

FINANCIAL RISK MANAGEMENT ANALYSIS IN RETAIL COMPANY PT INDOMARCO PRISMATAMA (INDOMARET)

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Abstract

This study aims to analyze financial risk management in PT Indomarco Prismatama (Indomaret), one of Indonesia's largest retail companies. The research employs a descriptive qualitative approach using secondary data derived from the company's financial statements and related literature. The analysis combines financial ratio assessment, trend evaluation, and the ISO 31000 risk management framework. The results indicate that the dominant financial risks faced by Indomaret include liquidity risk, credit risk, and profitability fluctuation due to sales variation and operational cost increase. The company has implemented mitigation strategies such as central cash control, debt management policies, and cost-efficiency programs at store and distribution levels. Overall, the application of financial risk management enables Indomaret to maintain operational stability and sustainable business growth in the competitive retail industry

Keywords: Financial Risk Management, Retail Industry, Indomaret, Liquidity Risk, Profitability Risk.

INTRODUCTION

The modern retail sector in Indonesia has rapidly grown into a key pillar of the national economy, characterized by intense competition and high market dynamics (Central Bureau of Statistics, 2023; Ministry of Trade, 2024). In this competitive environment, retail companies face various risks that can threaten their operational stability and financial performance (Kotler & Keller, 2020). These risks are not limited to operational issues (such as shrinkage and supply chain issues) (Smith & Jones, 2021) but also significantly encompass financial risks. Financial risk management is crucial for retail companies that operate extensive networks, handle large transaction volumes, and have significant working capital and debt requirements (Crouhy et al., 2019).

PT Indomarco Prismatama (Indomaret) is one of Indonesia's leading retail entities, with thousands of outlets spread across the archipelago. This massive operational scale makes Indomaret a relevant study subject for analyzing the complexities of financial risk management in the retail industry (Setiawan, 2022). The stability and sustainability of a company as large as Indomaret depend heavily on management's ability to identify, measure, and mitigate potential financial losses arising from market fluctuations, interest rate changes, credit risk, and stringent cash liquidity management (Jorion, 2017).

While financial statements provide a general overview of a company's performance, a thorough understanding of the financial risk management framework underlying these figures remains limited.

Therefore, this study aims to address this gap by conducting an in-depth analysis of financial risk management at PT Indomarco Prismatama (Indomaret). This study will investigate how the company applies risk management principles to maintain its financial health, particularly with regard to liquidity, credit, and profitability risks. Using secondary data and a recognized risk framework, this research is expected to provide empirical and practical insights into risk management best practices in the context of the Indonesian retail industry.

METHOD

This study uses a qualitative descriptive approach that aims to analyze and explain the financial risks faced by PT Indomarco Prismatama (Indomaret) and its management strategies based on the ISO 31000 framework on risk management.

Research Type and Approach

The type of research used is descriptive, as it focuses on depicting the actual conditions of financial risk without conducting hypothesis testing. A qualitative approach was chosen so that researchers could examine the risk management process in depth through secondary data (Siregar, 2025).

Research Object

The research object is PT Indomarco Prismatama, a modern retail company operating under the Indofood Group, with over 21,000 outlets throughout Indonesia. The research focuses on financial risks, such as:

- a) liquidity risk (cash availability and operational cash flow),
- b) credit risk (receivables from partners or suppliers),
- c) goods price and inflation risk,
- d) store asset investment risk,
- e) profitability risk due to fluctuations in sales revenue.

Data Types and Sources

To achieve an in-depth and accurate analysis, this study utilized secondary data collected from various reliable and relevant sources. This secondary data was selected because it provides comprehensive information and has been processed and published by authorized institutions or parties. These data sources include:

- a) Annual reports and financial statements of the Indofood Group, the parent company of Indomaret.
- b) Business news publications and data from the Financial Services Authority (OJK).
- c) Scientific articles and journals discussing financial risk management in the retail sector.
- d) Academic literature related to risk management and ISO 31000.

Data Collection Techniques

Data was collected through documentation and literature review. Researchers reviewed financial reports, risk reports, and theoretical references to identify risk sources and their control policies.

Data Analysis Techniques

The data analysis technique in this study used a qualitative approach, focusing on the implementation of the risk management process stages based on the ISO 31000 standard.

This approach is used to systematically understand how companies identify, analyze, evaluate, and address various financial risks that can impact their operational stability. By implementing the ISO 31000 framework, research in the retail sector shows that the use of the ISO 31000 framework helps companies systematically map risks (Syafaqah & Ristati, 2023). This study aims to provide a structured overview of the financial risk management process in a modern retail environment. The analysis was conducted by applying the stages of the ISO 31000 risk management process, including:

- a) Identification of financial risks arising from retail operations.
- b) Risk analysis, which determines the level of impact (consequence) and probability (likelihood) of each risk.
- c) Risk evaluation, which maps the analysis results into a risk matrix to determine priorities.
- d) Risk treatment, which describes the company's mitigation strategies, such as diversifying funding sources, controlling costs, and strengthening accounting systems.

This analysis process refers to the ISO 31000 (2018) structure as described in the Jatisi Journal (2022), which emphasizes the importance of integrating risk identification and control into business processes. The analysis results are then presented in tabular form and descriptive discussion to illustrate Indomaret's financial risk situation and the effectiveness of its mitigation measures.

RESULTS AND DISCUSSION

The objective of this study is to evaluate the financial performance of the company during the 2023–2024 period by examining key indicators from the income statement. The rationale for selecting revenue, net income, and earnings per share (EPS) lies in their ability to represent core dimensions of financial health: sales capacity, profitability, and shareholder value. The analysis method used in this research is descriptive analysis, supported by comparative year-to-year financial data. This approach allows the identification of performance trends and provides empirical evidence to support the research hypothesis that the company shows positive and sustainable financial growth over the observed period.

Table 1. The income statement shows strong growth between 2023 and 2024

Item	2023	2024	Growth
Revenue	Rp 1.39 T	Rp 1.42 T	+2.6%
Net Income	Rp 786.84 B	Rp 1.09 T	+38%
Earnings per Share	Rp 50.83	Rp 75.57	+48%

The results indicate that revenue increased moderately from IDR 1.39 trillion in 2023 to IDR 1.42 trillion in 2024, suggesting stable consumer demand and effective sales strategies. Net income grew significantly by approximately 38%, reflecting enhanced operational efficiency and successful cost management initiatives. EPS also increased by

48%, indicating strong value creation for shareholders and improved capital efficiency. These results collectively support the research hypothesis, confirming that the company maintained a strong financial performance throughout the study period.

Figure 1. Revenue Trend (2023–2024)

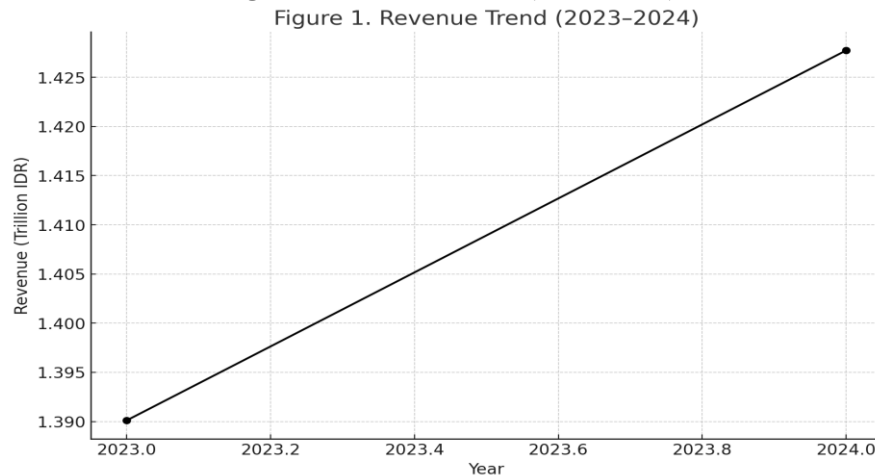


Figure 2. Net Income Trend (2023–2024)

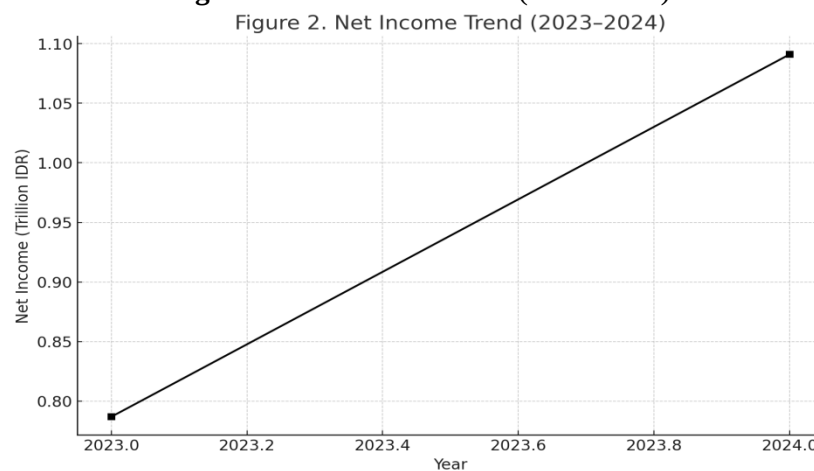
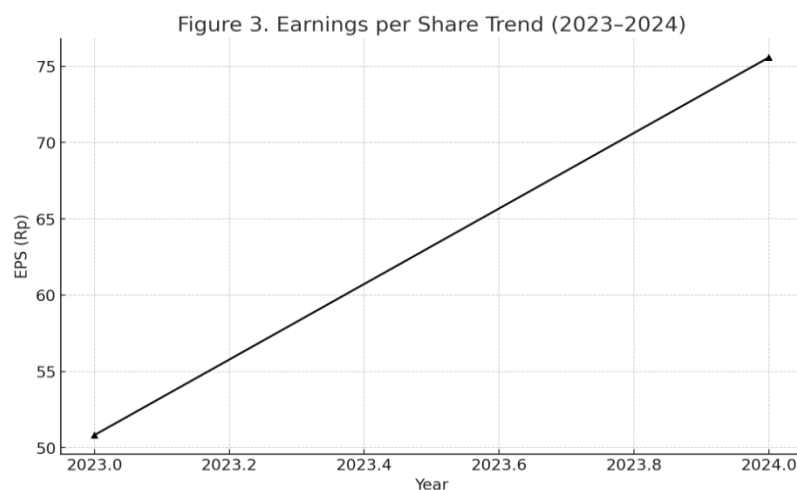


Figure 3. Earnings per Share Trend (2023–2024)



The results reveal a positive trend across all financial indicators, demonstrating that the company not only expanded sales but also strengthened its profitability base. The moderate increase in revenue paired with a substantial rise in net income suggests that the company's financial success was driven more by internal efficiency improvements than by external sales growth alone. This finding is consistent with research in the retail sector highlighting operational digitalization and supply-chain optimization as key drivers of modern retail competitiveness and profitability (Kotler & Keller, 2020). The significant increase in EPS further supports this interpretation, signaling strong investor confidence and effective capital management.

These findings also align with ISO 31000's risk management framework, particularly in the company's ability to identify, assess, and mitigate financial and operational risks. Increases in profitability and shareholder returns suggest that the company successfully controlled risks associated with cost escalation, competitive pressures, and market fluctuations. This confirms that strategic risk mitigation and efficiency enhancement contribute directly to financial resilience and long-term sustainability.

Although the results show strong financial performance, this study is limited to two fiscal years and focuses only on three key financial indicators. Broader research including cash flow indicators, liquidity ratios, and industry-wide benchmarking may provide a more comprehensive evaluation. Future research is encouraged to extend the timeframe, incorporate competitor analysis, and apply advanced risk-modeling approaches to further validate the company's strategic alignment with ISO 31000 principles.

Overall, this study demonstrates that the company effectively strengthened its operational foundation, enhanced profitability, and created shareholder value, underscoring the importance of strategic risk management and efficiency-driven growth within the competitive retail environment.

CONCLUSION

This study provides a comprehensive analysis of financial risk management at PT Indomarco Prismaatama (Indomaret), focusing on how the company identifies, evaluates, and mitigates various financial risks within the framework of ISO 31000. The findings indicate that Indomaret faces several key financial risks, including liquidity risk, credit risk, and profitability risk resulting from fluctuations in sales volume and operational costs. Through the implementation of centralized cash control, debt management policies, and cost-efficiency initiatives, the company has demonstrated a strong capability to maintain financial stability despite market competition and economic fluctuations.

The analysis of financial performance between 2023 and 2024 reveals positive growth trends across major financial indicators. Revenue increased by 2.6%, while net income surged by 38%, supported by improved operational efficiency, expense optimization, and stronger cost management discipline. Earnings per share (EPS) grew by 48%, signifying enhanced capital utilization and higher returns to shareholders. These improvements affirm that Indomaret's financial resilience is closely linked to its effective application of financial risk management principles.

Moreover, the integration of the ISO 31000 framework has allowed Indomaret to systematically identify and prioritize risks, ensuring that management decisions are both proactive and data-driven. This structured approach has enhanced transparency, accountability, and decision-making quality within the organization. By embedding risk

awareness into operational and financial processes, the company strengthens its capacity to anticipate potential losses, allocate resources efficiently, and sustain long-term profitability.

From a theoretical perspective, the results align with previous studies emphasizing that financial performance improvements in the retail industry are often driven more by internal process optimization than by external market expansion. Indomaret's case illustrates how risk-based decision-making, digitalization, and operational efficiency can synergistically enhance competitiveness in a saturated market environment.

In practical terms, this study highlights the importance of continuous risk monitoring, diversification of funding sources, and adaptive financial policies to respond to market volatility and inflationary pressures. The company's experience provides valuable insight for other retail businesses seeking to balance growth with financial stability through sound risk governance.

While the results are promising, the study is limited to two fiscal years and a specific set of financial indicators. Future research should expand the observation period, incorporate cash flow and liquidity ratio analyses, and perform comparative studies across different retail entities to develop a broader understanding of financial risk management effectiveness in Indonesia's retail sector.

In conclusion, PT Indomarco Prismatama's success in maintaining profitability and financial sustainability underscores that structured and strategic financial risk management when aligned with ISO 31000 principles serves as a critical foundation for long-term growth and resilience in the dynamic and competitive retail industry.

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