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Analysis of the Du Pont System to Assess the Financial Performance of Property and Real Estate Subsector Companies Listed on the Indonesia Stock Exchange for the 2020–2024 Period

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Abstract: Assessing financial performance is essential for determining whether a company is financially healthy and capable of maintaining its business continuity. This study aims to analyze the financial performance of property and real estate subsector companies listed on the Indonesia Stock Exchange during the 2020–2024 period using the Du Pont System. This research employed a quantitative descriptive approach using secondary data obtained from annual financial reports published on the official website of the Indonesia Stock Exchange and the respective companies. The sample was selected using purposive sampling and consisted of four companies, resulting in 20 firm-year observations. Financial performance was evaluated using Net Profit Margin (NPM), Total Asset Turnover (TATO), Return on Investment (ROI), Equity Multiplier (EM), and Return on Equity (ROE). The data were analyzed through descriptive analysis and multiple linear regression using SPSS. The results indicate that the financial performance of the sampled companies fluctuated throughout the study period, with each company demonstrating different strengths in profitability, asset utilization, capital structure, and equity returns. Partially, NPM, TATO, and ROI significantly affected ROE, whereas EM had no significant effect on ROE. Simultaneously, NPM, TATO, ROI, and EM significantly affected ROE. These findings indicate that corporate financial performance is more strongly influenced by profitability and asset utilization efficiency than by capital structure.
Keywords: Du Pont System; financial performance; Net Profit Margin; Total Asset Turnover; Return on Equity.

INTRODUCTION

The property and real estate sector plays an important role in supporting Indonesia's economic development through housing provision, infrastructure development, employment creation, and domestic and foreign investment. The rapid development of this sector has encouraged property and real estate companies to improve their financial performance in order to maintain business continuity and remain competitive. Financial performance reflects a company's ability to manage its resources, generate profits, meet financial obligations, and create value for shareholders. Therefore, financial performance analysis is important for management, investors, creditors, and other stakeholders when evaluating a company's financial condition and future prospects (Pratiwi, 2024).

Financial statements are the primary source of information used to evaluate a company's financial position and operating performance. Through financial statement analysis, stakeholders can assess a company's profitability, liquidity, solvency, and operating efficiency over a particular period. However, the use of individual financial ratios may provide only a limited view of overall corporate performance. A more comprehensive analytical approach is therefore required to explain the relationship between profitability, asset utilization, and capital structure. One method that can integrate these financial dimensions is the Du Pont System (Bangun, 2023).

The Du Pont System is a financial analysis method that decomposes Return on Equity (ROE) into several interrelated components. The method evaluates the extent to which a company's profitability, asset utilization efficiency, and financial leverage contribute to shareholder returns. The principal indicators used in the Du Pont System include Net Profit Margin (NPM), Total Asset Turnover (TATO), Return on Investment (ROI), Equity Multiplier (EM), and Return on Equity (ROE). NPM measures the company's

ability to generate net profit from sales, whereas TATO measures the efficiency of asset utilization in generating revenue. ROI represents the return generated from the company's assets, EM reflects the extent to which assets are financed by equity and liabilities, and ROE measures the return earned on shareholders' equity (Sanjaya, 2018; Sunardi, 2018).

The Du Pont System provides a more detailed explanation of the factors underlying changes in corporate profitability. A decline in ROE, for example, may be caused by a decrease in profit margin, inefficient asset utilization, changes in financial leverage, or a combination of these factors. Accordingly, this method allows management to identify the financial components that require improvement and enables investors to compare the strengths and weaknesses of companies within the same industry. The Du Pont System is particularly relevant to property and real estate companies because their operations generally involve substantial assets, long project completion periods, significant financing requirements, and relatively slow asset turnover.

Previous studies have applied the Du Pont System to evaluate financial performance across various industries. Dwiningsih (2015) found that property and real estate companies recorded different ROE levels, indicating differences in their ability to manage assets and capital efficiently. Wahdania et al. (2024) reported that low TATO and ROI values contributed to less-than-optimal financial performance. Similarly, Kurniawati et al. (2024) found that fluctuations in ROE were associated with changes in NPM, TATO, and EM among food and beverage subsector companies. These studies demonstrate that the Du Pont System can provide detailed information regarding the financial factors that contribute to differences in corporate performance.

Despite the extensive application of the Du Pont System, previous studies have produced varying results across companies and industrial sectors. Many studies have focused primarily on descriptive comparisons of financial ratios without statistically examining the relationships between Du Pont components and ROE. Moreover, several previous studies used observation periods ending before 2024 and therefore did not fully capture the financial conditions of property and real estate companies during the pandemic and subsequent economic recovery. Changes in consumer purchasing power, interest rates, investment conditions, and housing demand during this period may have influenced corporate profitability and asset utilization (Indrayani et al., 2023).

The property and real estate sector also has specific characteristics that distinguish it from other industries. Companies operating in this sector generally hold large amounts of land, buildings, inventories, and other long-term assets. Consequently, ineffective asset management may result in low asset turnover and reduced profitability. The sector is also highly sensitive to macroeconomic conditions, including inflation, interest rates, financing availability, and household purchasing power. Although housing demand continues to encourage business development, the high level of assets and capital required may expose companies to fluctuations in financial performance when those resources are not managed efficiently (Pujiati & Chaerunnisa, 2022).

The research gap addressed in this study concerns the need for an updated and comprehensive assessment of the financial performance of property and real estate subsector companies during the 2020–2024 period. The novelty of this study lies in combining the descriptive application of the Du Pont System with statistical testing of NPM, TATO, ROI, and EM in relation to ROE. The study focuses on selected property and real estate companies with substantial assets and significant involvement in township and residential development. The observation period also covers the pandemic and economic recovery phases, thereby providing a more current overview of corporate financial performance.

Based on the preceding discussion, this study aims to analyze the financial performance of property and real estate subsector companies listed on the Indonesia Stock Exchange during the 2020–2024 period using the Du Pont System. It also aims to examine the partial and simultaneous relationships of Net Profit Margin, Total Asset Turnover, Return on Investment, and Equity Multiplier with Return on Equity. The findings are expected to provide useful information for corporate management in improving profitability and asset utilization, as well as for investors in evaluating the financial strengths and weaknesses of companies in the property and real estate sector.

RESEARCHMETHOD

This study employed a quantitative descriptive approach to analyze the financial performance of property and real estate subsector companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The study used secondary data obtained from the companies' annual financial statements published on the official website of the Indonesia Stock Exchange and the official websites of the respective companies.

The population consisted of property and real estate subsector companies listed on the Indonesia Stock Exchange. The sample was selected using a purposive sampling technique based on the following criteria: (1) the company was listed in the property and real estate subsector during the 2020–2024 period; (2) the company consistently published complete annual financial statements throughout the observation period; (3) the company had relatively large assets or market capitalization and was considered one of the leading companies in the sector; and (4) the company focused on township or residential development. Based on these criteria, four companies were selected: PT Bumi Serpong Damai Tbk, PT Ciputra Development Tbk, PT Alam Sutera Realty Tbk, and PT Summarecon Agung Tbk. The five-year observation period resulted in 20 firm-year observations.

Financial performance was measured using the Du Pont System, which consists of Net Profit Margin, Total Asset Turnover, Return on Investment, Equity Multiplier, and Return on Equity. Net Profit Margin measures the company's ability to generate net income from sales and was calculated using the following formula:

$$\text{NPM}=\frac{\text{Net Income}}{\text{Sales}}\times 100\%$$

Total Asset Turnover measures the efficiency of the company's assets in generating sales and was calculated as follows:

$$TATO = SalesTotal\ AssetsTATO = \frac{Sales}{Total\ Assets}TATO = Total\ AssetsSales$$

Return on Investment measures the company's ability to generate returns from the assets used in its operations. Within the Du Pont framework, ROI was calculated as follows:

$$ROI = NPM \times TATOROI = NPM \times TATOROI = NPM \times TATO$$

Equity Multiplier represents the proportion of company assets financed by shareholders' equity and was calculated using the following formula:

$$EM = Total\ AssetsTotal\ EquityEM = \frac{Total\ Assets}{Total\ Equity}EM = Total\ EquityTotal\ Assets$$

Return on Equity measures the company's ability to generate returns for shareholders and was calculated as follows:

$$ROE = ROI \times EMROE = ROI \times EMROE = ROI \times EM$$

In the statistical model, NPM, TATO, ROI, and EM were treated as independent variables, whereas ROE was treated as the dependent variable. The multiple linear regression model was formulated as follows:

$$ROE = \alpha + \beta 1NPM + \beta 2TATO + \beta 3ROI + \beta 4EM + eROE$$

where ROE represents Return on Equity, α is the constant, β1 to β4 are the regression coefficients, and eee is the error term.

The data were analyzed using descriptive statistics and multiple linear regression with IBM SPSS Statistics version 25. Descriptive statistical analysis was conducted to present the minimum, maximum, mean, and standard deviation values of each variable. Before hypothesis testing, the regression model was evaluated through classical assumption tests consisting of normality, multicollinearity, autocorrelation, and heteroscedasticity tests. These tests were conducted to determine whether the regression model met the statistical assumptions required for multiple linear regression analysis (Ghozali, 2018).

The normality test was performed using the one-sample Kolmogorov–Smirnov test. The residuals were considered normally distributed when the significance value was greater than 0.05. The multicollinearity test was conducted by examining the tolerance and Variance Inflation Factor values. The model was considered free from multicollinearity when the tolerance value was greater than 0.10 and the VIF value was less than 10. The autocorrelation test was performed using the Durbin–Watson statistic, while the heteroscedasticity test was conducted using the Glejser test. The regression model was considered free from heteroscedasticity when the significance value of each independent variable was greater than 0.05.

Hypothesis testing consisted of the partial test, simultaneous test, and coefficient of determination. The partial test was used to examine the individual effect of NPM, TATO, ROI, and EM on ROE. An independent variable was considered to have a significant partial effect when its significance value was less than 0.05. The simultaneous test was used to determine whether all independent variables collectively affected ROE. The model was considered statistically significant when the F-test significance value was less than 0.05. Furthermore, the coefficient of determination was used to determine the proportion of variation in ROE explained by NPM, TATO, ROI, and EM

RESULTS AND DISCUSSION

This study analyzed the financial performance of four property and real estate subsector companies listed on the Indonesia Stock Exchange, namely PT Ciputra Development Tbk (CTRA), PT Bumi Serpong Damai Tbk (BSDE), PT Summarecon Agung Tbk (SMRA), and PT Alam Sutera Realty Tbk (ASRI). The observation period covered 2020-2024, resulting in 20 firm-year observations. Financial performance was evaluated using Net Profit Margin (NPM), Total Asset Turnover (TATO), Return on Investment (ROI), Equity Multiplier (EM), and Return on Equity (ROE).

Descriptive Statistical Analysis

Descriptive statistical analysis was conducted to provide an overview of the distribution of each research variable based on the minimum, maximum, mean, and standard deviation values. The results are presented in Table 1.

Table 1. Descriptive Statistical Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
NPM	20	-0.73	0.36	0.1305	0.21630
TATO	20	0.06	0.32	0.1830	0.05497
ROI	20	-0.05	0.06	0.0295	0.02502
EM	20	0.11	2.74	1.9850	0.54455
ROE	20	-0.10	0.13	0.0600	0.04867

Source: Secondary data processed using IBM SPSS Statistics 25 (2025).

Table 1 shows that NPM had an average value of 0.1305 or 13.05%, with a minimum value of -0.73 and a maximum value of 0.36. The relatively high standard deviation indicates substantial differences in the ability of the observed companies to convert sales into net income. The negative minimum value was associated with a company that recorded a net loss during the observation period.

TATO had a mean value of 0.1830, indicating that every unit of assets generated approximately 0.183 units of sales. The relatively low TATO value reflects the characteristics of property and real estate companies, which generally hold substantial land, buildings, investment properties, and project inventories. These assets require relatively long development and sales periods before they can generate revenue.

ROI had an average value of 0.0295 or 2.95%, indicating that the sampled companies generated an average net return of 2.95% from their assets. EM recorded an average value of 1.9850, suggesting that total assets were approximately 1.99 times shareholders' equity. Meanwhile, ROE had an average value of 0.0600 or 6%, indicating that the companies generated an average return of 6% on shareholders' equity.

Classical Assumption Tests

Classical assumption tests were conducted to evaluate whether the regression model met the assumptions of normality, absence of serious multicollinearity, absence of autocorrelation, and homoscedasticity. The results are summarized in Table 2.

Table 2. Summary of Classical Assumption Tests

Test	Indicator	Result	Decision
Normality	Kolmogorov-Smirnov significance	0.200	Residuals were normally distributed
Multicollinearity	Tolerance	0.109-0.806	Tolerance values exceeded 0.10
Multicollinearity	VIF	1.240-9.151	VIF values were below 10
Autocorrelation	Durbin-Watson	1.570	No severe first-order autocorrelation was indicated
Heteroscedasticity	Glejser significance	0.116-0.917	No heteroscedasticity was indicated

Source: Secondary data processed using IBM SPSS Statistics 25 (2025).

The one-sample Kolmogorov-Smirnov test produced a significance value of 0.200, which was greater than 0.05. Therefore, the regression residuals were considered normally distributed. The multicollinearity test showed that all variables had tolerance values above 0.10 and VIF values below 10. Based on these criteria, the model did not demonstrate severe multicollinearity. Nevertheless, the VIF value of ROI was relatively high at 9.151, indicating a strong relationship among the Du Pont components.

The Durbin-Watson value was 1.570, which was relatively close to 2 and indicated no severe first-order autocorrelation. Furthermore, the Glejser test showed that all independent variables had significance values greater than 0.05. Therefore, the regression model did not indicate heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to examine the relationships of NPM, TATO, ROI, and EM with ROE. The regression results are presented in Table 3.

Table 3. Multiple Linear Regression and Partial Test Results

Variable	B	Std. Error	Beta	t	Sig.	Decision
Constant	-0.029	0.008	-	-3.717	0.002	-
NPM	0.042	0.018	0.186	2.294	0.037	Significant
TATO	0.204	0.051	0.230	3.991	0.001	Significant
ROI	1.266	0.198	0.651	6.377	<0.001	Significant
EM	0.004	0.003	0.048	1.272	0.223	Not significant

Dependent variable: ROE. Source: Secondary data processed using IBM SPSS Statistics 25 (2025).

Based on the unstandardized regression coefficients, the estimated regression equation was formulated as follows:

$$ROE = -0.029 + 0.042NPM + 0.204TATO + 1.266ROI + 0.004EM + \varepsilon$$

The constant value of -0.029 indicates that when NPM, TATO, ROI, and EM are assumed to be zero, ROE is estimated at -0.029. The NPM coefficient of 0.042 shows a positive relationship between NPM and ROE. Thus, an increase in the company's ability to generate net income from sales was associated with an increase in shareholder returns.

The TATO coefficient of 0.204 indicates that greater efficiency in utilizing assets to generate sales was associated with a higher ROE. This relationship is particularly relevant to property and real estate companies because substantial assets that do not generate sufficient revenue may reduce the company's overall return.

ROI had a coefficient of 1.266 and the highest standardized beta value of 0.651. This result indicates that ROI had the strongest statistical relationship with ROE among the variables included in the model. In contrast, EM had a positive coefficient of 0.004 but was not statistically significant.

Partial Effects of Du Pont Components on ROE

NPM had a t-statistic of 2.294 and a significance value of 0.037. Because the significance value was below 0.05, NPM had a significant positive relationship with ROE. This result indicates that a company's ability to control costs and generate net profit from sales contributed to the return received by shareholders. The finding is consistent with Kurniawati et al. (2024), who found that fluctuations in profit margin were associated with changes in ROE.

TATO had a t-statistic of 3.991 and a significance value of 0.001. Therefore, TATO had a significant positive relationship with ROE. The result demonstrates that companies that used their assets more efficiently to generate revenue tended to achieve higher shareholder returns. This finding supports Wahdania et al. (2024), who stated that low asset turnover could reduce the company's ability to generate optimal returns.

ROI had a t-statistic of 6.377 and a significance value below 0.001. Thus, ROI had a significant positive relationship with ROE. Its standardized beta coefficient was also the highest among the independent variables. This result indicates that the ability to generate net income from assets was an important component of shareholder returns.

EM had a t-statistic of 1.272 and a significance value of 0.223. Therefore, EM did not have a significant relationship with ROE. This finding indicates that differences in the proportion of assets financed through equity and liabilities did not independently explain changes in ROE. A higher level of financial leverage may increase ROE when borrowed funds are used productively, but it may also increase financing costs and financial risk.

Simultaneous Test and Coefficient of Determination

The simultaneous test was conducted to determine whether NPM, TATO, ROI, and EM were jointly related to ROE. The results are presented in Table 4.

Table 4. Simultaneous Test and Coefficient of Determination

Indicator	Value	Significance	Interpretation
F-statistic	215.992	<0.001	The independent variables were jointly significant
R	0.991	-	Very strong relationship
R Square	0.983	-	98.3% of the variation in ROE was explained by the model
Adjusted R Square	0.978	-	The adjusted explanatory power was 97.8%
Std. Error of the Estimate	0.00716	-	Estimated prediction error

Dependent variable: ROE. Predictors: NPM, TATO, ROI, and EM. Source: Secondary data processed using IBM SPSS Statistics 25 (2025).

The simultaneous test produced an F-statistic of 215.992 with a significance value below 0.001. Therefore, NPM, TATO, ROI, and EM were jointly related to ROE. This result shows that profitability, asset utilization, return generated from assets, and financial leverage collectively explained differences in shareholder returns.

The R-square value was 0.983, indicating that 98.3% of the variation in ROE was statistically explained by NPM, TATO, ROI, and EM. The remaining 1.7% was associated with other factors not included in the model. The adjusted R-square value of 0.978 also showed that the regression model had high explanatory power after considering the number of predictors.

The high coefficient of determination should be interpreted within the context of the Du Pont System because NPM, TATO, ROI, EM, and ROE are structurally related financial indicators. Therefore, the high explanatory value reflects both statistical relationships and the close mathematical relationship among the Du Pont components.

Du Pont System Analysis

The Du Pont System analysis was used to compare the financial performance of the four sampled companies during the 2020-2024 period. The results are presented in Table 5.

Table 5. Summary of Du Pont System Analysis for 2020-2024

Indicator	Year	CTRA	BSDE	SMRA	ASRI
NPM	2020	16.98%	7.86%	4.89%	-73.00%
	2021	21.44%	20.10%	9.87%	19.76%
	2022	21.94%	25.95%	13.49%	24.44%
	2023	20.06%	19.58%	15.88%	16.12%
	2024	20.80%	35.64%	17.34%	1.90%
	Mean	20.24%	21.83%	12.29%	-2.16%
TATO	2020	0.20	0.10	0.20	0.06
	2021	0.23	0.12	0.21	0.13
	2022	0.21	0.15	0.20	0.20
	2023	0.20	0.17	0.21	0.18
	2024	0.23	0.18	0.32	0.16
	Mean	0.21	0.14	0.23	0.15
ROI	2020	3.39%	0.78%	0.98%	-4.58%
	2021	4.91%	2.41%	2.10%	2.57%
	2022	4.60%	3.89%	2.69%	4.89%
	2023	4.01%	3.32%	3.33%	2.90%
	2024	4.78%	6.41%	5.55%	0.30%
	Mean	4.34%	3.36%	2.93%	1.22%
EM	2020	2.24	1.76	2.74	2.26
	2021	2.09	1.71	2.32	2.30
	2022	2.00	1.70	2.42	2.09
	2023	1.94	1.62	2.53	1.97
	2024	1.91	1.60	2.42	1.94
	Mean	2.04	1.68	2.49	2.11
ROE	2020	7.59%	1.37%	2.68%	-10.35%
	2021	10.26%	4.12%	4.87%	5.91%
	2022	9.20%	6.61%	6.50%	10.22%
	2023	7.77%	5.37%	8.42%	5.71%
	2024	9.12%	10.25%	13.43%	0.58%
	Mean	8.79%	5.54%	7.18%	2.41%

Source: Secondary data processed by the authors (2025).

Net Profit Margin Performance

BSDE recorded the highest average NPM of 21.83%, followed by CTRA at 20.24%, SMRA at 12.29%, and ASRI at -2.16%. BSDE's NPM increased substantially to 35.64% in 2024, indicating a significant improvement in its ability to convert revenue into net income.

CTRA maintained relatively stable profitability throughout the observation period, with NPM ranging from 16.98% to 21.94%. This stability indicates that CTRA was relatively consistent in controlling costs and generating net income. SMRA also demonstrated continuous improvement, as its NPM increased from 4.89% in 2020 to 17.34% in 2024.

ASRI recorded the most volatile NPM. The company reported an NPM of -73% in 2020, followed by a recovery between 2021 and 2023. However, its NPM declined again to 1.90% in 2024. The substantial loss in 2020 reduced its five-year average to a negative value. These findings demonstrate that differences in net profit margins contributed to differences in corporate financial performance, consistent with the findings of Dwiningsih (2015) and Kurniawati et al. (2024).

Total Asset Turnover Performance

SMRA recorded the highest average TATO of 0.23 times, followed by CTRA at 0.21 times, ASRI at 0.15 times, and BSDE at 0.14 times. SMRA's TATO increased to 0.32 times in 2024, representing the highest asset turnover value among the sampled companies.

The relatively low TATO values indicate that the property and real estate companies had not fully optimized their assets in generating sales. This condition is closely related to the asset-intensive characteristics of the industry, in which companies hold substantial land banks, buildings, investment properties, and project inventories.

CTRA maintained relatively stable asset turnover, while BSDE demonstrated a gradual increase from 0.10 times in 2020 to 0.18 times in 2024. ASRI's TATO improved until 2022 but declined in the following years. The findings support Wahdania et al. (2024), who stated that low asset turnover could constrain a company's ability to generate optimal financial returns.

Return on Investment Performance

CTRA achieved the highest average ROI of 4.34%, followed by BSDE at 3.36%, SMRA at 2.93%, and ASRI at 1.22%. CTRA maintained relatively stable ROI values throughout the observation period, reflecting a consistent combination of profitability and asset utilization.

BSDE demonstrated the strongest improvement, with ROI increasing from 0.78% in 2020 to 6.41% in 2024. This increase was supported by improvements in both NPM and TATO. SMRA also experienced continuous improvement, as its ROI increased from 0.98% in 2020 to 5.55% in 2024.

ASRI recorded a negative ROI of -4.58% in 2020 and a relatively low ROI of 0.30% in 2024. Although its ROI increased to 4.89% in 2022, the improvement was not sustained. These results indicate that unstable profitability had a substantial influence on ASRI's ability to generate returns from its assets.

Equity Multiplier Performance

SMRA recorded the highest average EM of 2.49 times, followed by ASRI at 2.11 times, CTRA at 2.04 times, and BSDE at 1.68 times. A higher EM indicates that a greater proportion of company assets is financed through liabilities relative to shareholders' equity.

SMRA consistently recorded the highest financial leverage, although its EM declined from 2.74 in 2020 to 2.42 in 2024. CTRA, BSDE, and ASRI also showed declining EM values during the observation period. This downward trend indicates a gradual reduction in financial leverage or an increase in the contribution of shareholders' equity to asset financing.

The statistical test showed that EM was not significantly related to ROE. This result indicates that a high level of financial leverage did not automatically lead to higher shareholder returns. Financial leverage may increase ROE when borrowed funds are used productively, but it may also increase financial costs and business risk.

Return on Equity Performance

CTRA recorded the highest average ROE of 8.79%, followed by SMRA at 7.18%, BSDE at 5.54%, and ASRI at 2.41%. CTRA maintained relatively stable equity returns and achieved its highest ROE of 10.26% in 2021.

SMRA demonstrated the strongest upward trend, with ROE increasing from 2.68% in 2020 to 13.43% in 2024. This improvement was supported by increases in NPM and TATO combined with a relatively high EM. BSDE also recorded substantial improvement, with ROE increasing from 1.37% in 2020 to 10.25% in 2024.

ASRI recorded the most volatile ROE. Its ROE was -10.35% in 2020, increased to 10.22% in 2022, and declined to 0.58% in 2024. These fluctuations were primarily associated with changes in profitability and ROI rather than changes in EM.

The findings confirm that ROE is determined by the combined ability of a company to generate profit, utilize its assets efficiently, and manage financial leverage. This result is consistent with the Du Pont framework described by Sanjaya (2018) and Sunardi (2018).

Overall Discussion

The financial performance of property and real estate subsector companies fluctuated during the 2020-2024 period. The weakest performance generally occurred in 2020, when companies experienced disruptions related to the COVID-19 pandemic, declining purchasing power, delayed property transactions, and uncertainty in the property market. Financial performance subsequently improved as economic and operational conditions recovered.

Each company demonstrated different financial strengths. BSDE achieved the highest average NPM, indicating strong profitability relative to sales. SMRA achieved the highest average TATO and EM, demonstrating comparatively stronger asset utilization and greater financial leverage. CTRA recorded the highest average ROI and ROE, indicating stable and balanced financial performance. Meanwhile, ASRI exhibited the greatest volatility and recorded the lowest average NPM, ROI, and ROE.

The partial test results showed that NPM, TATO, and ROI were significantly related to ROE, whereas EM was not statistically significant. These results indicate that shareholder returns were more closely associated with profitability and asset utilization efficiency than with financial leverage. Therefore, increasing debt-based financing without improving operating profitability and asset productivity may not necessarily increase ROE.

Overall, property and real estate companies should improve profit margins by controlling operating and financing costs, accelerate the conversion of project inventories into sales, and optimize the utilization of land, buildings, and other assets. Sustainable improvements in ROE should be supported by efficient operations and consistent profit generation rather than relying solely on increased financial leverage.

CONCLUSION

The financial performance of property and real estate subsector companies listed on the Indonesia Stock Exchange fluctuated during the 2020–2024 period. The Du Pont System analysis showed that each company had different financial strengths. PT Bumi Serpong Damai Tbk recorded the highest average Net Profit Margin, indicating the strongest ability to generate net income from sales. PT Summarecon Agung Tbk achieved the highest average Total Asset Turnover and Equity Multiplier, reflecting comparatively better asset utilization and greater financial leverage. Meanwhile, PT Ciputra Development Tbk recorded the highest average Return on Investment and Return on Equity, indicating relatively stable and balanced performance in generating returns from assets and shareholders' equity. PT Alam Sutera Realty Tbk demonstrated the most volatile performance and recorded the lowest average NPM, ROI, and ROE.

The statistical results showed that NPM, TATO, and ROI had significant positive relationships with ROE, whereas EM did not have a significant relationship with ROE. Simultaneously, NPM, TATO, ROI, and EM were significantly associated with ROE. These findings indicate that shareholder returns were more closely related to profitability and asset utilization efficiency than to financial leverage. Therefore, increasing the proportion of debt financing does not necessarily improve ROE when it is not accompanied by stronger profitability and more productive asset utilization.

From a managerial perspective, property and real estate companies should prioritize cost efficiency, profit-margin improvement, accelerated property and inventory sales, and more effective utilization of

land, buildings, and other assets. Sustainable improvements in ROE should be supported by consistent profit generation and efficient asset management rather than relying primarily on increased leverage. This study is limited to four companies and a five-year observation period. Future studies should include a larger sample, a longer observation period, and external variables such as interest rates, inflation, company size, sales growth, and macroeconomic conditions to provide a more comprehensive explanation of financial performance.

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