

## Break Even Point Analysis as A Profit Planning Tool at PT. Herbal Medicine and Pharmaceutical Industry Sido Muncul Tbk

Arin Adelia Septiani<sup>1</sup>, Diana Djuwita<sup>1</sup>, Usman<sup>1\*</sup>

<sup>1</sup>UIN Siber Syekh Nurjati Cirebon, Indonesia

Correspondence e-mail: [usmancirebon@syekhnurjati.ac.id](mailto:usmancirebon@syekhnurjati.ac.id)

### Abstract

One of the tools used in profit analysis planning is break even point analysis. Break even point analysis is an analysis to determine the break even point, namely the situation where a company does not make a profit and does not experience losses. This research aims to determine the level of break even point, contribution margin, margin of safety and profit targets achieved, as well as to find out whether the break even method is effectively used for profit planning. This research uses quantitative descriptive methods. The type and source of data used is secondary data in the form of the official financial report of PT Sido Muncul for the 2020-2022 period. The data analysis techniques used are break even point analysis, contribution margin, margin of safety and profit target. The results of this research show that the company's condition is very good because it has exceeded the company's break even point, so that the company makes a profit or profitability. The results of the margin of safety calculation also show that the safety limit of PT Industri Jamu and Farmasi Sido Muncul is classified as safe, because the sales figure has exceeded the calculated value of the margin safety.

**Keywords:** *break even point analysis; profit planning; margin of safety*

### INTRODUCTION

The introduction should briefly, concisely, and relevant way to put this study into a broad context to place it as an important study. Introduction should include the brief review and cite current relevant studies to show the novelties. If necessary, discuss the debate and explain the requirements of this study. This section should ends with the purpose of study and its main conclusions. Keep the introduction comprehensible to scientists outside your particular field of research if possible

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The current development of the business world has the potential to cause business competition, especially at the global level. It is evident by the many new businesses that have emerged both domestically and abroad coupled with advances in information technology and science, so that business competition is increasing, more competitive and more complex. In

running a business, a company must make calculations to prevent losses, because the main goal of the company is to earn profits and avoid losses. When many competing companies have sprung up by selling similar products, then the company needs a plan to sell its products (Naro, 2017).

One of the companies that was able to reap profits during the covid-19 pandemic was PT Industri Jamu dan Farmasi Sido Muncul Tbk. This company is engaged in the consumer goods industry in the pharmaceutical subsector. During the covid-19 pandemic, sido products appeared to be purchased by consumers. This can be seen from the performance of wind-repellent producers throughout the first quarter of 2020. Pharmaceutical companies are resilient businesses in the face of changing economic conditions (Ayu & Supartoko, 2020). The Ministry of Industry reported that several manufacturing industry sectors are still showing good performance despite the economy contracting in the second quarter of 2020. The growth rate of around 8.65% is greater than the growth rate in the first quarter of 2020 which was around 5.59% (Jatmiko, 2020). Companies in the healthcare sector are part of a growing industry and have excellent future prospects.

Companies that profit from the large sales profit are a benchmark for the success of a company. Therefore, companies, especially management, are required to produce decisions that can help the growth and achievement of a company's goals to generate maximum profits. Management needs to have a profit plan before targeting maximum profit results.

The profit planning process of a company is an important first step because it facilitates management tasks in carrying out business activities. In making good profit planning, companies can use break-even point analysis as a profit planning tool. In addition, break-even analysis is a method for calculating profits, total costs and sales. In financial planning, break-even analysis is often used. Managers use break-even point analysis approaches or strategies to find out how much output is produced. Break even point is closely related to the margin of safety. The margin of safety is the excess sales that are planned or realized at the break-even point. Thus, the break-even point is the point at which the company does not experience a profit but does not experience a loss (Samryn, 2012). Therefore, it is important for a manager to understand the company's profit planning, security margin and break-even point. In addition, profit planning is an important task for company managers to prevent losses. To develop and maintain a company, the right strategy is needed.

This is the background for the author in choosing a title about Break Even Point, because with this analysis we can plan future profits and prevent a sharp decline in the company's revenue. Additionally, break-even analysis can be used as a benchmark to increase revenue or identify a decrease in profit so that the company does not incur losses. Based on these problems, the author is interested in conducting research with the title " Break Even Point (BEP) Analysis as a Profit Planning Tool at PT. Sido Muncul Herbal Medicine and Pharmaceutical Industry Tbk".

## **LITERATURE REVIEW**

### **1. Management Accounting**

According to Hongren (2008:3), accounting can be thought of as a system that produces information that is then summarized in financial statements and its purpose is to communicate with decision makers. Management Accounting is a type of accounting that provides information to the internal parties of a company. Meanwhile, according to (Copeland., Robert, Dascher, 2011), the field of accounting related to the identification,

evaluation, and delivery of accounting information to internal management is known as managerial accounting.

## 2. Cost

Cost (Cost) consists of two parts, namely the asset or asset and load or Expense. Cost is cash or cash equivalent value given to obtain goods or services that are expected to provide benefits to a company both now and in the future (Hansen and Mowen 2012:46). Meanwhile, according to Mursyidi (2008:14), cost is a sacrifice that can be charged now or in the future to reduce cash or other assets in order to achieve a goal.

## 3. Cost Classification

Management requires cost classification to determine the most appropriate method of collecting and allocating cost data to help achieve company goals (Widayati, 2019). There are three categories of costs that are differentiated based on their behavior towards the number of activities, which are as follows:

- a. Fixed Costs (*fixed cost*), according to Harmono (2016) Fixed costs are costs that are not affected by the magnitude of the change in production volume, but the change follows the change in overall production capacity within the relevant range.
- b. Variable costs, according to Simamora (2012:142) Variable costs are defined as costs whose amount changes in proportion to changes in business activities.
- c. Semi-Variable Costs (*Mixed Cost*), according to L. M. Samryn (2012:48) *Mixed Cost* or semivariable cost is a mixed cost which consists of fixed costs and variable costs.

## 4. Break Even Point Analysis

*Break Even Point* (BEP) is a type of management accounting. *Break Even Point* or break-even point is a situation where a company does not gain profits or losses (Mulyadi., 2015). In other words, a company breaks even when its revenue equals its expenses or when its profit contribution can only be used to cover fixed costs. The benefit of break even point analysis for leaders is that it helps leaders make better decisions (Cashmere, 2014:337). In addition, the analysis *break even point* It is also useful in determining whether the sales goals that have been set are likely to result in profits and how many sales are acceptable.

## 5. Margin of Safety

According to L. M. Samryn (2012:181) stated that the budgeted excess sales or realization above the break-even point is called the margin of safety. Meanwhile, according to Riyanto (2001), margin of safety is a number that shows the difference between planned break-even sales and budgeted or expected sales. Therefore, the margin of safety also represents the distance limit where the company will suffer losses if sales exceed the distance limit.

## 6. Profit Planning

Planning a company's profits is a very important aspect. The value of the company increases as revenue increases. A carefully calculated work plan is called profit planning, and its financial impact is expressed in the long-term and short-term income statements, balance sheet, cash and working capital (Harahap, 2011). With proper planning, businesses can continue to grow and generate significant profits (Riwayadi., 2016). Careful profit

planning is needed to achieve maximum profits. In addition, profit planning is often the cornerstone of investment decision-making and evaluation of management performance in the future.

## 7. Profit Planning in Islam

In the Qur'an, it is explained that when planning, it must be adjusted to the circumstances and conditions in the past, present and future.

According to Surah Al-Hasyr (59): 18, Allah SWT said as follows:

يَا أَيُّهَا الَّذِينَ آمَنُوا اتَّقُوا اللَّهَ وَلْتَنْظُرْ نَفْسٌ مَّا قَلَّ عِدَّهِ وَأَتَّقُوا اللَّهَ إِنَّا اللَّهُ خَبِيرٌ بِمَا تَعْمَلُونَ

It means: "O you who believe, fear Allah and let everyone pay attention to what he has done for tomorrow (hereafter). Fear Allah, indeed, Allah is meticulous in what you do."

Therefore, the latest analysis is needed to organize every aspect in the future,. Making predictions about the future requires careful consideration based on previous experiences or research findings, not just imagining or imagining things (Muliono, 2018).

In the Qur'an, Surah Al-Qashash verse 77 explains that humans must remember the benefits that have been obtained in the world so that they do not neglect good relations with each other and cause damage to the environment.

وَابْتَغِ فِيهَا مَّا أَنزَلَ اللَّهُ الدَّارَ الْآخِرَةَ وَلَا تَنْسَ نَصِيبَكَ مِنَ الدُّنْيَا وَأَحْسِنَ كَمَا أَحْسَنَ اللَّهُ إِلَيْكَ وَلَا تَتَّبِعِ الْفَسَادَ فِي الْأَرْضِ إِنَّ اللَّهَ لَا يُحِبُّ الْمُفْسِدِينَ

It means: "And look for what Allah has bestowed on you (the reward) of the Hereafter, but do not forget your part in the world. Do good (to others) as Allah has done good to you, and do not do any harm on the earth. Indeed, Allah does not like those who do damage."

The above verse explains that we should not allow the benefits we receive to cause us to forget our responsibilities both in this world and in the hereafter. When a company makes a profit, its owners and employees forget their responsibilities to their employees and exploit or damage the company's natural resources and the surrounding environment. This is known as responsibility in the world. If man does this, then Allah hates those who destroy and cause loss.

## METHOD

This study uses a quantitative descriptive research method. The type and source of data used is secondary data in the form of official financial statements of PT Industri Jamu and Farmasi Sido Muncul Tbk for the 2020-2022 period. Secondary data can be obtained from existing sources, such as company records, financial statements, company history, supporting documentation, research journals and articles that are still relevant to the research conducted by the researcher (Rahmani, 2016). Then, this study uses several data collection techniques, namely: first, documentation study is a technique to collect data that has been documented in the form of

official financial statements and annual reports of PT Industri Jamu dan Farmasi Sido Muncul Tbk. Second, literature study is the collection of information from books, journals, articles, scientific papers, and related literature that are used as a source of information for the research conducted. Furthermore, the data analysis technique used is break even point analysis. The steps taken by the researcher in conducting data analysis and processing include: The first is to identify and classify fixed costs and variable costs. The second is to calculate contribution margin. Third, calculate ratio contribution margin. Fourth, counting Break Even Point. The fifth is to calculate the margin of safety. Sixth, counting Profit Target use Least Square Method.

## RESULTS AND DISCUSSION

### 1. Sales Data

From the results of research on PT Industri Jamu dan Farmasi Sido Muncul Tbk, sales volume data can be seen in the table below:

**Sales in 2020-2022 (in millions of rupiah)**

Information	2020	2021	2022
Herbal medicine and supplements	2.221.363	2.693.767	2.633.471
Food and drink	1.005.615	1.190.065	1.089.003
Pharmacy	208.433	137.148	143.049
<b>Total</b>	<b>3.335.411</b>	<b>4.020.980</b>	<b>3.865.523</b>

Source: Financial Statements of PT. Sido Muncul Tbk

Based on table 4.1, it is known that sales from 2020 to 2022 have fluctuated, where in 2021 there was an increase in sales due to the Covid-19 pandemic and a decline again in 2022 due to high inflation. As can be seen in the table above, there are 3 types of products that have contributed to the revenue of PT Industri Jamu dan Farmasi Sido Muncul Tbk, namely from the sale of herbal medicine and supplements, food and beverages, and finally pharmaceuticals.

### 2. Fixed Costs and Variable Costs

The following is the classification of fees at PT Industri Jamu dan Farmasi Sido Muncul Tbk can be seen in the table below:

**Results of Fixed Cost Analysis 2020-2022**

Information	2020	2021	2022
Salary and benefits	237.210	256.572	308.531
Rental Expenses	4.394	3.124	3.052
Advertising, promotion and other marketing expenses.	359.460	395.325	397.783
Depreciation expense of fixed assets	96.876	93.944	95.448
Machine Maintenance, production equipment	19.500	19.448	21.983
Utility Load and Fuel	38.283	41.511	41.302
<b>Total Fixed Costs</b>	<b>755.723</b>	<b>809.924</b>	<b>868.099</b>
<b>Total</b>		<b>2.433.746</b>	

Source: Financial Statements of PT. Sido Muncul Tbk. Data processed in 2024

Based on the table above, the amount of fixed costs used by PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2020 to 2022 is increasing. The highest costs at PT Industri Jamu and Farmasi Sido Muncul are advertising, promotions and other marketing. It is known that the average cost used in the three years is Rp 384,189. Meanwhile, the lowest cost used by PT Industri Jamu and Farmasi Sido Muncul in 2020 to 2022 is a rental of IDR 3,523.

### Results of Variable Cost Analysis in 2020-2022

Information	2020	2021	2022
Transportation, freight	40.105	51.561	51.206
Official trips	2.396	2.189	3.806
Raw Material Cost	1.104.008	1.369.912	1.333.045
Overhead costs	368.747	405.093	413.242
Donation	11.324	11.438	6.501
Interest load	409	739	642
Admin fee burden	113	123	138
Income tax burden	265.532	352.333	315.138
Miscellaneous Expenses	89.366	74.702	84.121
<b>Total Variable Costs</b>	<b>1.882.000</b>	<b>2.268.090</b>	<b>2.207.839</b>
<b>Total</b>		<b>6.357.929</b>	

Source: Financial Statements of PT. Sido Muncul Tbk. Data processed in 2024

The amount of variable costs of PT Industri Jamu and Farmasi Sido Muncul fluctuated from 2020 to 2022. This is due to the production process that is not the same every year. The considerable value of raw material costs affects the overall variable cost. The highest variable cost at PT Industri Jamu and Farmasi Sido Muncul is the cost of raw materials. The cost of raw materials incurred from 2020 to 2022 is IDR 1,268,988. Meanwhile, the lowest cost used by PT Industri Jamu and Farmasi Sido Muncul in 2020-2022 is IDR 125 for admin.

### 3. Calculating Contribution Margin

The calculation of the contribution margin for 2020-2022 is as follows:

Year 2020 (in millions of rupiah)

$$\begin{aligned}\text{Contribution Margin} &= \text{Sales} - \text{variable cost} \\ &= \text{IDR } 3,335,411 - \text{IDR } 1,882,000 \\ &= \text{IDR } 1,453,411\end{aligned}$$

Year 2021 (in millions of rupiah)

$$\begin{aligned}\text{Contribution Margin} &= \text{Sales} - \text{variable cost} \\ &= \text{IDR } 4,020,980 - \text{IDR } 2,268,090 \\ &= \text{IDR } 1,752,890\end{aligned}$$

Year 2022 (in millions of rupiah)

$$\begin{aligned}\text{Contribution Margin} &= \text{Sales} - \text{variable cost} \\ &= \text{IDR } 3,865,523 - \text{IDR } 2,207,839 \\ &= \text{IDR } 1,657,684\end{aligned}$$



From the results of the analysis above, it can be seen in 2020 that the value of the contribution margin obtained by the company is IDR 1,453,411. This amount is able to cover the fixed costs that have occurred in 2020, which is IDR 755,723. In 2021, the value of the contribution margin obtained by the company was IDR 1,752,890. This amount is able to cover the fixed costs that have occurred in 2021, namely IDR 809,924. Meanwhile, in 2022, the value of the contribution margin obtained by the company is IDR 1,657,684. This amount is IDR 868,099, enough to cover fixed costs incurred in 2022. This indicates that the company has made a profit because its fixed costs have been paid by the remaining revenue.

#### 4. Calculating the Contribution Margin Ratio

The calculation of the contribution margin ratio for 2020-2022 is as follows:

Year 2020 (in millions of rupiah)

$$\begin{aligned} \text{Contribution Margin Ratio} &= \frac{\text{Contribution Margin}}{\text{Sales}} \\ &= \frac{1.453.411}{3.335.411} \\ &= 43.57\% \end{aligned}$$

Year 2021 (in millions of rupiah)

$$\begin{aligned} \text{Contribution Margin Ratio} &= \frac{\text{Contribution Margin}}{\text{Sales}} \\ &= \frac{1.752.890}{4.020.980} \\ &= 43.59\% \end{aligned}$$

Year 2022 (in millions of rupiah)

$$\begin{aligned} \text{Contribution Margin Ratio} &= \frac{\text{Contribution Margin}}{\text{Sales}} \\ &= \frac{1.657.684}{3.865.523} \\ &= 42.88\% \end{aligned}$$

Based on the results of the calculation above, it shows that the contribution margin ratio to PT Industri Jamu and Farmasi Sido Muncul for 2020 is able to cover the fixed costs that have been incurred of 755,723 and is able to generate a profit for the current year of IDR 934,016. In 2021, the contribution margin ratio to PT Industri Jamu and Farmasi Sido Muncul was able to cover the fixed costs that had been incurred of IDR 809,924 and was able to generate a profit for the current year of IDR 1,260,898. Meanwhile, in 2022, the contribution margin ratio to PT Industri Jamu and Farmasi Sido Muncul was able to cover the fixed costs that had been incurred of IDR 868,099 and was able to generate a profit for the current year of IDR 1,104,714.

This indicates that the company is able to create efficiency in its operational costs in getting profits for the company. From 2020 to 2022, PT Industri Jamu and Farmasi Sido Muncul experienced profitability because its contribution margin was greater than fixed costs.

## 5. Break Even Point (BEP) Analysis

Break Even Point (BEP) Calculation

Year 2020 (in millions of rupiah)

$$\text{BEP (Rupiah)} = \frac{\text{total fixed costs}}{1 - \frac{\text{Total variable costs}}{\text{Sales}}}$$

$$\begin{aligned} \text{BEP (Rupiah)} &= \frac{\text{IDR } 755,723}{1 - \frac{\text{IDR } 1,882,000}{\text{IDR } 3,335,411}} \\ &= \frac{\text{IDR } 755,723}{1 - 0,56} \\ &= \frac{\text{IDR } 755,723}{0,44} \\ &= \text{IDR } 1,717,552 \end{aligned}$$

Break Even Point (BEP) Calculation

Year 2021 (in millions of rupiah)

$$\text{BEP (Rupiah)} = \frac{\text{total fixed costs}}{1 - \frac{\text{Total variable costs}}{\text{Sales}}}$$

$$\begin{aligned} \text{BEP (Rupiah)} &= \frac{\text{IDR } 809,924}{1 - \frac{\text{IDR } 2,268,090}{\text{IDR } 4,020,980}} \\ &= \frac{\text{IDR } 809,924}{1 - 0,56} \\ &= \frac{\text{IDR } 809,924}{0,44} \\ &= \text{IDR } 1,940,736 \end{aligned}$$

Break Even Point (BEP) Calculation

Year 2022 (in millions of rupiah)

$$\text{BEP (Rupiah)} = \frac{\text{total fixed costs}}{1 - \frac{\text{Total variable costs}}{\text{Sales}}}$$

$$\begin{aligned} \text{BEP (Rupiah)} &= \frac{\text{IDR } 868,099}{1 - \frac{\text{IDR } 2.207.839}{\text{IDR } 3,865,523}} \\ &= \frac{\text{IDR } 868,099}{1 - 0,57} \\ &= \frac{\text{IDR } 868,099}{0,43} \\ &= \text{IDR } 2,018,835 \end{aligned}$$

Based on the calculation above, it can be seen that the calculation of the break even point in 2020 to 2022 shows sales results of IDR 3,335,411, IDR 4,020,980, IDR 3,865,523 above the break-even point with a value of IDR 1,717,552, IDR 1,840,736, IDR 2,018,835.



This shows that the condition of the Sido Muncul company is very good because it has exceeded its break-even value and the company generates profit or profitability.

## 6. Calculating the Margin of Safety

Calculation of Margin of Safety in 2020 (in millions of rupiah)

$$\begin{aligned}\text{Margin of Safety} &= \text{Total Sales} - \text{Break Even Point} \\ &= \text{IDR } 3,335,411 - \text{IDR } 1,717,552 \\ &= \text{IDR } 1,617,859\end{aligned}$$

Margin of safety in 2021 (in millions of rupiah)

$$\begin{aligned}\text{Margin of Safety} &= \text{Total Sales} - \text{Break Even Point} \\ &= \text{IDR } 4,020,980 - \text{IDR } 1,840,736 \\ &= \text{IDR } 2,180,244\end{aligned}$$

Margin of safety in 2022 (in millions of rupiah)

$$\begin{aligned}\text{Margin of Safety} &= \text{Total Sales} - \text{Break Even Point} \\ &= \text{IDR } 3,865,523 - \text{IDR } 2,018,835 \\ &= \text{IDR } 1,846,688\end{aligned}$$

Based on the results of the margin of safety calculation in 2020, PT Industri Jamu and Farmasi Sido Muncul Tbk obtained a margin of safety value of 48.50%. In 2021, there was an increase from the previous year, which was 54.22%. Meanwhile, in 2022 there was a decrease from the previous year, which was 54.22% to 47.77%. This number shows that the decline in sales and revenue can be tolerated without causing losses to the company.

## 7. Calculating the Margin of Safety Ratio

Year 2020

$$\begin{aligned}\text{Margin Of Safety Ratio} &= \frac{\text{Margin Of Safety} \times 100\%}{\text{Total Sales}} \\ &= \frac{1.617.859 \times 100\%}{3.335.411} \\ &= 48.50\%\end{aligned}$$

Year 2021

$$\begin{aligned}\text{Margin Of Safety Ratio} &= \frac{\text{Margin Of Safety} \times 100\%}{\text{Total Sales}} \\ &= \frac{2,180,244 \times 100\%}{4,020,980} \\ &= 54.22\%\end{aligned}$$

Year 2022

$$\begin{aligned}\text{Margin Of Safety Ratio} &= \frac{\text{Margin Of Safety} \times 100\%}{\text{Total Sales}} \\ &= \frac{1.814.688 \times 100\%}{3.865.523} \\ &= 47.77\%\end{aligned}$$

Based on the results of the calculation of the formula above, it shows that the margin of safety ratios at PT Industri Jamu and Farmasi Sido Muncul for 2020, 2021, and 2022 are 48.50%, 54.22% and 47.77% respectively. This shows that PT Sido Muncul's security limits are relatively safe, meaning the maximum amount of sales decline that can be accepted to prevent losses for the company. If the decrease in sales exceeds the percentage result above, it will result in losses for the company.

## 8. Calculating Profit Planning

Sales planning or profit targets for 2023 uses the Least Square Method. Sales data and figures obtained from the previous year are used in sales planning.

This approach assumes a linear relationship with the regression line equation  $y = a + bx$  between cost and sales volume. The Profit Target using the Least Square method is with the following formula:

$$Y = a + bx, \text{ where}$$

$$a = \frac{Y\sum}{n}$$

$$b = \frac{XY\sum}{X\sum^2}$$

Information:

Y = number of sales

a and b = coefficients

x = unit of time period

n = amount of time analyzed

The data used is sales data of PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2020-2022.

### Least Square Calculation

Year	Sales (X)	X	XY	X <sup>2</sup>
2020	IDR 3,335,411	-1	-IDR 3,335,411	1
2021	IDR 4,020,980	0	Rp	0
2022	IDR 3,865,523	1	IDR 3,865,523	1
$\sum$	IDR 11,221,941		IDR 510,112	2

*Source: Data Processed by Researchers 2024*

Based on the calculation above, the values of a and b can be found to determine the sales forecasting equation at PT Sido Muncul (in millions of rupiah) as follows:

$$\begin{aligned} a &= \frac{Y\sum}{n} \\ &= \frac{\text{IDR } 11,221,941}{3} \\ &= \text{IDR } 3,740,638 \end{aligned}$$

$$b = \frac{XY\sum}{X\sum^2}$$

$$\begin{aligned}
 &= \frac{\text{IDR } 510,112}{2} \\
 &= \text{IDR } 255,056
 \end{aligned}$$

So the resulting trend equation is  $Y = \text{IDR } 3,740,638 + \text{IDR } 255,056X$ . The results of the sales forecast in 2023 can be known using the following equation formula:

$$\begin{aligned}
 Y &= a + bx \\
 Y_{2023} &= \text{IDR } 3,740,638 + \text{IDR } 255,056X \\
 &= \text{IDR } 3,740,638 + \text{IDR } 255,056(2) \\
 &= \text{IDR } 3,740,638 + \text{IDR } 510,112 \\
 &= \text{IDR } 4,250,750
 \end{aligned}$$

Based on the calculations above, it can be estimated that sales in 2023 will be IDR 4,250,750. The next step is to determine the break-even point value based on the sales forecast results obtained. The company can then calculate the minimum level of sales volume that must be achieved to generate a profit by using the break even point calculation. The assumptions used against the specified sales amount are the result of the calculation of the estimated sales. However, it is assumed that ettap fees and variable costs will increase by 5% compared to the previous year (Ratningsih & Purnia, 2018). So the calculation of break even points is as follows:

Calculation of Break Even Point in 2023 (in millions of rupiah)

$$\begin{aligned}
 \text{BEP (Rupiah)} &= \frac{\text{total fixed costs}}{1 - \frac{\text{Total variable costs}}{\text{Sales}}} \\
 \text{BEP (Rupiah)} &= \frac{\text{IDR } 911,504}{1 - \frac{\text{IDR } 2.318.231}{\text{IDR } 4,250,750}} \\
 &= \frac{\text{IDR } 911,504}{1 - 0,54} \\
 &= \frac{\text{IDR } 911,504}{0,46} \\
 &= \text{IDR } 1,981,530
 \end{aligned}$$

### Recapitulation of Analysis Results in 2023

Analysis	Result
Break Even Point (Rupiah)	IDR 1,981,530
<i>Contribution Margin Ratio</i>	45,46%
<i>Contribution Margin of Safety</i>	53,38%
Profit Planning	IDR 4,250,750

Source: Data processed by researchers 2024

Based on the calculation of the profit target, it is predicted that the sales that must be maintained by PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2023 are at the break-even point, which is IDR 1,981,530 and the contribution margin is 45.46%, with a margin of safety level of 53.38% which means the existing sales level and cost structure, the maximum amount of decrease

in sales revenue target that does not cause PT Industri Jamu and Farmasi Sido Muncul Tbk to suffer losses is 53.38% and the author estimates an increase in profit of 5% in 2023. So that the revenue generated by PT Industri Jamu dan Farmasi Sido Muncul Tbk in 2023 is IDR 4,250,750.

## CONCLUSIONS

From 2020 to 2022, PT Industri Jamu and Farmasi Sido Muncul experienced profitability because the contribution margin was greater than the fixed costs and the company was able to cover the fixed costs that had been incurred and was able to generate profit for the current year. The Break Even Point at PT Industri Jamu dan Farmasi Sido Muncul Tbk from 2020 to 2022 shows that the company's condition is very good because it has exceeded the company's break-even point, so that the company gets profits or profitability. *The margin of safety* at PT Industri Jamu dan Farmasi Sido Muncul Tbk from 2020 to 2022 shows that the safety limit of PT Industri Jamu dan Farmasi Sido Muncul is classified as safe, because the sales figure has exceeded the calculated value of *the margin of safety*. Based on the calculation of the profit target, it is estimated that total sales in 2023 will be IDR 4,250,750. Furthermore, the analysis also shows that the *break even point* in 2023 PT Industri Jamu dan Farmasi Sido Muncul Tbk managed to reach or exceed sales volume according to the break-even point, the company did not experience a profit and did not lose money. The *break even point* analysis method is effective in profit planning, because PT Industri Jamu dan Farmasi Sido Muncul Tbk can find out the break-even point of the company, besides that the company can also find out the sales target and *margin of safety* that must be achieved by the company so that the company does not suffer losses.

Based on the above conclusion, in order to break even and generate the expected profit, the company needs to increase the number of sales. In order for the company not to suffer losses, the company must be able to control costs as effectively and efficiently as possible, and the company also needs to reduce operating costs to avoid a significant decrease in profits. It is recommended for future researchers to expand the scope of the research object and include factors that can support their findings.

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