Financial Performance of Consumer Goods Industry in Indonesia Before and During Covid-19 Pandemic

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Abstract:

The global business world has been severely impacted by the Covid-19 pandemic. Many businesses from large to small have to struggle to survive in the midst of the difficulty of managing and maintaining a business, and the consumer goods industry in Indonesia is no exception. This study was conducted with the aim of knowing and proving the differences in the financial performance of manufacturing companies in the consumer goods industry sector in Indonesia before and during the Covid-19 pandemic. The sample studied consisted of 46 companies belonging to the Consumer Goods Industry sector that went public on the Indonesia Stock Exchange which were taken using purposive sampling technique. Methods of data collection using documentation techniques. The data source is obtained from the Indonesia Stock Exchange. Data analysis techniques include descriptive and inferential analysis using Paired Sample t-test. This study concludes that during the Covid-19 Pandemic, financial performance as indicated by the ROA ratio decreased significantly compared to before the Covid-19 Pandemic. Meanwhile, the ROE of consumer goods industry companies in Indonesia did not differ significantly before and during the Covid-19 pandemic.

Keywords: Comparative Analysis; Consumer Goods Industry; Covid-19 Pandemic; Financial Performance

JEL Classification: G01; G30; O16; L25

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Research Background

The global business world has been severely impacted by the Covid-19 pandemic. Many businesses from large to small have to struggle to survive in the midst of the difficulty of managing and maintaining a business. Declining in public consumption has an impact on a drastic drop in income. The world economy is under pressure until various countries plunge into a crisis situation which is indicated by negative economic growth. The threat of a recession is faced by countries around the world .

In Indonesia, The COVID-19 pandemic began on March 2, 2020 when two Indonesian citizens were confirmed positive for the Covid-19 virus because they were infected from foreign nationals. Until now (2021), the number of COVID-19 cases has continued to increase to 1,233,959 positive cases as of February 17, 2021, which ranks first in the most in Southeast Asia. Based on the number of deaths, Indonesia ranks third with the highest number of deaths in Asia with 33,596 deaths (Satgas COVID-19, 2021).

In Indonesia, the Covid-19 pandemic has greatly affected various sectors, especially the Indonesian economy, which finally officially went into recession. This is because economic growth in the third quarter of 2020 was still contracting. The "Badan Pusat Statistik (BPS)" or Central Statistics Agency noted that economic growth in the period July 2020 to September 2020 was minus 3.49 percent. Various efforts have been made by the Indonesian government to create policies that can help Indonesians who are struggling during the pandemic. Indonesia's economic conditions in 2020 experienced a growth contraction of 2.07 percent compared to the previous year. The transportation and warehousing sector were the sector that experienced the largest growth contraction of 15.04 percent, especially in terms of production. The component of Exports of Goods and Services is the component with the deepest contraction of 7.70 percent when viewed from the expenditure side. However, it can be said that almost all components experienced growth contraction (BPS, 2021).

The COVID-19 pandemic affects the performance of companies in Indonesia where every company must be able to think about how to survive in this uncertain situation. Changes in strategy must be carefully conceptualized as well as their realization, Adaptation to Indonesia's conditions which implement the new normal where people can still move but with strict health protocols as well. A business strategy that must be agile with evolving technology, because that is the only way to maintain a business where the Indonesian people now prefer online things. One of the industries affected by the Covid-19 pandemic is the consumer goods industry. The decline in purchasing power and public consumption has an impact on the company's income in this industry.

The company's environment is all factors from outside the company that also affect the company. The influence can be directed at the company's organization and company activities. Company performance describes the state of the company as a whole during a certain period of time. Company performance is the result or achievement of the company in using all its resources to support the company's operational activities. According to Kusmayadi, Wheelen & Hunger, the company's environment greatly affects the company's performance, if the company's environment is in good condition, then the company's productivity performance is also in good condition, and vice versa (Kusmayadi, 2008; Wheelen & Hunger, 2012). Therefore, it is important to maintain the company's environment in various aspects in order to maintain the productivity of the company's performance.

Research has been done to prove the difference in the financial performance of companies before and during this Covid-19 Pandemic is still lacking. Based on the researcher's search, in Indonesia there is currently only one article that examines the difference between a company's financial performance before and during the Covid-19 pandemic. Ilhami & Thamrin (2021) conducted a study that aims to prove the impact of the Covid-19 pandemic on the financial performance of Islamic banking in Indonesia by examining the differences in financial performance before and during the Covid-19 pandemic. The ratios used to measure financial performance are Capital Adequacy Ratio (CAR), Financing Deposit to Ratio (FDR), Non-Performing Finance (NPF), and Return on Assets (ROA). Observation data includes 6 months (September 2019-February 2020) before and 6 months (April 2020-September 2020). Using the paired sample t-test analysis technique, his research concludes that the impact of Covid-19 on the financial performance of Islamic banking in Indonesia does not show a significant difference in financial performance in terms of CAR, ROA, NPF and FDR ratios.

Previous studies conducted by several researchers did not compare financial performance before and during the Covid-19 pandemic. The comparison is done in a cross-sectional manner, namely the financial performance between companies during the Covid-19 Pandemic. For example, Surya & Asiyah's research in 2020 (Surya & Asiyah, 2020) which compares the financial performance of BNI Syariah Bank and Mandiri Syariah Bank during the Covid-19 pandemic; and Fitriani's research in 2020 (Fitriani, 2020) which analyzes the

differences in the financial performance of BRI Syariah Banks and BNI Syariah Banks during the Covid-19 Pandemic. Research that is closer to the goal of looking at the impact of the Covid-19 Pandemic on financial performance is shown through research Setyaningrum et al. in 2020 (Setyaningrum, Atahau, & Madea, 2020) which uses the Altman Z-Score to measure financial performance in predicting the bankruptcy of manufacturing companies during the Covid-19 pandemic.

Based on this phenomenon, this research has novelty, especially in examining differences in the financial performance of companies in the Consumer Goods Industry sector that have not been studied previously. This industry is a sector that is under strong pressure as a result of the reduction in public consumption due to the Covid-19 pandemic. Interestingly, in the Consumer Goods Industry sector, there is a pharmaceutical sub-sector which is predicted to become a sub-sector that actually grows rapidly. This study aims to find out how the financial performance of manufacturing companies in the consumer goods industry sector in Indonesia before and during the Covid-19 pandemic. This study also aims to prove whether there are significant differences in the financial performance of manufacturing companies in the consumer goods industry sector in Indonesia before and during the Covid-19 pandemic.

The company operates in an environment with many factors that can affect the company, both the organization and its activities. The company's environment consists of the external and internal environment. The company's external environment is an environment that has an indirect effect on company activities such as the social, cultural, political, economic, technological, legal environment. The company's internal environment is an environment that directly affects the company's activities including factors that are in production activities and directly affect production results such as labor, equipment and machinery, and raw materials.

Wheelen & Hunger (Wheelen & Hunger, 2012) classifies the company's environmental variables into several categories, namely the internal environment, task environment, social environment, and natural physical environment. The internal environment consists of Structure, Culture, and Resources. The work environment consists of Shareholders, Suppliers, Competitors, Trade Associations, Communities, Governments, Creditors, Customers, Special Interest Groups, Employees/Labor Union. The social environment is "the social system of humankind that includes general forces that do not directly touch an organization's short-term activities that can, and often do, influence its long-term decisions". The social environment consists of Economic Forces (that govern the exchange of material, money, energy, and information), Political–Legal Forces (relating to the allocation of power, providing legal restrictions and protections as well as drafting and issuing regulations), Technological Forces (which produces new discoveries to solve various problems faced by humans) and Sociocultural Forces (related to the values, norms, and habits of the surrounding community). The physical natural environment consists of Physical Resources, Climate, and Wildlife. The company's environmental variables according to Wheelen and Hunger (Wheelen & Hunger, 2012) are shown in Figure 1.

Figure 1. Company Environment Variables
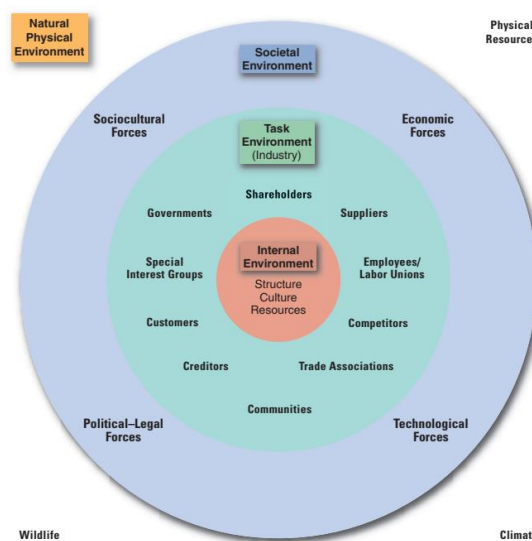
Source: Wheelen and Hunger (Wheelen & Hunger, 2012)

The company's environment is important for the company (1) For strategy makers to anticipate every opportunity and help develop a solution system as early as possible to environmental factors that are considered to threaten the company's goals (early warning systems). (2) To be able to streamline the strategic management process, because by conducting an environmental analysis it will be more effective. (3) To assist the manager of a company in predicting the impact of the business environment on the development of the company. Collecting various information from the environment makes it easier to make long-term planning.

Business is in an open environment, not a closed one. Therefore, any changes that occur in the business environment will have an impact on the company's performance, including financial performance. Kusmayadi, Wheelen & Hunger (Kusmayadi, 2008; Wheelen & Hunger, 2012) stated that the influence of the business environment on companies is very strong, especially in an era where national boundaries have faded and even disappeared. Therefore, every company must have the adaptive ability and high flexibility to not only survive, but also gain competitive advantage (Biedenbach & Müller, 2012; Bowman & Ambrosini, 2003; Kor & Mahoney, 2005; Pisano, 2000; Teece, 2009; Teece & Pisano, 1994).

The occurrence of the Covid-19 pandemic is a change that occurs in the business environment. Its influence is felt by various sectors or business industries in all countries in the world. Research by Hidayat (Hidayat, 2021) and Sullivan & Widoatmodjo (Sullivan & Widoatmodjo, 2021) in 2021 found that there were significant differences in financial performance before and during the Covid-19 pandemic. Meanwhile, research by Ilhami & Thamrin (Ilhami & Thamrin, 2021) in 2021 concluded that the impact of Covid-19 on the financial performance of Islamic banking in Indonesia did not show a significant difference in financial performance in terms of CAR, ROA, NPF and FDR ratios.

Based on the theoretical study, the research hypothesis is formulated as follows: "There is a significant difference between the financial performance of manufacturing companies in the Consumer Goods Industry sector before and during the Covid-19 Pandemic".

Research Method

This type of research is comparative research, which is a type of research that aims to prove the average difference between two or more sample groups. Financial performance variables were measured using Return on Assets (ROA) and Return on Equity (ROE). Return on Assets is the ratio between net income after tax with total assets (Van Horne & Wachowicz Jr, 2012). This ratio shows the company's ability to use its total assets to generate net profit after tax. The use of Return on Assets as an indicator of financial performance, among others, is shown in the research of Bontis (Bontis, 1998); and Bontis et al. (Bontis, Keow, & Richardson, 2000). Return On Equity shows the company's ability to use its own capital in generating net income. The use of Return On Equity as an indicator of financial performance is shown in the research of Wang & Chang (Hsu & Wang, 2012) and Youndt et al. (Youndt, Subramaniam, & Snell, 2004). Return on Equity is calculated by dividing net income by own capital (R. C. Higgins, 2009).

The sample group studied were companies belonging to the Consumer Goods Industry sector that went public on the IDX (Indonesia Stock Exchange). Based on the 2019 IDX Facts Book, the number of manufacturing companies in the Consumer Goods Industry sector that went public in Indonesia was 47 companies (IDX, 2019). The sample was determined purposively. The requirements to become a research sample are listed on the IDX consecutively from 2019-2020, publish company financial statements, and have a positive equity value. Companies with negative equity values are not sampled to avoid bias, especially for companies that experience losses. Data collection methods using documentation techniques. The main source of research data is obtained from the company's financial statements. Data is also obtained from annual reports, an overview of listed companies, and the IDX Fact Book. The data source is obtained from the Indonesia Stock Exchange (www.idx.co.id). Data analysis techniques include descriptive and inferential analysis. Descriptive analysis was conducted to describe the data, both descriptive data on the sample companies and descriptions of research variables, as well as descriptions of research findings. Inferential analysis was performed using the Paired Sample t-test. Paired t-test is a parametric statistical test procedure that can be used to determine the mean difference between two groups of paired data. The process of data analysis for hypothesis testing is carried out with the help of statistical software, namely SPSS (Statistical Product and Service Solutions) for Windows.

Results

Financial performance in this study is indicated by the ratio of Return on Assets (ROA) and Return on Equity (ROE). Based on the results of data analysis, the description of the financial performance of companies in the food and beverage industry sector is as shown in Table 1 (ROA) and Table 2 (ROE). Based on table 1, it can be

seen that the company's average financial performance has decreased during the Covid-19 pandemic compared to the previous period. In 2019, the average ROA of the Consumer Goods Industry Manufacturing companies in Indonesia was 8.10%, decreasing by 3.53% in 2020 to 4.57%. This shows that the company's ability to use its total assets to generate profits has decreased during the Covid-19 Pandemic.

Table 1. Description of ROA of F&B Companies 2019-2020

Kode	Grup	ROA					
		EAT	TA	2019	EAT	TA	2020
KINO	Cosmetics and household	515.603	4.695.764	10,98%	113.665	5.255.359	2,16%
TCID		145.149	2.551.192	5,69%	- 54.776	2.314.790	-2,37%
MBTO		- 66.945	591.063	-11,33%	- 203.214	982.882	-20,68%
MRAT		131	532.762	0,02%	- 6.766	559.795	-1,21%
UNVR		7.392.837	20.649.371	35,80%	7.163.536	20.534.632	34,89%
ADES	Food and Beverages	83.885	822.375	10,20%	135.789	958.791	14,16%
BUDI		64.021	2.999.767	2,13%	67.093	2.963.007	2,26%
BTEK		- 83.843	4.975.248	-1,69%	- 509.507	4.223.727	-12,06%
HOKI		103.723	848.676	12,22%	38.038	906.924	4,19%
CAMP		76.758	1.057.529	7,26%	44.045	1.086.873	4,05%
DLTA		312.114	1.425.983	21,89%	118.592	1.225.580	9,68%
ICBP		5.360.029	38.709.314	13,85%	7.418.574	103.588.325	7,16%
INDF		5.902.729	96.198.559	6,14%	8.752.066	163.136.516	5,36%
IIKP		85.544	384.481	22,25%	- 41.519	343.139	-12,10%
MGNA							
MYOR		2.051.404	19.037.918	10,78%	2.098.168	19.777.500	10,61%
MLBI		1.206.059	2.896.950	41,63%	285.617	2.907.425	9,82%
ROTI		236.518	4.682.083	5,05%	168.610	4.452.166	3,79%
PSDN		- 25.762	763.492	-3,37%	- 52.304	765.375	-6,83%
PANI		- 1.236	119.708	-1,03%	224	112.591	0,20%
PCAR		- 11.484	124.735	-9,21%	- 14.392	103.351	-13,93%
CLEO		130.756	1.245.144	10,50%	132.772	1.310.940	10,13%
SKBM		957	1.820.383	0,05%	5.415	1.768.660	0,31%
SKLT		44.943	790.845	5,68%	42.520	773.863	5,49%
STTP		482.590	2.881.563	16,75%	628.628	3.448.995	18,23%
AISA							
ALTO		- 7.383	1.103.450	-0,67%	- 10.506	1.105.874	-0,95%
ULTJ		1.035.865	6.608.422	15,67%	1.109.666	8.754.116	12,68%
CEKA		181.812	1.393.079	13,05%	215.459	1.566.673	13,75%
CINT	Houseware	7.221	521.493	1,38%	249	498.020	0,05%
WOOD		218.064	5.518.890	3,95%	314.373	5.949.006	5,28%
KICI		- 3.172	152.818	-2,08%	-10	157.023	-0,01%
LMPI		- 41.669	737.642	-5,65%	- 41.331	698.252	-5,92%
DVLA	Pharmaceuticals	221.783	1.829.960	12,12%	162.072	1.986.711	8,16%
INAF		7.961	1.383.935	0,58%	30	1.713.334	0,00%
SIDO		807.689	3.529.557	22,88%	934.016	3.849.516	24,26%
KLBF		2.537.601	20.264.726	12,52%	2.799.622	22.564.300	12,41%
KAEF		15.890	18.352.877	0,09%	20.425	17.562.816	0,12%
SCPI		112.652	1.417.704	7,95%	218.362	1.598.281	13,66%
MERK		78.256	901.060	8,68%	71.902	929.901	7,73%

Kode	Grup	ROA					
		EAT	TA	2019	EAT	TA	2020
PYFA		9.342	190.786	4,90%	22.104	228.575	9,67%
TSPC		595.154	8.372.769	7,11%	834.369	9.104.657	9,16%
RMBA	Tobacco Manufactur	50.612	17.000.330	0,30%	-2.666.991	12.464.005	-21,40%
GGRM		10.880.704	78.647.274	13,83%	7.647.729	78.191.409	9,78%
HMSP		13.721.513	50.902.806	26,96%	8.581.378	49.674.030	17,28%
WIIM		27.328	1.299.521	2,10%	172.506	1.614.442	10,69%
	Min	- 83.843	119.708	-11,33%	-2.666.991	103.351	-21,40%
	Max	13.721.513	96.198.559	41,63%	8.752.066	163.136.516	34,89%
	Ave	1.213.638	9.627.671	8,10%	1.041.933	12.589.841	4,57%

Source: company financial statements, processed (2021)

In 2019, before the Covid-19 Pandemic, PT Multi Bintang Indonesia Tbk as a food and beverage company registered itself as the company that had the highest ROA of 41.63%. Meanwhile, the lowest ROA occurred in one of the cosmetic companies, namely PT Martina Berto Tbk with an ROA of -11.33%.

In 2020, namely during the Covid-19 Pandemic, PT Unilever Indonesia Tbk as one of the Cosmetics and household companies registered itself as the company that had the highest ROA of 34.89%. This achievement is still low compared to before the Covid-19 pandemic where the highest ROA reached 41.63%. Meanwhile, the lowest ROA during the Covid-19 pandemic occurred in one of the cigarette companies, namely PT Bentoel International Tbk with an ROA of -21.40%. This record is also much lower than before the Covid-19 Pandemic where the lowest ROA was -11.33%.

The company's financial performance based on ROE also decreased during the Covid-19 pandemic compared to the previous period. The average ROE in 2019 was 13.81%, decreased by 6.23% in 2020 to 7.58%. This shows that the company's ability to use its total equity to generate profits has decreased during the Covid-19 Pandemic.

Table 2. Description of ROE of F&B Companies 2019-2020

Code	Group	ROE					
		EAT (million Rp)	Equity (million Rp)	2019	EAT (million Rp)	Equity (million Rp)	2020
KINO	Cosmetics and household	515.603	2.702.862	19,08%	113.665	2.577.235	4,41%
TCID		145.149	2.019.143	7,19%	- 54.776	1.865.986	-2,94%
MBTO		- 66.945	235.171	-28,47%	- 203.214	589.859	-34,45%
MRAT		131	368.641	0,04%	- 6.766	342.418	-1,98%
UNVR		7.392.837	5.281.862	139,97%	7.163.536	4.937.368	145,09%
ADES		83.885	567.937	14,77%	135.789	700.508	19,38%
BUDI		64.021	1.285.318	4,98%	67.093	1.322.156	5,07%
BTEK		- 83.843	2.142.615	-3,91%	- 509.507	1.662.371	-30,65%
HOKI		103.723	641.567	16,17%	38.038	662.560	5,74%
CAMP		76.758	935.392	8,21%	44.045	961.711	4,58%
DLTA	Food and Beverages	312.114	1.213.563	25,72%	118.592	1.019.898	11,63%
ICBP		5.360.029	26.671.104	20,10%	7.418.574	50.318.053	14,74%
INDF		5.902.729	54.202.488	10,89%	8.752.066	79.138.044	11,06%
IIKP		85.544	359.441	23,80%	- 41.519	317.895	-13,06%
MGNA							
MYOR		2.051.404	9.911.940	20,70%	2.098.168	11.271.468	18,61%
MLBI		1.206.059	1.146.007	105,24%	285.617	1.433.406	19,93%
ROTI		236.518	3.092.597	7,65%	168.610	3.227.671	5,22%
PSDN		- 25.762	175.963	-14,64%	- 52.304	120.151	-43,53%
PANI		- 1.236	39.964	-3,09%	224	39.964	0,56%
PCAR		- 11.484	84.232	-13,63%	- 14.392	63.670	-22,60%
CLEO		130.756	766.299	17,06%	132.772	894.746	14,84%

Code	Group	EAT (million Rp)	Equity (million Rp)	2019	EAT (million Rp)	Equity (million Rp)	2020
				ROE			
SKBM		957	1.035.820	0,09%	5.415	961.981	0,56%
SKLT		44.943	380.381	11,82%	42.520	406.954	10,45%
STTP		482.590	2.148.007	22,47%	628.628	2.673.298	23,52%
AISA							
ALTO		- 7.383	380.730	-1,94%	- 10.506	372.883	-2,82%
ULTJ		1.035.865	5.655.139	18,32%	1.109.666	4.781.737	23,21%
CEKA		181.812	1.131.294	16,07%	215.459	1.260.714	17,09%
CINT		7.221	389.671	1,85%	249	385.357	0,06%
WOOD	Houseware	218.064	2.700.948	8,07%	314.373	3.029.837	10,38%
KICI		- 3.172	87.355	-3,63%	-10	80.769	-0,01%
LMPI		- 41.669	289.321	-14,40%	- 41.331	246.494	-16,77%
DVLA		221.783	1.306.078	16,98%	162.072	1.326.287	12,22%
INAF		7.961	504.935	1,58%	30	430.326	0,01%
SIDO		807.689	3.064.707	26,35%	934.016	3.221.740	28,99%
KLBF		2.537.601	16.705.582	15,19%	2.799.622	18.276.082	15,32%
KAEF	Pharmaceuticals	15.890	7.412.926	0,21%	20.425	7.105.672	0,29%
SCPI		112.652	617.000	18,26%	218.362	832.209	26,24%
MERK		78.256	594.011	13,17%	71.902	612.683	11,74%
PYFA		9.342	124.725	7,49%	22.104	157.631	14,02%
TSPC		595.154	5.791.035	10,28%	834.369	6.377.235	13,08%
RMBA		50.612	8.401.643	0,60%	-2.666.991	5.708.950	-46,72%
GGRM	Tobacco Manufactur	10.880.704	50.930.758	21,36%	7.647.729	58.522.468	13,07%
HMSP		13.721.513	35.679.730	38,46%	8.581.378	30.241.426	28,38%
WIIM		27.328	1.033.170	2,65%	172.506	1.185.851	14,55%
	Min	- 83.843	39.964	-28,47%	-2.666.991	39.964	-46,72%
	Max	13.721.513	54.202.488	139,97%	8.752.066	79.138.044	145,09%
	Ave	1.213.638	5.913.843	13,84%	1.061.734	7.083.312	7,47%

Source: company financial statements, processed (2021)

To prove whether the difference in the financial performance of the consumer goods industry companies was significant before and during the Covid-19 pandemic, a different test was carried out using a paired sample t-test. The test results are shown in Table 3.

Table 3. The results of the paired sample t-test

Pair	Comparison	t	Df		Sig. (2-tailed)
Pair 1	ROAPreCov - ROACov	2.842	44		.007
Pair 2	ROEPreCov - ROECov	1.816	38		.077

Source: results of data analysis, processed (2021)

Based on Table 3, it can be seen that the different ROA test before and during the Covid-19 pandemic resulted in a t-test value of 2.842 with Sig. (2-tailed) of 0.007 is smaller than the alpha of 0.05. The ROA of consumer goods industry companies in Indonesia differed significantly before and during the Covid-19 pandemic. Different tests on the ROE of consumer goods industrial companies in Indonesia before and during the Covid-19 pandemic resulted in a t-test value of 1,816 with Sig. (2-tailed) of 0.077 is greater than the alpha of 0.05. This means that at an alpha of 5%, the ROE of consumer goods industry companies in Indonesia is not significantly different before and during the Covid-19 Pandemic.

Discussion

The average financial performance of consumer goods industry companies that went public on the IDX during the pandemic has shown a decline compared to before the Covid-19 Pandemic. The average ROA during the Covid-19 Pandemic decreased by 44.2%, while the average ROE decreased by 32.87%.

The cause of the decline in the company's financial performance, both based on the ROA and ROE ratios, was due to the decrease in income earned by the company. Revenues declined due to lower sales the company could realize during the pandemic. In 2019, the company recorded an average net profit (EAT) of 1.213 trillion rupiah. In 2020 the average net profit (EAT) fell to 1.041 trillion rupiah. This decline was driven by the decline in public consumption as a result of the Covid-19 pandemic. Many people refrain from spending their money due to various factors, including economic uncertainty, declining purchasing power, and the impact of layoffs. In addition, the community also places a lot of funds in more promising investment activities due to the sluggishness of the business they are running.

The ROA of consumer goods industry companies in Indonesia differed significantly before and during the Covid-19 pandemic. The results of this study are in line with what was stated by Kusmayadi (2008) and Wheelen & Hunger (2012) that the company's environment greatly affects the company's performance, if the company's environment is in good condition, the company's productivity performance is also in good condition, and vice versa. This conclusion supports the research results of Hidayat (2021) and Sullivan & Widoatmodjo (2021) who also concluded that there were significant differences in financial performance before and during the Covid-19 pandemic.

The ROE of consumer goods industry companies in Indonesia is not significantly different before and during the Covid-19 Pandemic. This is because the decrease in net income is also followed by a decrease in the total value of equity so that the ROE ratio is not significantly different. The results of this study are in line with the conclusions of Ilhami & Thamrin (2021) research on Islamic banking in Indonesia which concluded that the impact of Covid-19 on financial performance did not show a significant difference in financial performance.

It clearly shows that in the era of the Covid-19 Pandemic, companies in the consumer goods industry sector in Indonesia are facing heavy pressure. Public consumption declined, causing the company to be unable to realize the targeted sales. Some companies suffered significant losses. Although there are sub-sectors that show a positive trend (pharmaceutical sub-sector), in general, the consumer goods industry sector is heavily affected by the Covid-19 pandemic. Therefore, the company in this case must be able to implement a strategy to get out of the crisis. Strategic decisions that will change the company's operations are indispensable. Leadership plays an important role in being able to make decisions in crisis situations (Caball & Malekpour, 2019; G. Higgins & Freedman, 2013; Patria, 2021). At a time when conventional business operations experienced a decline, digital-based businesses grew very rapidly. Companies must be able to turn the threat of the Covid-19 pandemic into an opportunity. Several companies have shown success by switching business from conventional to digital.

Conclusion

The company's environment, both internal and external, greatly affects the company's financial performance. The Covid-19 pandemic that has occurred since early 2020 in Indonesia has become a threat to companies. This research shows that during the Covid-19 Pandemic, financial performance as indicated by the ROA ratio decreased significantly compared to before the Covid-19 Pandemic. Meanwhile, the ROE of consumer goods industry companies in Indonesia did not differ significantly before and during the Covid-19 pandemic. This is due to the decrease in net profit followed by a decrease in the total value of equity.

Therefore, the company in this case must be able to implement a strategy to get out of the crisis. Strategic decisions and leadership play an important role in being able to make decisions in crisis situations. Companies can turn the threat of the Covid-19 Pandemic into opportunities by switching business from conventional to digital.

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