



FINANCIAL PERFORMANCE ANALYSIS OF PT MANDALA MULTIFINANCE TBK AND PT CLIPAN FINANCE INDONESIA TBK IN 2023

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ABSTRACT

This study aims to analyze the financial performance of two Indonesian finance companies, PT Mandala Multifinance Tbk (MFIN) and PT Clipan Finance Indonesia Tbk (CFIN), in 2023. The analysis was conducted using three main ratio groups: solvency ratios, activity ratios, and profitability ratios. Secondary data was obtained from annual financial reports published on the Indonesia Stock Exchange. The results show that MFIN has superior performance in terms of operational efficiency and profitability, while CFIN exhibits a more conservative capital structure but has weaknesses in the effectiveness of asset and receivables management. This study provides a comparative overview of the financial health of multifinance companies, which can serve as a reference for investors, management, and other stakeholders.

Keywords: Financial Performance, Multifinance, Profitability, Financial Ratios, Solvency.



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INTRODUCTION

Multifinance companies are a crucial sector in Indonesia's financial industry. Their presence helps provide access to financing for the public and businesses, particularly in segments not yet fully covered by banks. This sector plays a strategic role in supporting consumption growth, increasing the productivity of MSMEs, and strengthening public purchasing power by providing a variety of credit facilities, ranging from vehicle financing and heavy equipment financing to multipurpose financing (Directorate General of Taxes, 2022).

In recent years, the multifinance industry has faced various challenges, including global economic uncertainty, regulatory changes, interest rate fluctuations, and increased credit risk due to the economic slowdown. Furthermore, developments in digital technology have also encouraged finance companies to adapt, both in credit assessment processes, marketing, and customer service (Riyanto, 2019). Amid these dynamics, assessing a company's financial performance is a crucial aspect needed by investors, regulators, and company management as a basis for decision-making (Indonesia Stock Exchange, 2023).

PT Mandala Multifinance Tbk (MFIN) and PT Clipan Finance Indonesia Tbk (CFIN) are two finance companies listed on the Indonesia Stock Exchange and have distinct business characteristics (PT. MFIN, 2024). MFIN focuses on micro-consumer financing, specifically used motorcycle financing and multi-purpose financing secured by vehicle ownership certificates (BPKB). The company targets the lower-middle class who require fast and flexible financing access. Conversely, CFIN offers a broader financing scope, encompassing new vehicles, used vehicles, heavy equipment, property, as well

as leasing and factoring services. CFIN's target market tends to be the upper-middle class and the corporate sector (PT. CFIN, 2024).

These differences in business characteristics make analyzing the financial performance of the two companies interesting. Each has a distinct risk structure, funding strategy, and operational efficiency. To understand the financial condition more comprehensively, financial ratio analysis is used as an objective evaluation tool that can illustrate the company's solvency, activity, and profitability (Hery, 2020; Kasmir, 2022).

Through financial ratio analysis, this study aims to provide a comprehensive overview of the financial condition of PT Mandala Multifinance Tbk (MFIN) and PT Clipan Finance Indonesia Tbk (CFIN) during 2023, as well as to compare their efficiency, solvency, and profitability. The results are expected to contribute to assessing the financial health of multifinance companies and serve as a reference for investors, academics, regulators, and management in strategic decision-making.

RESEARCH METHODS

The research method used in this study is a quantitative descriptive method utilizing secondary data obtained from the 2023 annual financial reports of PT Mandala Multifinance Tbk (MFIN) and PT Clipan Finance Indonesia Tbk (CFIN) published on the Indonesia Stock Exchange. Data collection techniques were carried out through documentation methods, namely identifying, recording, and processing financial information such as total assets, liabilities, equity, revenue, receivables, and net profit. Data analysis was carried out by calculating three groups of financial ratios: solvency ratios (Debt to Asset Ratio and Debt to Equity Ratio), activity ratios (Total Asset Turnover, Receivable Turnover, and BOPO), and profitability ratios (Net Profit Margin, Return on Assets, and Return on Equity). The results of these ratio calculations were then compared to assess differences in the financial performance of the two companies and evaluated based on multifinance industry standards to provide an objective and comprehensive picture of the financial condition and operational efficiency of each company.

RESULTS AND DISCUSSION

Research results based on financial ratio calculations indicate a significant difference between the performance of PT Mandala Multifinance Tbk (MFIN) and PT Clipan Finance Indonesia Tbk (CFIN) throughout 2023. In terms of solvency, MFIN recorded a Debt to Asset Ratio (DAR) of 84.8% and a Debt to Equity Ratio (DER) of 558%, while CFIN recorded a DAR of 80.4% and a DER of 409%. These results indicate that both companies have a high dependence on debt-based funding, which is a common characteristic in the multifinance industry, but MFIN has a more aggressive leverage structure than CFIN. In terms of activity, MFIN showed better performance with a Total Asset Turnover (TATO) of 0.42x compared to CFIN's 0.32x. However, both companies have low receivables turnover rates, at 0.53x for MFIN and 0.51x for CFIN, respectively, well below the industry standard (>5x), indicating

low collection effectiveness and potentially increased credit risk. The BOPO ratio also shows a difference in operational efficiency; MFIN recorded 83.1% while CFIN was at 89.4%, thus highlighting that MFIN is better able to control operating costs relative to revenue generated.

In terms of profitability, MFIN again demonstrated significant superiority with a Net Profit Margin (NPM) of 15.0%, Return on Assets (ROA) of 6.3%, and Return on Equity (ROE) of 41.3%. In contrast, CFIN recorded an NPM of 10.8%, ROA of 3.5%, and ROE of 17.7%. This difference confirms that MFIN is more efficient in managing assets, converting revenue into profits, and generating high returns for shareholders. MFIN's ROE of 41.3% demonstrates an outstanding performance in terms of equity profitability, which makes it more attractive to invest compared to CFIN. Meanwhile, CFIN's lower profitability indicates the need to improve operational efficiency and strengthen business strategy, particularly in optimizing asset utilization and increasing the effectiveness of receivables collection. Overall, the findings of this study indicate that MFIN has a more solid financial condition, better operational efficiency, and higher profitability capabilities than CFIN, despite MFIN's greater leverage. CFIN maintains a stable financial foundation, but requires significant improvements in asset management and operations to compete more effectively in the multifinance industry. These results demonstrate that business strategy, cost efficiency, and credit risk management are key factors differentiating the performance of the two finance companies (Rahmawati, Hidayat, 2022).

CONCLUSION

Based on the analysis of the financial performance of PT Mandala Multifinance Tbk (MFIN) and PT Clipan Finance Indonesia Tbk (CFIN) in 2023, it can be concluded that MFIN demonstrated superior financial performance compared to CFIN in almost all aspects analyzed. In terms of solvency, both companies are highly dependent on debt, but MFIN has a more aggressive leverage structure with a DAR of 84.8% and a DER of 558%, while CFIN is more conservative with a DAR of 80.4% and a DER of 409%. In terms of activity, MFIN demonstrated better asset utilization efficiency with a TATO of 0.42x and an BOPO of 83.1%, while CFIN had lower operational efficiency. Both companies have accounts receivable turnover rates that are still far from industry standards, so strengthening collection management is a critical concern.

In terms of profitability, MFIN consistently demonstrated greater profitability with a net profit margin of 15.0%, return on assets (NPM) of 6.3%, and return on assets (ROA) of 41.3%, significantly surpassing CFIN's performance of 10.8%, return on assets (ROA) of 3.5%, and return on equity (ROE) of 17.7%. These findings demonstrate that MFIN is more productive in managing assets and capital to generate profits, making it more attractive from an investor perspective. Overall, MFIN is in a stronger and more efficient financial position to navigate the dynamics of the multifinance industry, while CFIN needs to improve asset effectiveness, receivables management, and cost efficiency to enhance its profitability and competitiveness going forward.

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