financial data indicate that these components declined in 2022 and continued to weaken in 2023 before recovering during 2024 and 2025. Sales decreased from approximately IDR 4.02 trillion in 2021 to IDR 3.57 trillion in 2023, reflecting a reduction in reported revenue. Gross profit similarly declined from approximately IDR 2.29 trillion to IDR 2.02 trillion, indicating a contraction in earnings retained after the cost of goods sold. Net profit decreased from IDR 1,260,898 million in 2021 to IDR 950,648 million in 2023, identifying 2023 as the lowest earnings position recorded within the observation period. This declining pattern corresponds with earlier research examining SIDO's profitability during 2021–2023, which documented weakening financial ratios across the same reporting years (Melyantika et al., 2025).

The reduction in financial performance during 2021–2023 was reflected in multiple components of the income statement rather than being confined to changes in sales revenue. Operating profit and profit before tax followed the downward movement observed in gross profit and net income, indicating a broader contraction in reported earnings. The simultaneous decline in these components demonstrates that reductions in revenue were accompanied by lower earnings at successive stages of profit determination. Nevertheless, the available figures do not independently establish whether changes in production costs, operating expenses, taxation, or other financial components were primarily responsible for these movements. Previous research examining SIDO's working capital and sales growth in relation to net profit provides a relevant analytical basis for distinguishing revenue movements from final earnings performance (Safitri & Yuningsih, 2024). The declining pattern identifies changes in corporate financial outcomes without establishing causal relationships among the underlying financial components. These observations emphasize the need to examine profitability margins alongside absolute income figures to assess whether earnings retention changed during the period of declining sales.

A recovery in SIDO's financial performance emerged in 2024 and continued during the final year of observation. Sales increased to approximately IDR 3.92 trillion in 2024 and subsequently reached IDR 4.08 trillion in 2025, exceeding the amount reported in 2021. Net profit also improved from IDR 950,648 million in 2023 to approximately IDR 1.17 trillion in 2024 and IDR 1.23 trillion in 2025. Gross profit, operating profit, and profit before tax recorded similar upward movements during the two-year recovery period. The improvement indicates renewed growth in the company's reported financial performance, although the magnitude of recovery differed among the earnings components. Research assessing SIDO's financial performance during 2021–2025 provides a related empirical framework for examining profitability developments across the same observation period (Murtadho & Wahyudi, 2026).

Despite the improvement recorded in 2024–2025, the financial recovery did not restore every earnings component to its initial position. Sales in 2025 reached approximately IDR 4.08 trillion, slightly exceeding the IDR 4.02 trillion recorded in 2021, whereas net profit remained below its corresponding initial level. Operating profit and profit before tax also remained lower than their respective 2021 figures, indicating differences between revenue recovery and earnings recovery. These conditions demonstrate that changes in sales cannot independently explain variations in corporate profitability without considering the proportion of revenue retained as profit. Financial ratio assessments of SIDO have similarly emphasized the importance of examining profitability through multiple indicators rather than relying exclusively on nominal earnings (Movizar & Ningrum, 2026). The observed differences provide a basis for evaluating GPM and NPM as indicators of earnings retention, alongside ROI and ROE as measures of returns generated from assets and shareholders' equity. The subsequent analysis examines the annual movements of these four indicators and their relationship to the profitability reference standards presented in Table 2.

Profitability Ratio Trends and Industry Benchmark Assessment

The profitability analysis of PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) was conducted using four financial indicators covering the 2021–2025 reporting period. Gross Profit Margin (GPM) and Net Profit Margin (NPM) were employed to assess the company's ability to generate earnings from sales at different stages of profit determination. Return on Investment (ROI) was used to evaluate the relationship between net income and total assets employed in business operations. Return on Equity (ROE) measured the proportion of net income generated relative to shareholders' equity.

These indicators provide complementary perspectives on profitability because changes in sales margins may differ from movements in asset-based and equity-based returns. Previous financial assessments of SIDO have similarly applied multiple profitability ratios to examine corporate financial performance across consecutive reporting periods (Movizar & Ningrum, 2026).

Annual profitability ratios were calculated using the company's reported financial information for each year of the observation period. The analysis focused on identifying changes in individual indicators and comparing their movements across five consecutive financial years. GPM and NPM were evaluated against the respective reference standards of 30% and 20%, while ROI was compared with the 30% benchmark presented in Table 2. ROE was assessed through annual comparisons because the original analytical framework did not establish a specific industry reference value for this indicator. The use of multiple profitability measures allows differences between earnings retention and returns on corporate resources to be examined without assuming that all ratios follow identical patterns. Financial ratio research involving pharmaceutical companies has similarly employed profitability measures alongside other indicators to assess changes in corporate financial performance (Ladjar & Swasti, 2024). The annual calculations and five-year averages for SIDO are presented in Table 3.

Table 3. Profitability Ratios of PT Industri Jamu dan Farmasi Sido Muncul Tbk, 2021–2025

Year	GPM	NPM	ROI	ROE
2021	56,9%	31,4%	31,0%	36,3%
2022	55,9%	28,6%	27,1%	31,5%
2023	56,6%	26,7%	24,4%	28,1%
2024	58,7%	29,9%	29,7%	33,6%
2025	58,0%	30,1%	33,4%	39,4%
Average	57,20%	29,34%	29,12%	33,78%

Source: SIDO Financial Statements, compiled by the researcher, 2026

Table 3 shows that SIDO maintained relatively stable Gross Profit Margin values despite changes in its sales and earnings throughout the observation period. GPM decreased from 56.9% in 2021 to 55.9% in 2022 before increasing to 56.6% in 2023 and reaching 58.7% in 2024. The ratio declined slightly to 58.0% in 2025, although this figure remained higher than the initial value recorded in 2021. The reported five-year average GPM was 57.20%, indicating that approximately IDR 0.572 of every IDR 1 in net sales was retained as gross profit. All annual GPM values exceeded the 30% reference standard, indicating that the company's gross profit margins remained above the benchmark despite annual fluctuations. Previous research examining SIDO's profitability during 2021–2023 also identified relatively limited changes in gross profit margins compared with the movements observed in other profitability indicators (Melyantika et al., 2025).

Net Profit Margin exhibited greater variation than GPM, indicating differences in the proportion of sales retained as final earnings during the five-year period. NPM declined from 31.4% in 2021 to 28.6% in 2022 and reached its lowest value of 26.7% in 2023. The ratio subsequently increased to 29.9% in 2024 and 30.1% in 2025, reflecting a recovery in net earnings relative to sales. The reported five-year average NPM was 29.34%, equivalent to approximately IDR 0.2934 in net profit generated from every IDR 1 of net sales. Although all annual values exceeded the 20% reference standard, the 2025 ratio remained below the initial 2021 level. The divergence between GPM and NPM was particularly evident in 2023, when GPM increased from 55.9% to 56.6% while NPM decreased from 28.6% to 26.7%, indicating that changes in gross profitability did not translate proportionately into final earnings. Research examining NPM within Indonesia's pharmaceutical sector provides a relevant basis for interpreting net profit margins as a distinct dimension of corporate financial performance (Rosita, 2024).

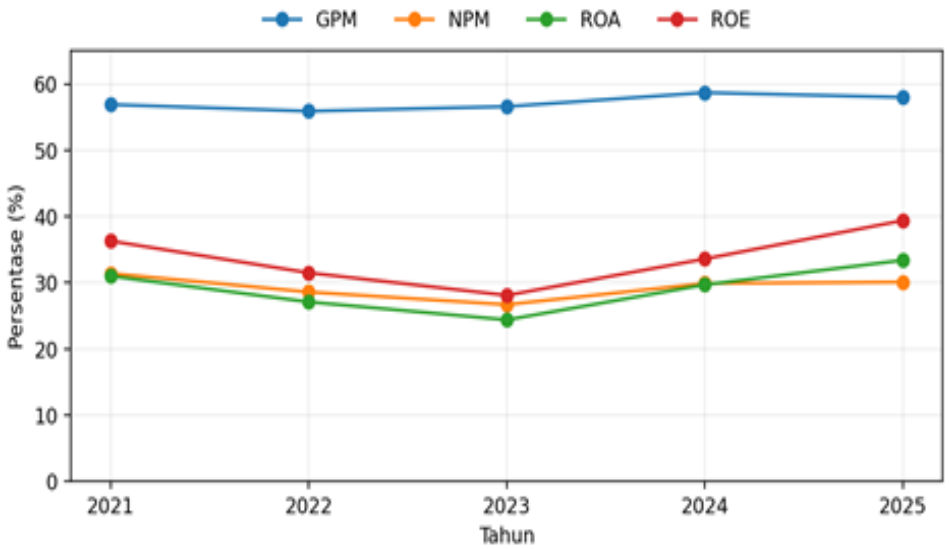


Figure 3. SIDO's Profitability Ratio Trends, 2021–2025
Source: SIDO Financial Statements, compiled by the researcher, 2026

Figure 3 illustrates the annual movements of SIDO's four profitability ratios and highlights differences in their development during the observation period. GPM exhibited relatively limited fluctuations, whereas NPM, ROI, and ROE showed more pronounced declines between 2021 and 2023. The lowest recorded values for NPM, ROI, and ROE occurred in 2023, corresponding to the weakest net earnings performance identified in the financial statement analysis. ROI subsequently increased from 24.4% in 2023 to 33.4% in 2025, while ROE rose from 28.1% to 39.4% over the same interval. In contrast, NPM recovered to 30.1% in 2025 but remained below its 2021 value of 31.4%, indicating that the improvement in profitability was not uniform across indicators. Previous research examining SIDO's financial performance during 2021–2025 provides a related analytical reference for assessing changes in profitability through successive annual financial ratios (Murtadho & Wahyudi, 2026).

Return on Investment reflects the proportion of net income generated relative to total assets and provides an indication of asset-based profitability. SIDO recorded an ROI of 31.0% in 2021, which declined to 27.1% in 2022 and reached 24.4% in 2023. The ratio subsequently improved to 29.7% in 2024 before increasing to 33.4% in 2025, representing the highest value recorded during the observation period. The five-year average ROI was 29.12%, indicating that approximately IDR 0.2912 in net profit was generated per IDR 1 of total assets under the measurement approach employed. Compared with the 30% reference standard, ROI exceeded the benchmark in 2021 and 2025 but remained below it during 2022, 2023, and 2024. These results indicate that the company's asset-based profitability recovered substantially toward the end of the observation period, although its average performance remained slightly below the selected reference standard. Research on Indonesian pharmaceutical companies has examined financial ratios in relation to return on assets, supporting the relevance of asset-based indicators in evaluating corporate profitability (Hermawan et al., 2023).

Return on Equity exhibited a declining and recovering pattern similar to the movements observed in NPM and ROI. ROE decreased from 36.3% in 2021 to 31.5% in 2022 and 28.1% in 2023 before recovering to 33.6% in 2024 and 39.4% in 2025. The reported five-year average ROE was 33.78%, representing approximately IDR 0.3378 in net profit for every IDR 1 of shareholders' equity. The 2025 figure exceeded the initial 2021 value and represented the highest equity-based return recorded during the five-year observation period. Because the original framework did not provide an industry benchmark for ROE, the assessment was restricted to evaluating annual movements rather than determining compliance with an external reference value. Research examining profitability and capital structure in the pharmaceutical industry reinforces the relevance of considering equity-related financial

characteristics when interpreting corporate performance, although the observed changes cannot independently establish their underlying causes (Hafitriyanti et al., 2025).

The simultaneous evaluation of GPM, NPM, ROI, and ROE reveals differences in SIDO's ability to retain earnings and generate returns from its financial resources. The reported average GPM of 57.20% and NPM of 29.34% exceeded their respective reference standards, indicating that sales-based profitability remained above the benchmarks adopted in the analysis. In contrast, the average ROI of 29.12% remained slightly below the 30% reference value, although the annual ratio exceeded this threshold in 2021 and 2025. ROE reached its highest value in 2025, but the absence of a specified industry standard prevents an equivalent benchmark assessment for this indicator. The decline in NPM, ROI, and ROE through 2023 followed by improvement during 2024–2025 demonstrates that the recovery in profitability differed according to the measurement basis employed. These findings indicate that relatively stable gross profit margins can coexist with greater variation in net profit retention and returns generated from assets and shareholders' equity. Research examining liquidity, financial leverage, and returns on assets among pharmaceutical companies provides a related basis for interpreting profitability as a multidimensional financial outcome rather than relying on a single indicator (Rahmawati et al., 2025).

Comparative Analysis of Profitability and Financial Performance Implications

Previous research provides an empirical basis for interpreting the profitability movements of PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) during the 2021–2025 period. Kumalasari et al. (2023) examined the financial performance of 17 healthcare companies listed on the Indonesia Stock Exchange during 2019–2021, including SIDO. Their analysis reported an increase in SIDO's Return on Investment (ROI) from 22.8% in 2019 to 31.0% in 2021, while Return on Equity (ROE) increased from 26.4% to 36.3% over the same period. Net Profit Margin (NPM) also increased from 26.3% to 31.4%, indicating an improvement in the proportion of revenue retained as net income. These figures correspond to the 2021 profitability values presented in Table 3, establishing a consistent starting point for the five-year assessment. However, the subsequent decline in profitability during 2022–2023 indicates that the favorable development observed through 2021 did not continue uninterrupted.

A more direct comparison can be established with research examining SIDO's financial performance during the initial three years of the present observation period. Melyantika et al. (2025) reported that ROI declined from approximately 30% in 2021 to 27% in 2022 and 24% in 2023, while ROE decreased from 36% to 31% and subsequently to 28%. Their analysis also documented a reduction in NPM from 31% to 26%, whereas Gross Profit Margin (GPM) remained within a narrower range of approximately 55–56%. The present calculations indicate comparable movements, with ROI declining from 31.0% to 24.4%, ROE from 36.3% to 28.1%, and NPM from 31.4% to 26.7% between 2021 and 2023. Minor numerical differences between the two studies do not alter the common directional pattern identified across the profitability indicators. The agreement provides supporting evidence that the reduction in SIDO's profitability during 2022–2023 is observable across separate financial ratio assessments. Nevertheless, the earlier investigation ended in 2023 and consequently did not capture the subsequent recovery recorded in the remaining years of the present analysis.

Extending the observation period through 2025 provides additional evidence about the development of profitability following the contraction identified in earlier research. As presented in Table 3, ROI increased from 24.4% in 2023 to 33.4% in 2025, while ROE rose from 28.1% to 39.4% over the same interval. NPM also improved from 26.7% to 30.1%, although it remained below the 31.4% recorded in 2021. GPM increased from 56.6% in 2023 to 58.0% in 2025, demonstrating a smaller proportional movement than the changes observed in asset-based and equity-based returns. Previous financial ratio research covering SIDO during 2021–2025 provides a directly related observation period, making it necessary to distinguish the present analytical emphasis from the mere extension of financial data (Murtadho & Wahyudi, 2026). The contribution of the current assessment lies in the simultaneous interpretation of sales-based margins and resource-based returns to identify differences in the degree and timing of profitability recovery.

The comparative position of the findings becomes clearer when financial studies involving different observation periods and analytical approaches are considered. Research covering SIDO during 2020–2024 provides an earlier five-year assessment of corporate financial performance using financial ratios (Alvian et al., 2026). An additional investigation examined the company's profitability relative to

pharmaceutical industry averages during 2023–2024, introducing an external benchmark for interpreting financial performance (Maulida & Yuliyanto, 2026). These approaches differ from the present analysis, which emphasizes internal annual movements in GPM, NPM, ROI, and ROE over 2021–2025. The distinction is relevant because changes in a company's profitability may be evaluated either against its previous financial position or against the performance of comparable companies. Historical comparisons reveal the direction and magnitude of financial changes, whereas industry comparisons provide information about relative performance within a broader economic sector. The present findings primarily support conclusions concerning SIDO's own profitability trajectory and should not be interpreted as demonstrating superior performance against other pharmaceutical manufacturers without corresponding comparative financial data.

Differences between revenue growth and earnings development provide further insight into the financial implications of SIDO's profitability performance. Sales increased from approximately IDR 4.02 trillion in 2021 to IDR 4.08 trillion in 2025, while net profit remained below its initial level despite recovering during the final two years. The difference is reflected in the decline in NPM from 31.4% to 30.1% between the beginning and end of the observation period. Research examining working capital and sales growth in relation to SIDO's net profit supports the relevance of distinguishing sales expansion from final earnings generation (Safitri & Yuningsih, 2024). Although GPM increased from 56.9% to 58.0% during the same period, the corresponding improvement was not replicated in NPM, indicating differences in earnings retention at successive stages of profit determination. The available descriptive data establish this divergence but do not identify the individual cost or expense components responsible for the observed changes.

The findings also contribute to the interpretation of profitability as a multidimensional financial performance indicator in the pharmaceutical industry. Dwiningsih et al. (2024) examined profitability in relation to capital structure and company size, indicating that the evaluation of financial performance extends beyond revenue and nominal earnings. Research investigating liquidity, leverage, and Return on Assets similarly provides a broader analytical basis for examining differences in asset-based profitability among pharmaceutical companies (Rahmawati et al., 2025). SIDO's ROI increased from 31.0% in 2021 to 33.4% in 2025, while ROE rose from 36.3% to 39.4%, despite NPM remaining below its initial level. These movements demonstrate that returns calculated using total assets and shareholders' equity can develop differently from the proportion of sales converted into net income. Studies examining financial performance, capital structure, and firm value within the pharmaceutical industry reinforce the relevance of evaluating these indicators as distinct dimensions of corporate financial assessment (Romli & Akhmadi, 2024). The present descriptive design cannot determine whether the observed changes in ROI and ROE resulted from movements in net income, asset balances, equity balances, or combinations of these components. Consequently, the interpretation is restricted to differences in the reported profitability ratios rather than causal conclusions regarding capital structure or management decisions.

The financial implications of these findings must also be interpreted in relation to the methodological boundaries of the research. The analysis uses five annual observations from a single publicly listed company and applies descriptive financial ratios without statistical hypothesis testing or causal estimation. Comparisons with the reference standards in Table 2 indicate that average GPM and NPM exceeded their respective thresholds, whereas average ROI remained slightly below its benchmark. ROE cannot be assessed against an equivalent standard because no reference value was established in the original analytical framework. Comparative research within the pharmaceutical industry demonstrates that financial performance can also be examined using external industry observations, which are not incorporated into the present company's annual ratio calculations (Maulida & Yuliyanto, 2026). The findings therefore describe historical changes in SIDO's profitability but do not establish the statistical significance of those changes or identify their underlying determinants.

The comparative evidence identifies a sequence of profitability improvement through 2021, contraction during 2022–2023, and recovery throughout 2024–2025. Earlier investigations documented the favorable position preceding the downturn and the subsequent weakening of profitability, while the present analysis integrates the decline and recovery within one consistent set of four indicators. The increase in ROI and ROE beyond their 2021 values indicates stronger reported returns relative to assets and shareholders' equity in 2025, although the incomplete recovery of NPM demonstrates that these improvements were not uniform across profitability measures. Financial performance research

involving pharmaceutical firms has examined the relationship between financial indicators and profit growth, providing a broader foundation for evaluating the distinction between earnings development and profitability outcomes (Rahim et al., 2025). The principal empirical contribution of the present analysis is the integrated assessment of gross profit retention, net earnings performance, asset-based returns, and equity-based returns across successive financial reporting periods. For corporate management, the observed divergence among these measures supports the need to evaluate cost structures, earnings retention, and resource utilization separately when interpreting financial performance. For investors and other stakeholders, the findings provide a historical basis for evaluating SIDO's profitability recovery while identifying the need for further investigation of its financial determinants and performance relative to comparable pharmaceutical companies.

CONCLUSION

The analysis of PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO) during 2021–2025 indicates that the company's profitability declined through 2023 before recovering in 2024 and 2025, although the improvement differed across financial indicators. Gross Profit Margin (GPM) remained relatively stable, with a five-year average of 57.20%, consistently exceeding the 30% reference standard and indicating the company's sustained capacity to retain gross profit from sales. Net Profit Margin (NPM) averaged 29.34% and remained above the 20% benchmark, although its recovery to 30.1% in 2025 did not restore the initial margin of 31.4% recorded in 2021. Return on Investment (ROI) averaged 29.12%, slightly below the 30% reference standard, despite increasing to 33.4% in 2025 after reaching its lowest level in 2023. Return on Equity (ROE) averaged 33.78% and recovered to 39.4% in 2025, exceeding its initial level of 36.3% and indicating stronger earnings relative to shareholders' equity at the end of the observation period. The differences among these indicators demonstrate that improvements in revenue, profit margins, and returns on corporate resources did not occur at equivalent rates throughout the five-year period. Although sales in 2025 exceeded their 2021 level, net profit remained lower, confirming that revenue expansion alone was insufficient to represent the development of the company's profitability.

These findings emphasize the importance of evaluating corporate profitability through complementary indicators that distinguish gross earnings retention, net profitability, asset-based returns, and equity-based returns. For SIDO's financial management, the divergence between sales growth and net earnings indicates the relevance of monitoring production costs, operating expenses, and resource utilization when assessing financial performance. The simultaneous examination of GPM, NPM, ROI, and ROE provides a more differentiated interpretation of profitability than an assessment based exclusively on revenue or absolute profit. Nevertheless, the descriptive research design, five-year observation period, and focus on a single company limit the ability to establish causal relationships or generalize the findings to the pharmaceutical industry. Future research should incorporate longer observation periods and additional financial indicators to evaluate the consistency of profitability developments under different business conditions. Further investigations could examine operating expenses, cost structures, working capital management, and corporate financial policies to identify factors associated with changes in profitability. Comparative analyses involving other pharmaceutical and herbal medicine manufacturers would also provide a broader empirical basis for assessing SIDO's relative financial performance and the sustainability of its profitability recovery.

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