

## Analysis of Financial Performance Based on Economic Value Added at PT Ultrajaya Milk Industry & Trading Company Tbk.

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### ABSTRACT

This study aims to analyze the financial performance of PT Ultrajaya Milk Industry & Trading Company Tbk using the Economic Value Added (EVA) method during the 2015–2025 period. This study uses a quantitative descriptive approach with secondary data obtained from the company's annual financial statements. The analysis technique was carried out through calculations of the Effective Tax Rate, Net Operating Profit After Tax (NOPAT), Invested Capital, Weighted Average Cost of Capital (WACC), Capital Charge, and Economic Value Added (EVA). The results show that EVA remained positive throughout the 2015–2025 period and generally increased despite fluctuations in 2018 and 2022. The increase in EVA was supported by the company's ability to maintain NOPAT above Capital Charge, while the temporary declines were associated with changes in NOPAT and invested capital. The lowest EVA value occurred in 2015 at 291.705 billion Rupiah, while the highest was recorded in 2025 at 753.870 billion Rupiah. These findings indicate that PT Ultrajaya Milk Industry & Trading Company Tbk consistently generated returns exceeding its cost of capital and successfully created sustainable economic value for shareholders throughout the study period.

**Keywords:** *Economic Value Added; Financial Performance; NOPAT; WACC; Capital Charge*

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### INTRODUCTION

Financial performance evaluation is an important part of assessing a company's ability to maintain business sustainability, generate profit, and create value for shareholders. In public companies, performance assessment is not sufficient by considering accounting profit alone because high profit does not necessarily indicate that the company has generated economic value after taking the cost of capital into account. A value-based approach becomes relevant because it is able to link operational performance with the returns expected by capital providers (Pernamasari, 2020; Hall, 2024).

Economic Value Added (EVA) is one approach used to assess whether a company is able to create economic value added. Unlike traditional accounting measures, EVA takes the cost of capital into account through Capital Charge so that operating profit after tax can be compared with the cost of funds used by the company. Previous studies show that EVA can be used as a measure of financial performance, either independently or together with other indicators such as Market Value Added (MVA), Financial Value Added (FVA), stock returns, and firm value (Silvia and Wangka, 2022; Fauziah *et al.*, 2023; Siska, 2023; Narulita *et al.*, 2024).

The use of EVA is also important because this measure helps explain the relationship among profit, capital utilization, asset management efficiency, and shareholder value creation. Several studies show that EVA is related to stock returns, firm value, and value-based performance evaluation, although its influence may differ depending on sector, capital structure, and market conditions (Udiyana *et al.*, 2022; Aulya and Agustin, 2023; Salam, 2023; Azizah and Sulistyowati, 2024). Thus, EVA does not only provide a final numerical result, but also helps understand the quality of the company's capital management.

PT Ultrajaya Milk Industry & Trading Company Tbk is one of the food and beverage industry companies operating in a market where working capital requirements, production capacity, distribution, and operational efficiency are important. In this sector, the company's ability to maintain profitability and use capital efficiently is a key aspect in sustaining competitiveness. International literature also shows that EVA can be used in studies of working capital efficiency, earnings quality, sustainability, governance, and the business life cycle of

companies (Bhatia *et al.*, 2024; Duarte, Lisboa and Carreira, 2024; Tripathi, Ghalke and Kashiramka, 2025; Yakubu, Kapusuzoglu and Ceylan, 2025).

In practice, a company with high net income does not necessarily create economic value if that profit is not yet able to cover all costs of capital used. Therefore, EVA analysis is important because it can provide a deeper picture of the company's effectiveness in managing sources of funds, both debt and equity. Through this approach, financial performance is assessed not only from profit growth, but also from the company's ability to generate returns that exceed its cost of capital.

Although previous studies have widely applied the Economic Value Added (EVA) method to evaluate financial performance, most of them primarily focused on determining whether EVA was positive or negative or comparing EVA with other performance indicators. Limited attention has been given to explaining the main drivers of EVA, particularly the roles of NOPAT, Invested Capital, WACC, and Capital Charge in creating economic value. Therefore, this study not only calculates EVA but also analyzes how these components contribute to changes in EVA, providing a more comprehensive evaluation of the company's financial performance.

The selected observation period also captures an important financial event in 2020, when PT Ultrajaya Milk Industry & Trading Company Tbk experienced a substantial increase in interest-bearing debt. This change affected the company's capital structure and influenced the calculation of WACC, Capital Charge, and ultimately EVA. Therefore, analyzing the drivers of EVA over the 2015–2025 period provides a more comprehensive understanding of how changes in operating performance and financing decisions contributed to the company's economic value creation.

The 2015–2025 period is a relevant time span to analyze because it can show the development of the company's financial performance in the long term. During this period, the company faced various changes in business conditions, working capital requirements, and dynamics of capital costs that may affect the creation of economic value. By analyzing EVA over eleven years, this study is expected to provide a more comprehensive picture of the consistency of PT Ultrajaya Milk Industry & Trading Company Tbk in creating value added for shareholders.

Based on this background, this study aims to analyze the financial performance of PT Ultrajaya Milk Industry & Trading Company Tbk for the 2015–2025 period using the EVA method. This study focuses on the calculation of NOPAT, WACC, Invested Capital, Capital Charge, and EVA to determine whether the company is able to create economic value added consistently during the research period.

## METHOD

This study employs a longitudinal value-based financial performance analysis using a single-firm financial case analysis approach. This design was selected because the study evaluates the financial performance of PT Ultrajaya Milk Industry & Trading Company Tbk over an eleven-year period (2015–2025) by analyzing Economic Value Added (EVA) and its main components. The longitudinal approach enables the analysis of changes in value creation over time and provides a more comprehensive understanding of the company's financial performance.

The study uses secondary data obtained from the audited annual financial statements and annual reports of PT Ultrajaya Milk Industry & Trading Company Tbk for the 2015–2025 period. The financial data were reorganized into billion Rupiah units to ensure consistency in the analysis process. Data collection was conducted through documentation by extracting information on sales, EBIT, profit before tax, tax expense, profit for the year, interest expense, cash and cash equivalents, total liabilities, total equity, and interest-bearing debt. All core components required to calculate NOPAT, Kd, WACC, Capital Charge, and EVA were available for all observation years.

The main methodological note lies in the WACC assumption. The calculation of the cost of equity was carried out using the Capital Asset Pricing Model (CAPM) approach, with assumptions of a risk-free rate of 6.50%, beta of 0.80, and a market risk premium of 6.00%, resulting in a cost of equity of 11.30%. These assumptions were applied consistently throughout the research period. Therefore, the EVA results should be interpreted within the context of the cost of capital assumptions used in the calculation model.

The analysis was carried out through the stages of EVA calculation. EVA was chosen because it measures value creation after considering the cost of capital used by the company. In addition to calculating EVA, this study also analyzes the contribution of its main drivers, namely NOPAT, Invested Capital, WACC, and Capital Charge, in explaining changes in the company's economic value creation over the observation period. In the context of performance measurement, value-based approaches such as EVA are considered more

comprehensive because they consider the cost of funds from both debt and equity, not merely accounting profit (Galankashi and Rafiei, 2022; Sura, Panchal and Lather, 2023).

The calculation stages used in this study are arranged in several points below so that the relationship of each EVA component can be seen more clearly.

1. Effective Tax Rate (ETR)

$$ETR = \frac{\text{Tax Expense}}{\text{Profit Before Tax}}$$

Meaning: ETR shows the proportion of tax expense to the company's profit before tax.

Function: This formula is used to obtain the effective tax rate that will adjust EBIT into operating profit after tax.

2. Net Operating Profit After Tax (NOPAT)

$$NOPAT = EBIT \times (1 - ETR)$$

Meaning: NOPAT is operating profit after tax, namely profit derived from operating activities after taking tax expense into account.

Function: This formula serves as a measure of the economic profit generated by the company's operations before deducting the cost of capital.

3. Invested Capital (IC)

$$IC = \text{Interest Bearing Debt} + \text{Total Equity} - \text{Cash/Cash Equivalents}$$

Meaning: IC describes the operating capital actually used by the company after cash and cash equivalents are excluded from total funding.

Function: This formula determines the capital base charged with the cost of capital in the Capital Charge calculation.

4. Average Invested Capital

$$\text{Average } IC_t = \frac{IC_t + IC_{t-1}}{2}$$

Meaning: Average IC is the average capital used during one period. For the initial year of observation, the ending IC value is used because data from the previous year are not available within the analysis period.

Function: This formula makes capital measurement more representative because the amount of capital may change from the beginning to the end of the year.

5. Average Debt

$$\text{Average Debt}_t = \frac{\text{Interest Bearing Debt}_t + \text{Interest Bearing Debt}_{t-1}}{2}$$

Meaning: Average Debt is the average interest-bearing debt used as the basis for charging interest in one period.

Function: This formula is used as the divisor in calculating the cost of debt before tax so that the  $K_d$  result does not depend only on the ending debt balance.

6.  $K_d$  before tax

$$K_d \text{ before tax} = \frac{\text{Interest Expense}}{\text{Average Debt}}$$

Meaning:  $K_d$  before tax shows the level of debt cost borne by the company before considering the tax benefits of interest expense.

Function: This formula measures the cost of funds derived from interest-bearing debt.

7.  $K_d$  after tax

$$K_d \text{ after tax} = K_d \text{ before tax} \times (1 - ETR)$$

Meaning:  $K_d$  after tax is the cost of debt after the tax saving effect is taken into account.

Function: This formula is used in WACC because interest expense can reduce the company's tax expense.

8. Cost of Equity ( $K_e$ )

$$K_e = R_f + \beta \times MRP$$

Meaning:  $K_e$  is the rate of return required by shareholders.  $R_f$  indicates the risk-free rate, beta indicates the systematic risk of the stock, and MRP indicates the market risk premium.

Function: This formula calculates the cost of equity as the minimum rate of return expected by investors.

9. Debt Weight and Equity Weight

$$D_w = \frac{\text{Interest Bearing Debt}}{\text{Interest Bearing Debt} + \text{Total Equity}}$$

$$E_w = \frac{\text{Total Equity}}{\text{Interest Bearing Debt} + \text{Total Equity}}$$

Meaning: Debt Weight and Equity Weight show the proportion of company funding derived from interest-bearing debt and equity.

Function: These two formulas determine the weight of each funding source in the WACC calculation.

10. Weighted Average Cost of Capital (WACC)

$$WACC = (D_w \times K_d \text{ after tax}) + (E_w \times K_e)$$

Meaning: WACC is the weighted average cost of capital from debt and equity.

Function: This formula becomes the minimum cost of capital rate that must be covered by the company's operations so that the capital used does not reduce economic value.

11. Capital Charge

$$\text{Capital Charge} = WACC \times \text{Average IC}$$

Meaning: Capital Charge is the cost of capital expense in Rupiah value attached to invested capital.

Function: This formula measures the minimum return that must be generated by the company on the capital used.

12. Economic Value Added (EVA)

$$EVA = NOPAT - \text{Capital Charge}$$

Meaning: EVA is the economic value added obtained after NOPAT is deducted by Capital Charge.

Function: This formula determines whether the company creates value. Positive EVA means NOPAT is greater than Capital Charge, zero EVA means economic break-even, and negative EVA means the cost of capital has not been covered by operating profit after tax.

13. EVA Margin

$$EVA \text{ Margin} = EVA / \text{Sales}$$

Meaning: EVA Margin shows the proportion of economic value added generated from sales.

Function: This ratio measures the company's efficiency in creating economic value from its sales.

14. Return on Invested Capital (ROIC)

$$ROIC = NOPAT / \text{Average Invested Capital}$$

Meaning: ROIC measures the return generated from the capital invested in the company's operations.

Function: This ratio evaluates how efficiently invested capital is utilized to generate operating profit after tax.

15. EVA Spread

$$EVA \text{ Spread} = ROIC - WACC$$

Meaning: EVA Spread represents the difference between the return on invested capital and the weighted average cost of capital.

Function: A positive EVA Spread indicates that the company generates returns above its cost of capital and therefore creates economic value.

The EVA assessment criteria are used to interpret the final results. If EVA is greater than zero, the company creates economic value added. If EVA is equal to zero, the company is in an economic break-even condition. If EVA is less than zero, the company has not succeeded in creating economic value because operating profit after tax is unable to cover the cost of capital (Table 1.).

**Table 1. Economic Value Added Measurement Criteria**

| Criteria  | Status       | Interpretation                                                                              |
|-----------|--------------|---------------------------------------------------------------------------------------------|
| $EVA > 0$ | Positive EVA | The company creates economic value added because NOPAT exceeds Capital Charge.              |
| $EVA = 0$ | Break-even   | The company is at the economic break-even point.                                            |
| $EVA < 0$ | Negative EVA | The company has not created economic value added because the cost of capital exceeds NOPAT. |

Source: Data processed (2026)

Table 2. shows that all data components required in the Economic Value Added analysis are available and can be used for the 2015–2025 period. The completeness of these data enables the calculation of NOPAT, Invested Capital, WACC, Capital Charge, and EVA to be carried out sequentially. Thus, the data used in this study are considered adequate to describe the financial performance of PT Ultrajaya Milk Industry & Trading Company Tbk based on the EVA approach.

**Table 2. Data Completeness Check for EVA Analysis**

| Data Component                     | Status   | Description                                                                                                                         |
|------------------------------------|----------|-------------------------------------------------------------------------------------------------------------------------------------|
| Operational data                   | Complete | Sales, EBIT, profit before tax, tax expense, and profit for the year data are available for the 2015–2025 period.                   |
| Capital structure data             | Complete | Cash and cash equivalents, total liabilities, total equity, and interest-bearing debt data are available for all observation years. |
| Cost of capital data               | Complete | Interest expense and funding components are available as the basis for calculating the cost of debt and capital structure.          |
| NOPAT calculation                  | Feasible | NOPAT is calculated from EBIT after taking the effective tax rate into account.                                                     |
| Invested Capital calculation       | Feasible | Invested Capital is calculated from interest-bearing debt plus total equity minus cash and cash equivalents.                        |
| WACC calculation                   | Feasible | WACC is calculated based on debt weight, equity weight, cost of debt after tax, and cost of equity.                                 |
| Capital Charge and EVA calculation | Feasible | Capital Charge and EVA can be calculated sequentially to assess the company's economic value creation.                              |

Source: Data processed (2026)

## RESULTS

This section presents the results of data preparation and EVA calculation for PT Ultrajaya Milk Industry & Trading Company Tbk for the 2015-2025 period. The results are presented in stages, starting from checking data completeness, basic financial data, NOPAT calculation, Invested Capital, WACC, Capital Charge, and Economic Value Added.

Table 3 serves as the main basis for analyzing the company's operating performance before calculating EVA. In general, the company's sales increased from 4,393.933 billion Rupiah in 2015 to 8,767.854 billion Rupiah in 2025. EBIT also increased from 692.866 billion Rupiah in 2015 to 1,685.315 billion Rupiah in 2025, while profit for the year rose from 523.100 billion Rupiah to 1,377.460 billion Rupiah. This growth indicates that the company was able to improve its operational profitability, which becomes an important basis for calculating NOPAT in the EVA analysis (Pernamasari, 2020; Silvia and Wangka, 2022).

**Table 3. Basic Operational Financial Data of UL TJ 2015–2025 (in billion Rupiah)**

| Year | Sales     | EBIT      | Profit Before Tax | Tax Expense | Profit for the Year |
|------|-----------|-----------|-------------------|-------------|---------------------|
| 2015 | 4,393.933 | 692.866   | 700.675           | 177.575     | 523.100             |
| 2016 | 4,685.988 | 888.987   | 932.483           | 222.657     | 709.826             |
| 2017 | 4,879.559 | 968.295   | 1,035.192         | 316.790     | 718.402             |
| 2018 | 5,472.882 | 892.565   | 949.018           | 247.411     | 701.607             |
| 2019 | 6,223.057 | 1,264.394 | 1,375.359         | 339.494     | 1,035.865           |
| 2020 | 5,967.362 | 1,364.261 | 1,421.517         | 311.851     | 1,109.666           |
| 2021 | 6,616.642 | 1,627.958 | 1,541.932         | 265.139     | 1,276.793           |
| 2022 | 7,656.252 | 1,302.854 | 1,288.998         | 323.512     | 965.486             |
| 2023 | 8,302.741 | 1,473.215 | 1,507.285         | 321.124     | 1,186.161           |
| 2024 | 8,874.202 | 1,448.325 | 1,506.963         | 353.047     | 1,153.916           |
| 2025 | 8,767.854 | 1,685.315 | 1,747.088         | 369.628     | 1,377.460           |

Source: Data processed (2026)

Table 4 serve as the main basis for EVA calculation. In general, the company's sales increased from 4.393,933 billion Rupiah in 2015 to 8.767,854 billion Rupiah in 2025. On the capital side, total equity also increased from 2.797,506 billion Rupiah in 2015 to 8.316,460 billion Rupiah in 2025. The increase in equity and changes in interest-bearing debt affected the capital structure and cost of capital used in the WACC calculation.

**Table 4. Basic Capital, Debt, and Cash Data of ULTJ 2015–2025 (in billion Rupiah)**

| Year | Interest Expense | Cash and Cash Equivalents | Total Liabilities | Total Equity | Interest-Bearing Debt |
|------|------------------|---------------------------|-------------------|--------------|-----------------------|
| 2015 | 2.315            | 849.123                   | 742.490           | 2,797.506    | 127.154               |
| 2016 | 2.057            | 1,521.372                 | 749.966           | 3,489.233    | 97.910                |
| 2017 | 1.497            | 2,120.400                 | 978.185           | 4,197.711    | 87.915                |
| 2018 | 2.107            | 1,444.310                 | 780.915           | 4,774.956    | 139.221               |
| 2019 | 1.661            | 2,040.591                 | 953.283           | 5,655.139    | 51.189                |
| 2020 | 33.630           | 1,649.669                 | 3,972.379         | 4,781.737    | 3,040.176             |
| 2021 | 235.275          | 1,598.901                 | 2,268.730         | 5,138.126    | 1,521.764             |
| 2022 | 120.978          | 1,248.642                 | 1,553.696         | 5,822.679    | 610.824               |
| 2023 | 46.848           | 2,174.324                 | 836.988           | 6,686.968    | 30.901                |
| 2024 | 0.127            | 2,434.322                 | 1,034.447         | 7,426.918    | 37.848                |
| 2025 | 0.128            | 3,163.368                 | 937.010           | 8,316.460    | 43.524                |

Source: Data processed (2026)

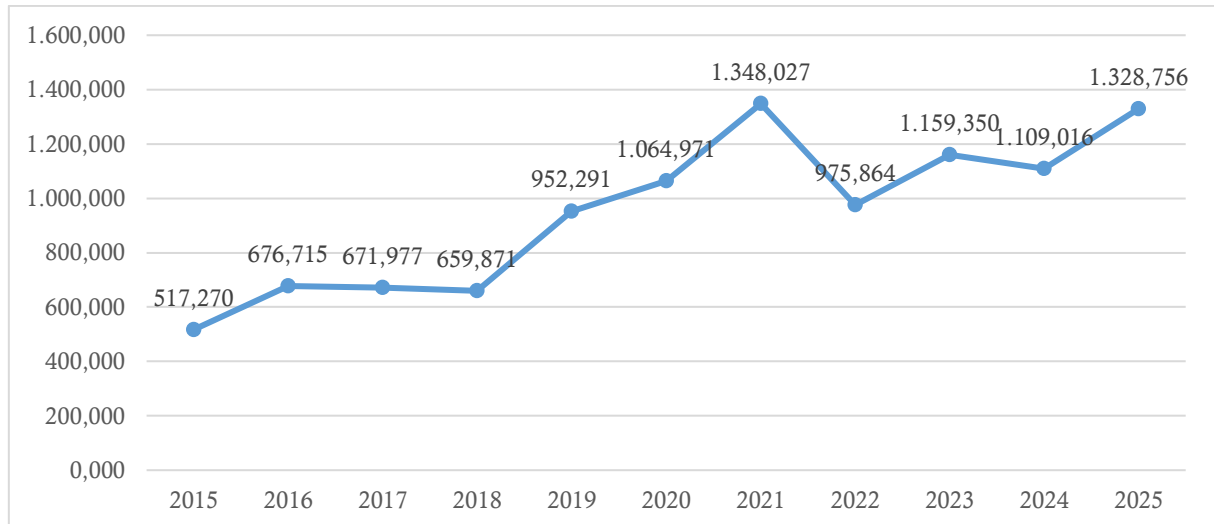
Table 5. and Figure 1. shows that NOPAT tended to increase although there were several fluctuations. NOPAT in 2015 was recorded at 517,270 billion Rupiah, then increased to 1.348,027 billion Rupiah in 2021. In 2022, it decreased to 975,864 billion Rupiah before increasing again to 1.328,756 billion Rupiah in 2025. This change indicates that the company's ability to generate operating profit after tax is relatively strong, but it remains influenced by the dynamics of EBIT and the effective tax rate.

$$NOPAT = EBIT \times (1 - \text{Effective Tax Rate})$$

**Table 5. NOPAT Calculation of ULTJ 2015–2025 (in billion Rupiah)**

| Year | EBIT      | Effective Tax Rate | NOPAT     |
|------|-----------|--------------------|-----------|
| 2015 | 692.866   | 25.34%             | 517.270   |
| 2016 | 888.987   | 23.88%             | 676.715   |
| 2017 | 968.295   | 30.60%             | 671.977   |
| 2018 | 892.565   | 26.07%             | 659.871   |
| 2019 | 1,264.394 | 24.68%             | 952.291   |
| 2020 | 1,364.261 | 21.94%             | 1,064.971 |
| 2021 | 1,627.958 | 17.20%             | 1,348.027 |
| 2022 | 1,302.854 | 25.10%             | 975.864   |
| 2023 | 1,473.215 | 21.30%             | 1,159.350 |
| 2024 | 1,448.325 | 23.43%             | 1,109.016 |
| 2025 | 1,685.315 | 21.16%             | 1,328.756 |

Source: Data processed (2026)



Source: Data processed (2026)

**Figure 1. NOPAT Chart of UL TJ 2015–2025**

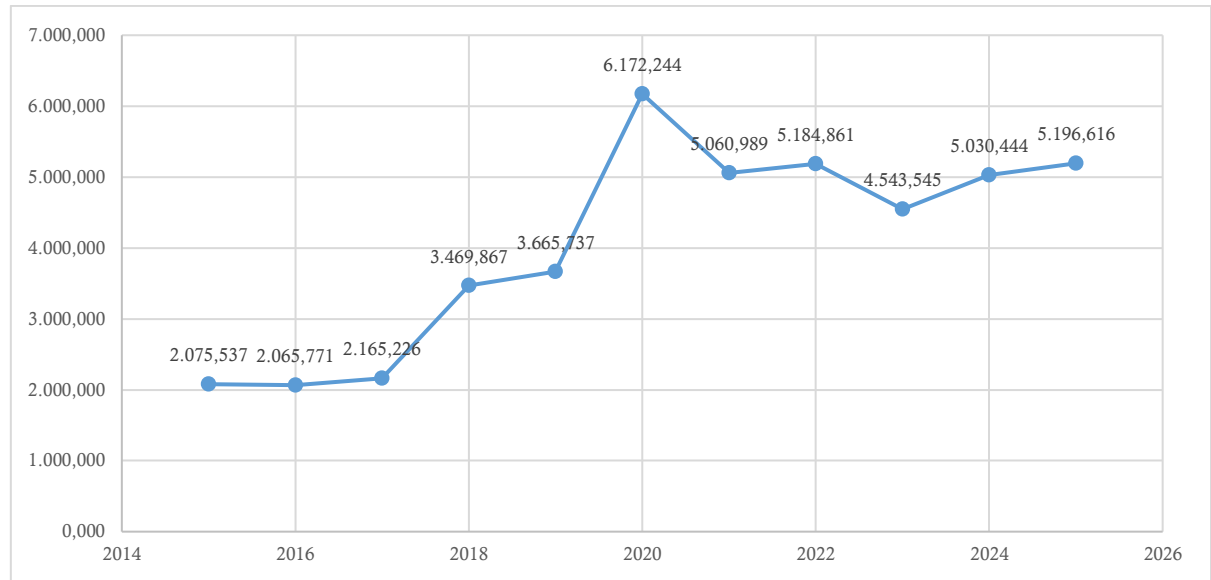
Table 6. and Figure 2. shows that ending invested capital moved from 2.075,537 billion Rupiah in 2015 to 5.196,616 billion Rupiah in 2025. The largest increase appeared in 2020 when ending invested capital reached 6.172,244 billion Rupiah, mainly due to an increase in interest-bearing debt. After that, invested capital decreased in 2021 and 2023, then rose again in 2024 and 2025. This pattern indicates that changes in funding structure and cash balance directly affect the amount of capital actually used in the company's operations.

$$\text{Invested Capital} = \text{Interest - Bearing Debt} + \text{Total Equity} - \text{Cash and Cash Equivalents}$$

**Table 6. Invested Capital Calculation of UL TJ 2015–2025 (in billion Rupiah)**

| Year | Interest-Bearing Debt | Total Equity | Ending IC | Average IC |
|------|-----------------------|--------------|-----------|------------|
| 2015 | 127.154               | 2,797.506    | 2,075.537 | 2,075.537  |
| 2016 | 97.910                | 3,489.233    | 2,065.771 | 2,070.654  |
| 2017 | 87.915                | 4,197.711    | 2,165.226 | 2,115.499  |
| 2018 | 139.221               | 4,774.956    | 3,469.867 | 2,817.546  |
| 2019 | 51.189                | 5,655.139    | 3,665.737 | 3,567.802  |
| 2020 | 3,040.176             | 4,781.737    | 6,172.244 | 4,918.991  |
| 2021 | 1,521.764             | 5,138.126    | 5,060.989 | 5,616.617  |
| 2022 | 610.824               | 5,822.679    | 5,184.861 | 5,122.925  |
| 2023 | 30.901                | 6,686.968    | 4,543.545 | 4,864.203  |
| 2024 | 37.848                | 7,426.918    | 5,030.444 | 4,786.994  |
| 2025 | 43.524                | 8,316.460    | 5,196.616 | 5,113.530  |

Source: Data processed (2026)



Source: Data processed (2026)

**Figure 2. Invested Capital Chart of UL TJ 2015–2025**

Table 7. and Figure 3. shows that the company's WACC was in the range of approximately 7.57% to 11.30%. The lowest WACC occurred in 2020 at 7.57%, while several other years moved close to 11%. The decrease in WACC in 2020 was influenced by a relatively large increase in debt weight and a cost of debt after tax that was lower than the cost of equity. In the EVA model, WACC is an important component because it determines the amount of Capital Charge that must be covered by NOPAT.

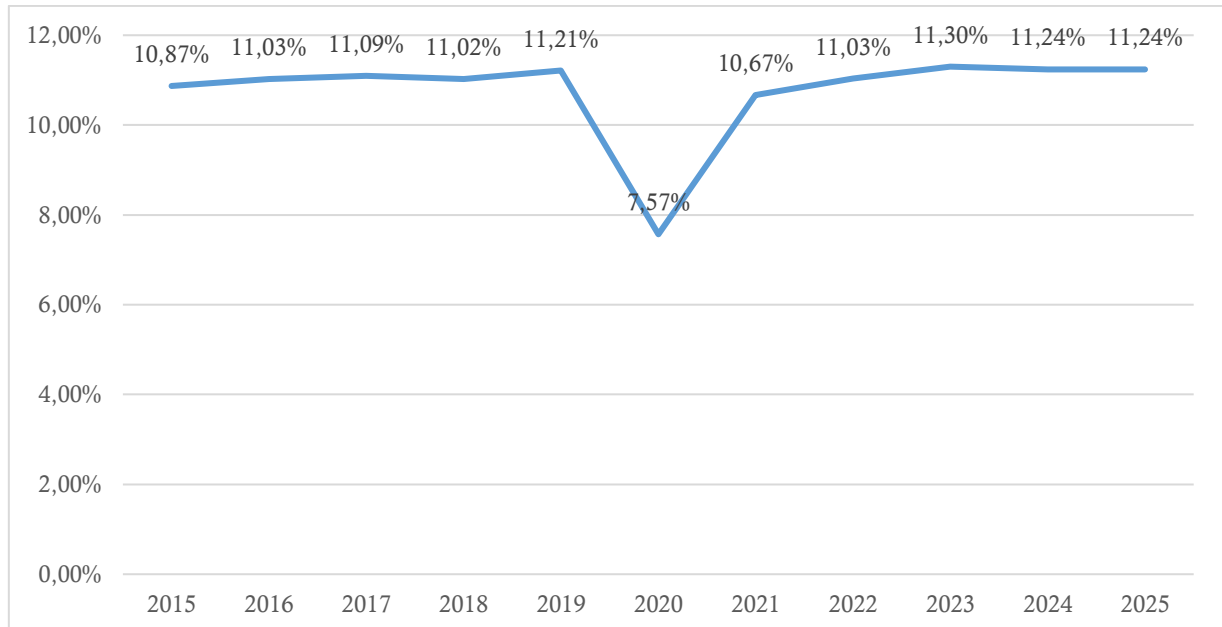
The Kd after tax value in 2023 appears higher than in several other years because the average interest-bearing debt used as the calculation base was relatively low, while interest expense was still recorded in that period. This occurred because the company's interest-bearing debt decreased after the repayment of Medium-Term Notes, causing the cost of debt to appear larger in percentage terms. However, its effect on WACC remained limited because the debt weight in 2023 was very small, namely 0.46%.

$$WACC = (Debt\ Weight \times Kd\ after\ tax) + (Equity\ Weight \times Cost\ of\ Equity)$$

**Table 7. WACC Calculation of UL TJ 2015–2025**

| Year | Debt Weight | Equity Weight | Kd after tax | Cost of Equity | WACC   |
|------|-------------|---------------|--------------|----------------|--------|
| 2015 | 4.35%       | 95.65%        | 1.36%        | 11.30%         | 10.87% |
| 2016 | 2.73%       | 97.27%        | 1.39%        | 11.30%         | 11.03% |
| 2017 | 2.05%       | 97.95%        | 1.12%        | 11.30%         | 11.09% |
| 2018 | 2.83%       | 97.17%        | 1.37%        | 11.30%         | 11.02% |
| 2019 | 0.90%       | 99.10%        | 1.31%        | 11.30%         | 11.21% |
| 2020 | 38.87%      | 61.13%        | 1.70%        | 11.30%         | 7.57%  |
| 2021 | 22.85%      | 77.15%        | 8.54%        | 11.30%         | 10.67% |
| 2022 | 9.49%       | 90.51%        | 8.50%        | 11.30%         | 11.03% |
| 2023 | 0.46%       | 99.54%        | 11.49%       | 11.30%         | 11.30% |
| 2024 | 0.51%       | 99.49%        | 0.28%        | 11.30%         | 11.24% |
| 2025 | 0.52%       | 99.48%        | 0.25%        | 11.30%         | 11.24% |

Source: Data processed (2026)



Source: Data processed (2026)

**Figure 3. WACC Chart of UL TJ 2015–2025**

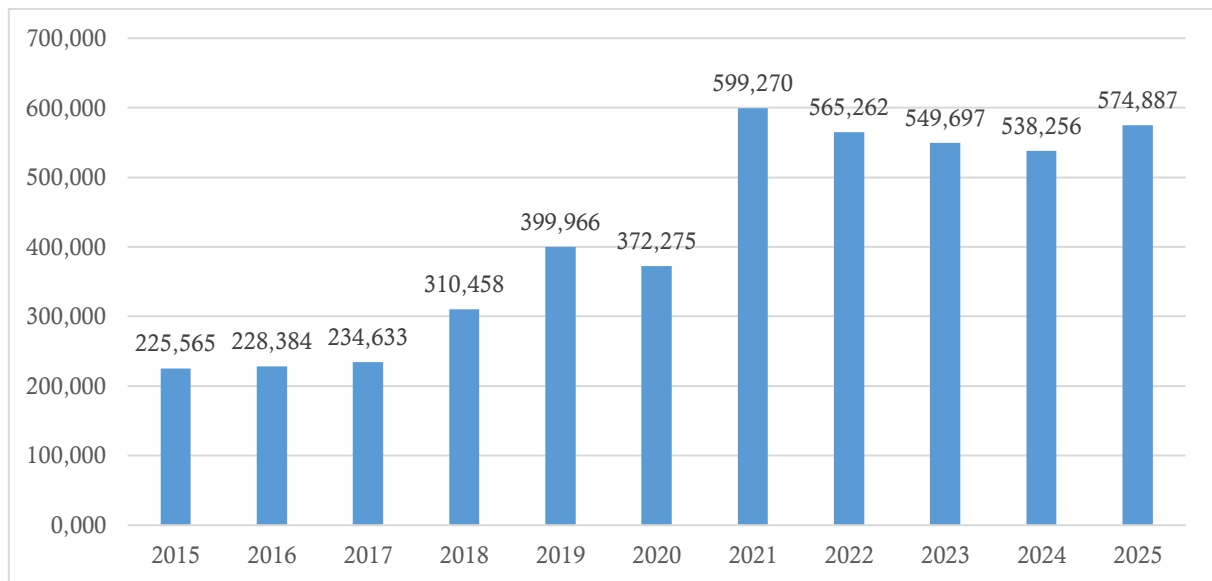
Table 8. and Figure 4. shows that Capital Charge increased from 225,565 billion Rupiah in 2015 to 574,887 billion Rupiah in 2025. The highest Capital Charge occurred in 2021 at 599,270 billion Rupiah. Changes in Capital Charge are mainly influenced by the combination of WACC and average invested capital. When the capital used increases, the company needs higher NOPAT in order to remain able to create positive EVA.

$$\text{Capital Charge} = \text{WACC} \times \text{Average Invested Capital}$$

**Table 8. Capital Charge Calculation of UL TJ 2015–2025 (in billion Rupiah)**

| Year | WACC   | Average IC | Capital Charge |
|------|--------|------------|----------------|
| 2015 | 10.87% | 2,075.537  | 225.565        |
| 2016 | 11.03% | 2,070.654  | 228.384        |
| 2017 | 11.09% | 2,115.499  | 234.633        |
| 2018 | 11.02% | 2,817.546  | 310.458        |
| 2019 | 11.21% | 3,567.802  | 399.966        |
| 2020 | 7.57%  | 4,918.991  | 372.275        |
| 2021 | 10.67% | 5,616.617  | 599.270        |
| 2022 | 11.03% | 5,122.925  | 565.262        |
| 2023 | 11.30% | 4,864.203  | 549.697        |
| 2024 | 11.24% | 4,786.994  | 538.256        |
| 2025 | 11.24% | 5,113.530  | 574.887        |

Source: Data processed (2026)



Source: Data processed (2026)

Figure 4. Capital Charge Chart of UL TJ 2015–2025

Table 9. shows that the EVA of PT Ultrajaya Milk Industry & Trading Company Tbk was positive in all observation years. EVA increased from 291,705 billion Rupiah in 2015 to 448,332 billion Rupiah in 2016, slightly decreased in 2017 and 2018, then increased again to 748,757 billion Rupiah in 2021. In 2022, EVA decreased to 410,602 billion Rupiah but remained positive. The EVA value increased again in 2023 and reached its highest point in 2025 at 753,870 billion Rupiah. These results show that the company's NOPAT is consistently greater than Capital Charge.

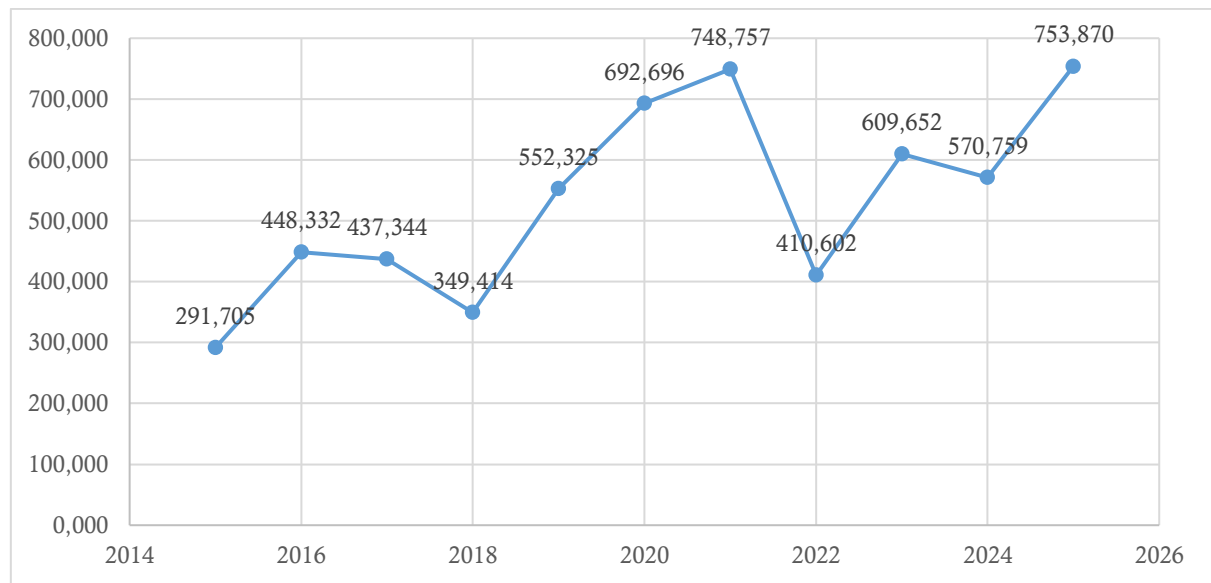
$$EVA = NOPAT - Capital Charge$$

Table 9. Economic Value Added Calculation of UL TJ 2015–2025

| Year | NOPAT     | Capital Charge | EVA     | EVA Margin | ROIC   | Spread | Status       |
|------|-----------|----------------|---------|------------|--------|--------|--------------|
| 2015 | 517.270   | 225.565        | 291.705 | 6.64%      | 24.92% | 14.05% | Positive EVA |
| 2016 | 676.715   | 228.384        | 448.332 | 9.57%      | 32.68% | 21.65% | Positive EVA |
| 2017 | 671.977   | 234.633        | 437.344 | 8.96%      | 31.76% | 20.67% | Positive EVA |
| 2018 | 659.871   | 310.458        | 349.414 | 6.38%      | 23.42% | 12.40% | Positive EVA |
| 2019 | 952.291   | 399.966        | 552.325 | 8.88%      | 26.69% | 15.48% | Positive EVA |
| 2020 | 1,064.971 | 372.275        | 692.696 | 11.61%     | 21.65% | 14.08% | Positive EVA |
| 2021 | 1,348.027 | 599.270        | 748.757 | 11.32%     | 24.00% | 13.33% | Positive EVA |
| 2022 | 975.864   | 565.262        | 410.602 | 5.36%      | 19.05% | 8.01%  | Positive EVA |
| 2023 | 1,159.350 | 549.697        | 609.652 | 7.34%      | 23.83% | 12.53% | Positive EVA |
| 2024 | 1,109.016 | 538.256        | 570.759 | 6.43%      | 23.17% | 11.92% | Positive EVA |
| 2025 | 1,328.756 | 574.887        | 753.870 | 8.60%      | 25.99% | 14.74% | Positive EVA |

Source: Data processed (2026)

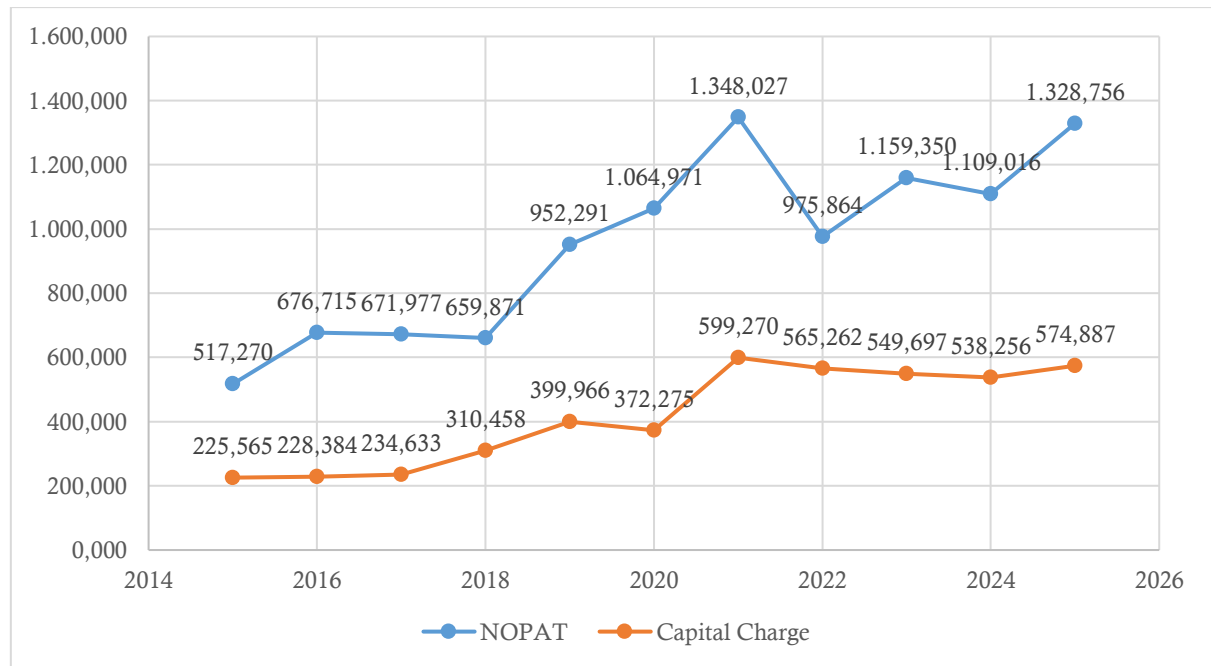
Figure 5. shows the movement of Economic Value Added of PT Ultrajaya Milk Industry & Trading Company Tbk during the 2015–2025 period. In general, EVA increased from 291.705 billion Rupiah in 2015 to 753.870 billion Rupiah in 2025, although it fluctuated in several years. The EVA value decreased in 2018 and 2022, but remained positive throughout the observation period. This indicates that the company was consistently able to create economic value added because its operating profit after tax was still higher than the cost of capital. Therefore, the positive EVA trend reflects that the company's financial performance was generally good and able to provide added value for shareholders (Silvia and Wangka, 2022; Sura, Panchal and Lather, 2023).



Source: Data processed (2026)

Figure 5. Economic Value Added Chart of UL TJ 2015–2025

Figure 6. compares NOPAT and Capital Charge of PT Ultrajaya Milk Industry & Trading Company Tbk during the 2015–2025 period. The chart shows that NOPAT was always higher than Capital Charge in all observation years. NOPAT increased from 517.270 billion Rupiah in 2015 to 1,328.756 billion Rupiah in 2025, while Capital Charge increased from 225.565 billion Rupiah to 574.887 billion Rupiah. This condition shows that the company was able to generate operating profit after tax that exceeded the cost of capital used. Thus, the company successfully maintained positive EVA and demonstrated effective value creation during the research period (Fauziah *et al.*, 2023; Hall, 2024).



Source: Data processed (2026)

Figure 6. Comparative Chart of NOPAT and Capital Charge of UL TJ 2015–2025

## DISCUSSION

The results show that PT Ultrajaya Milk Industry & Trading Company Tbk was able to create positive EVA throughout the 2015-2025 period. This condition means that the company was able to generate operating profit after tax that was greater than the cost of capital charged to invested capital. This finding is in line with the concept of EVA as a value-based performance measurement tool that assesses whether a company truly creates economic wealth, not merely records accounting profit (Silvia and Wangka, 2022; Siska, 2023; Sura, Panchal and Lather, 2023).

The increase in EVA until 2021 indicates that the company successfully improved its operating performance while maintaining a manageable cost of capital. The growth in NOPAT outpaced the increase in Capital Charge, resulting in a wider positive EVA Spread. This finding suggests that improvements in operating profitability contributed more significantly to economic value creation than the additional cost of capital, demonstrating that EVA provides a more comprehensive assessment of financial performance than accounting profit alone (Galankashi and Rafiei, 2022; Fauziah *et al.*, 2023).

The decline in EVA in 2022 does not indicate a failure of value creation because EVA remained positive. Instead, it reflects weaker operating performance relative to the capital employed. The decrease in NOPAT was proportionally greater than the reduction in Capital Charge, causing the gap between operating returns and the cost of capital to narrow. This finding suggests that the company's efficiency in utilizing invested capital temporarily weakened, although it still generated returns above its cost of capital. Therefore, the decline in EVA was primarily driven by the interaction between lower operating profitability and the cost of capital rather than by changes in a single financial component (Bhatia *et al.*, 2024; Narulita *et al.*, 2024).

The year 2025 recorded the highest EVA during the observation period. This improvement was driven not only by the increase in NOPAT but also by the company's ability to maintain Capital Charge at a relatively controlled level despite the growth in invested capital. Consequently, ROIC remained substantially higher than WACC, resulting in a wider EVA Spread and stronger economic value creation. This indicates that the improvement in EVA reflected more efficient utilization of invested capital in addition to higher operating profitability, which is consistent with the principle of value creation underlying the EVA concept (Hall, 2024; Tripathi, Ghalke and Kashiramka, 2025).

Viewed from the capital structure, the company showed a dominant proportion of equity in most of the research period. Debt weight only increased sharply in 2020, then decreased again after 2021. This composition makes cost of equity the main component forming WACC. This is relevant to studies of governance and value-based performance measures that emphasize that the cost of capital and funding structure can affect company performance evaluation (Duarte, Lisboa and Carreira, 2024; Yakubu, Kapusuzoglu and Ceylan, 2025).

Positive EVA results also have a conceptual relationship with market indicators such as MVA, stock returns, and firm value. Although this study did not calculate MVA or stock returns, positive EVA findings can be a signal that the company has value creation capability worthy of investor attention. Previous studies found that EVA and MVA are often used to examine the relationship between internal performance and market perceptions of the company (Calayoğlu, 2021; Udiyana *et al.*, 2022; Aulya and Agustin, 2023; Azizah and Sulistyowati, 2024).

In addition, EVA can be a useful tool for assessing the quality of company strategy because it accounts for economic value after the cost of capital. In a broader context, previous studies also link EVA with sustainability issues, environmental innovation, ESG, and corporate governance. This shows that EVA can be used not only in profit and capital analysis, but also in assessing the effectiveness of corporate policies related to long-term value (Schiessl, Korelo and Cherobim, 2022; Makhija, Raghukumari and Sethiya, 2025; Useche, Ferrero and Reyes, 2025).

Thus, the results of this study show that PT Ultrajaya Milk Industry & Trading Company Tbk has the ability to create consistent economic value added during 2015-2025. However, EVA interpretation still needs to consider the WACC assumptions used. If the assumptions of risk-free rate, beta, or market risk premium change, then the values of WACC, Capital Charge, and EVA may also change. Therefore, further research can enrich the analysis by conducting WACC sensitivity analysis, comparing EVA with MVA, and examining the relationship of EVA with stock returns or firm value as suggested in previous studies (Gulati and Garg, 2024; Nurlaili and Prasajo, 2024; Salam, 2023).

### CONCLUSION

Based on the calculation results and discussion, it can be concluded that PT Ultrajaya Milk Industry & Trading Company Tbk was able to create economic value added during the 2015–2025 period. This is shown by the Economic Value Added (EVA) value that remained positive throughout all observation years. Positive EVA indicates that the operating profit after tax (NOPAT) generated by the company consistently exceeded the Capital Charge. Thus, the company was not only able to generate accounting profit but also created economic value for shareholders.

The lowest EVA value occurred in 2015 at 291.705 billion Rupiah, while the highest EVA value occurred in 2025 at 753.870 billion Rupiah. The variation in EVA across the observation period reflects changes in NOPAT, WACC, Invested Capital, and Capital Charge, indicating that economic value creation was influenced by both operating performance and the cost of capital. Therefore, the positive EVA results should be interpreted as evidence of consistent economic value creation rather than as proof that the company managed its capital effectively in all aspects. Overall, the results of this study demonstrate that the EVA method provides a more comprehensive measure of financial performance because it considers both operating profit and the cost of capital used by the company.

### RECOMMENDATIONS

Based on the research results, several recommendations can be proposed as follows.

1. The company should use the ROIC–WACC Spread as a key indicator in capital allocation decisions. Maintaining ROIC above WACC is essential to sustain positive EVA and ensure that new investments continue to create economic value for shareholders.
2. The company should regularly evaluate its financing structure. Changes in the proportion of debt and equity should be monitored to maintain an optimal cost of capital and prevent increases in WACC that could reduce EVA.
3. The company should optimize the management of invested capital. Efficient utilization of invested capital can improve returns while controlling Capital Charge, thereby supporting sustainable economic value creation.
4. The company needs to monitor changes in the cost of capital. Changes in interest rates, market risk, and economic conditions can affect WACC and Capital Charge. Therefore, the company needs to pay attention to these external factors so that funding and investment decisions remain consistent with the company's financial capability.
5. Future research is recommended to examine the relationship between EVA and market-based performance indicators, such as Market Value Added (MVA), stock returns, and firm value, to provide a more comprehensive evaluation of value creation from both internal and market perspectives.
6. Future studies may also incorporate WACC sensitivity analysis and investigate the role of working capital management as one of the determinants of invested capital efficiency. This approach would provide a deeper understanding of how financing assumptions and capital management influence EVA under different market conditions.

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