



RESEARCH PAPER

An In-Depth Comparative Analysis of Financial Statement Metrics: A Study of Unilever and P&G

¹Dr. Ahsan-ul Haque Shaikh* ²Arifa Solangi ³Ali Raza

1. Assistant Professor, Institute of Business Administration, (IBA), University of Sindh, Jamshoro, Sindh, Pakistan
2. BBA (HONS) Student, Department of Business Administration, University of Sindh, KBSAS Campus, Naushahro Feroze, Sindh, Pakistan
1. Teaching Assistant, Department of Business Administration, University of Sindh, KBSAS Campus, Naushahro Feroze, Sindh, Pakistan

***Corresponding Author:** ahsan.shaikh@usindh.edu.pk

ABSTRACT

Financial analysis is one of the effective tool which is used for examining the current financial status of internal company. The main objective of this study to compare the financial statement analysis of two top industries Unilever and P&G. Through, financial analysis Companies forecasts their demand in the market, and Companies predict their future trends and risks. The data is taken from annual and financial reports of Unilever and P&G in the period of 2017-2021. Trend analysis is used for research methodology. Findings suggests under trend analysis of P&G 7.0% is higher than Unilever 5.50% in Income Statement 2021. P&G has more assets \$119M than Unilever \$88M shows in Balance Sheet. Current ratio analysis suggests Unilever 0.70 has more liquidity than P&G 0.69. ROA suggest that P&G has more profitability 0.14 than Unilever 0.11. This Study will be beneficial for financial managers, accountants of leading industries.

KEYWORDS Financial Statements, Balance Sheet, Income Statement, Financial Ratios

Introduction

Financial Analysis is the most effective tool for estimating the current position of an Internal Company and for predicting future risks and trends (Zhang & Tveterås, 2022). It also helps to senior management of a company to know the upcoming prospects, and risks and make recommendations about how it can improve going forward (Zandi et al., 2021). Unilever is developed a global multinational firm in service concerning industry of customer goods. The nucleus categories of the products developed and delivered by Unilever consist of personal care, food and beverages, cleaning agents, and beauty products (Efendi, 2021). The products of the company are presently strewn in more than 190 countries (Daryanto et al., 2020). The total figure of brands developed by the corporation cross 400 brand names, and connecting to about 2.5 billion people users. Unilever products starts in their everyday life, and about 155,000 Personnel employed in the enterprise's facilities throughout the world (Anggraini, 2022). Unilever is recognized to be one of the most valuable and eminent brands in the European Union (EU) and the world in general (Patjoshi et al., 2019). And The Procter & Gamble Company (P&G) is an American global consumer goods conglomerate headquartered in Cincinnati, Ohio. William Procter and James Gamble shaped the enterprise in 1837. (Devendra & Deshpande, 2018). It concentrates in a wide range of personal care, personal health/consumer health, and hygiene goods, that are organized into profuse segments, consisting Beauty, Grooming, Health Care, Fabric & Home Care, and Baby, Feminine, & Family Care. Prior to the sale of Pringles to Kellogg's, the firm's product line manage meals, snacks, and beverages. P&G was founded in Ohio (Yen et al., 2021).

Literature Review

In the context of the presented take a look at, the overall performance of Unilever and P&G were discussed. Unilever is one of the short-shifting client goods (FMNG) inside the global (Lakada et al., 2017). They offer a huge range of products in food, beverages, personal care merchandise, and many extra. The fulfillment tale of Unilever can be visible within the annual turnover within the year 2009 that is, -39.8billion international, and employs 163,000 personnel round the world. Unilever is classified into principal three segments which can be meals and Refreshments, home care, and beauty & personal care (Khan, 2020; Daryanto et al., 2020). Unilever become established on September 2, 1929, by the amalgamation of Dutch Margarine Producer Margarine Unie and The British soap developers Marker-Lever Brothers (Devi & Kiswara, 2013). For the period of the second 1/2 of the twentieth century, the venture ever more varied from being a maker of products manufactured from oils and fats and extended its maker global (Suwadiji et al., 2021). This concluded corporate acquiring such as Lipton (1971), Brooke Bond (1984), Chese Brough Ponds (1987), first-class foods (2000), Ben & Jerry's (2000), Alberto-Culver (2010), greenback Shave club (2016), and Pukka Herbs (2017). Unilever divested its specialty chemical compounds corporations to ICI in 1997. In the 2010s, underneath the leadership of Paul Polman. The agency progressively shift edits notice in the direction of fitness and beauty makers and far from meals producers exhibiting a slow growth (Khatun et al., 2021). Unilever has a primary list at the London stock exchange and is a constituent of the FTSE a hundred Index. Unilever is a secondary listing on Euronext Amsterdam and is a constituent of the AEX index (Dimiyati et al., 2021). The company also develops an aspect of the Euro Stoxx 50 stock market index. Unilever is also a listing on the big apple stock trade. The finishing touch of the unification of Unilever's Dutch and United Kingdom hands under a single London-primarily based entity changed into announced on 30 November 2020 (Mardiana, 2022). The corporation enhancing abundant from being a maker of products made from oils and fats and multiplying its operations worldwide (Satria & Shabrina, 2022). The Procter & Gamble enterprise (P&G) is an American multinational client item. The Procter & Gamble Company based in Cincinnati, Ohio, changed into based in 1837 with the aid of William Procter and James Gamble (Wang, 2017). It makes a uniqueness of an extensive range of personal fitness/patron health, and (Constance & Bonanno, 2000) private care and hygiene merchandise; those products are organized into segments concluding with beauty, grooming; fitness care; fabric & home care; and child, woman, & circle of relatives Care. Before the sale of Pringles to Kellogg's, its product portfolio additionally protected food, snacks, and drinks (Mild, 2009). P&G is made in Ohio. P&G operates through five industry-based totally zone business devices or SBUs: baby, feminine, and own family Care; splendor; fitness Care; Grooming; and cloth and domestic Care (KIRLIOĞLU & AKAYTAY, 2010). They manage our 10 product categories inside those SBUs. The SBUs have sales, earnings, coins, and fee creation duty for the biggest and maximum worthwhile markets, referred to as cognizance Markets—accounting for about eighty% of business enterprise sales and 90% of after-tax earnings. In each focus marketplace, market Operations works across the six SBUs on scaled market offerings and skills, including purchaser teams, transportation, warehousing, and logistics, and representing P&G externally (Cheng, 2022). The rest of the sector is prepared into business enterprise Markets—a separate unit with income, income, and price creation obligation. The SBUs provide innovation plans, supply plans, and running frameworks for the business enterprise Markets to supply these together agreed business desires (Mardiana, 2022). Business enterprise Markets are significant to the destiny of P&G due to their appealing marketplace growth fees, and the intent is to boost up this boom and price creation. Assisting the SBUs, market operations, and business enterprise Markets are key corporate assets targeted on scaled activities, governance, stewardship, and regions entailing excessive mastery. This shape permits an extra empowered, agile, and responsible enterprise to accelerate boom and fee introduction (Anupama et al., 2022).

Material and Methods

The present study considered analytical approach in its design. This research is carried through finding the facts concerning to topic and to create new and useful ways of

doing things on the basis of answers received. Analytical research usually focuses itself in determine cause-effect relationships (Ganguly & Gope, 2021). These data to know about the compression between these two companies' performance financially. Generally, this information is not newly researched data but this is taken with the help of previous financial and annual reports of these companies (Chen & Sivakumar, 2021). Which are already published so the main reason for doing research and collecting information regarding these companies is to get the result of performance which is very important for a finance student to determine how the companies run financially which factors are effectible and which things are effective in the financial performance and also determine what is the impact of some threats on these companies in previous years like covid-19 and some other else which are impactful for the entire whole economy of the world due to collecting information we know about the quality of products (Ghak & Zarrouk, 2022). We got these reports to determine to analyses the performance of these two companies Unilever and Procter and Gamble from the various websites like Macro Trend, Google scholar, and Yahoo finance so the objective of this research is to compare the performance of these two financially and as well as generally (Rialdi & Yustien, 2021).

Results and Discussions

Financial Statement Analysis (Income Statement analysis)

Financial statement analysis is to be done via materializing analytical mode or financial equipment to observe at and to compare financial statements with the rationale to make business decisions. In other words, financial statement analysis is a way for investors and lenders to observe financial statements and look if the business is healthy enough to invest in or lend a loan. It converts raw financial information from financial statements into meaningful information that significantly can be materialized to make decisions. An income statement is a financial statement that illustrates how lucrative your firm was during a specific reporting period. It highlights your revenue after deducting your expenses and losses. The income statement, verily known as a "net income statement" or a "statement of earnings," is one of the three most obligatory financial statements in financial accounting, together with the balance sheet and the cash flow statement (or statement of cash flows). So here income statement of Unilever in Table.1 and Proctor and Gamble in Table.2 is given along with their Trend analysis from (2017 to 2021). Trend analysis evaluates a firm's financial information over a time span. Periods may be calculated in months, quarters, or years, depending on the circumstances (Anggraini, 2022). The goal is to compute and analyze the quantity change and percent change from one period to the next. Here yearly-based Income statement and their Trend analysis is provided for both comparative companies. In 2017 net income of Unilever is \$3841.71 and the revenue is \$60714.06 and Net income of P&G in 2017 is \$15069.00 while the Revenue is \$65058.00 and in 2018 net income of Unilever is \$11088.41 and revenue is \$60209.74 and on the other hand net income of P&G in 2018 is \$9485.00 and its revenue is \$66832.00 and In 2019 Unilever's net income is \$6300.00 and revenue is \$58217.60 and P&G net income for 2019 is \$3664.0 and revenue is \$67684.0 and 2020's net income for Unilever is \$6375.18 and its revenue is \$57942.02 while net income of P&G is \$12714.00 and its revenue is \$70950.0 and in 2021 net income of Unilever's \$7833.31 and revenue is \$ 62046.50 and net income of P &G is \$14035.00 and revenue is \$76144.00. In these five years' data, Unilever's 2017 net income is \$3841.71 and 2018 is more net income after their 2021 it's also good net income which is \$7833.31 which means that Unilever grows year by year Covid -19 pandemic also not much effect Unilever. While on the other hand P&G's net income in 2017 is more than another year (2018-2021) which is \$15069.00 and last year's net income is also good which is \$14035.00 it means that P&G also recover its performance last year (Pérez-Benedito, 2022).

Table 01
Trend Analysis of Unilever's Income Statement (2021-2017)

YEARS	TREND ANALYSIS
-------	----------------

Annual Data (Millions of US & Except per share)	31-12-2021	31-12-2020	31-12-2019	31-12-2018	31-12-2017	2021	2020	2019	2018	2017
Revenue	\$62,046.50	\$57,942.02	\$58,217.60	\$60,209.74	\$60,714.06	\$62,045.50	\$57,941.02	\$58,216.60	\$60,208.74	\$60,713.06
Cost of Goods sold										
Gross Profit	\$62,046.50	\$57,942.02	\$58,217.60	\$60,209.74	\$60,714.06	\$62,045.50	\$57,941.02	\$58,216.60	\$60,208.74	\$60,713.06
Research and Development Expenses										
SG&A Expenses										
Other operating income and expenses	(\$51,751.16)	(\$48,457.51)	(\$48,464.64)	(\$45,405.91)	(\$50,703)	(\$51,752.16)	(\$48,458.51)	(\$48,465.64)	(\$45,406.91)	(\$50,704.00)
Operating expenses	\$51,751.16	\$48,457.51	\$48,464.64	\$45,405.91	\$50,703	\$51,751.16	\$48,457.51	\$48,464.64	\$45,405.91	\$50,703
Operating income	\$10,295.34	\$9,484.52	\$7,752.96	\$14,803.84	\$1,006.10	\$10,294.34	\$9,483.52	\$7,751.96	\$14,802.84	\$1,006.06
Total Non-operating income/expenses	(\$172.73)	(\$350.64)	(\$469.28)	(\$179.51)	(\$795.73)	(\$173.73)	(\$351.64)	(\$470.28)	(\$180.51)	(\$796.73)
Pre-tax Income	\$10,122.60	\$9,134.88	\$9,283.68	\$14,624.32	\$9,215.34	\$10,121.60	\$9,132.88	\$9,282.68	\$14,623.32	\$9,214.34
Income taxes	\$2,289.30	\$2,196.64	\$2,534.56	\$3,041.08	\$1,884.21	\$2,288.30	\$2,195.64	\$2,533.56	\$3,040.08	\$1,883.21
Income after taxes	\$7,833.31	\$6,937.24	\$6,749.12	\$11,583.25	\$7,331.13	\$7,832.31	\$6,936.19	\$6,748.12	\$11,582.25	\$7,330.13
Other income										
Income from continues operations	\$7,833.31	\$6,937.24	\$6,749.12	\$11,583.25	\$7,331.13	\$7,832.31	\$6,936.19	\$6,748.12	\$11,582.25	\$7,330.13
Income from uncontinuous operations										
Net Income	\$7,833.31	\$6,375.18	\$6,300	\$11,088.41	\$3,841.71	\$7,832.31	\$6,374.18	\$6,299.00	\$11,087.41	\$3,840.71
EBITDA	\$12,381.14	\$11,789.68	\$11,972.80	\$16,867.04	\$11,749.46	\$12,380.14	\$11,788.68	\$11,971.80	\$16,866.04	\$11,748.46
EBIT	\$10,295.48	\$9,484.52	\$9,752.96	\$14,803.84	\$10,011.06	\$10,294.48	\$9,483.52	\$9,751.96	\$14,802.84	\$10,010.06
Basic shares outstanding	2600	2620	2617	2683	2802	\$2,599.00	\$2,619.00	\$2,616.00	\$2,682.00	\$2,801.00
Basic EPS	\$2.76	\$2.43	\$2.41	\$4.13	\$2.44	\$1.76	\$1.43	\$1.41	\$3.13	\$1.44

Table 2
Trend Analysis of Procter & Gamble's Income Statement (2021-2017)

Annual Data (Millions of US & Except per share)	YEARS					TREND ANALYSIS				
	30-6-2021	30-6-2020	30-6-2019	30-6-2018	30-6-2017	2021	2020	2019	2018	2017
Revenue	\$76,118.00	\$70,950.00	\$67,684.00	\$66,832.00	\$65,058.00	\$76,117.00	\$70,949.00	\$67,683.00	\$66,831.00	\$65,057.00
Cost of Goods sold	\$37,108.00	35250	34768	34432	32638	\$37,107.00	\$35,249.00	\$34,767.00	\$34,431.00	\$32,637.00
Gross Profit	\$39,010.00	\$35,700.00	\$32,914.00	\$32,400.00	\$32,420.00	\$39,009.00	\$35,699.00	\$32,913.00	\$32,399.00	\$32,419.00
Research and Development Expenses						#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
SG&A Expenses	21024	19994	19084	19037	18654	\$21,023.00	\$19,993.00	\$19,083.00	\$19,036.00	\$18,653.00
Other operating income and expenses			(\$8,345.00)				(\$1.00)			
Operating expenses	\$58,132.00	\$55,244.00	\$62,197.00	\$53,469.00	\$51,292	\$58,131.00	\$55,243.00	\$62,196.00	\$53,468.00	\$51,291.00
Operating income	\$17,986.00	\$15,706.00	\$5,487.00	\$13,363.00	\$13,766.00	\$17,985.00	\$15,705.00	\$5,486.00	\$13,362.00	\$13,765.00
Total Non-operating income/expenses	(\$371.00)	\$128.00	\$582.00	(\$37.00)	(\$509.00)	(\$372.00)	\$127.00	\$581.00	(\$38.00)	(\$510.00)
Pre-tax Income	\$17,614.00	\$15,834	\$6,069.00	\$13,326.00	\$13,257.00	\$17,613.00	\$15,833.00	\$6,068.00	\$13,325.00	\$13,256.00
Income taxes	\$3,263.00	\$2,731.00	\$2,103.00	\$3,465.00	\$3,063.00	\$3,262.00	\$2,730.00	\$2,102.00	\$3,464.00	\$3,062.00
Income after taxes	\$14,352.00	\$11,313.00	\$3,966.00	\$9,861.00	\$10,194.00	\$14,351.00	\$11,312.00	\$3,965.00	\$9,860.00	\$10,193.00
Other income										
Income from continuous operations	\$14,352.00	\$11,313.00	\$3,966.00	\$9,861.00	\$10,194.00	\$14,351.00	\$11,312.00	\$3,965.00	\$9,860.00	\$10,193.00
Income from uncontinuous operations					5217				(\$1.00)	\$5,216.00
Net Income	\$14,035.00	\$12,764.00	\$3,634	\$9,485.00	\$15,079.00	\$14,034.00	\$12,763.00	\$3,633.00	\$9,484.00	\$15,078.00
EBITDA	\$20,721.00	\$18,719.00	\$8,311.00	\$16,197.00	\$16,586.00	\$20,720.00	\$18,718.00	\$8,310.00	\$16,196.00	\$16,585.00

EBIT	\$17,7 21.00	\$15,70 6.00	\$5,48 7.00	\$13,3 63.00	\$13,7 66.00	\$17,7 20.00	\$15,70 5.00	\$5,48 6.00	\$13,3 62.00	\$13,7 65.00
Basic shares outstanding	2446	2487	2504	2529	2598	\$2,445 .00	\$2,486. 00	\$2,503 .00	\$2,528 .00	\$2,597 .00
Shares outstanding	2601	2626	2540	2657	2740	\$2,600 .00	\$2,625. 00	\$2,539 .00	\$2,656 .00	\$2,739 .00
Basic EPS	\$5.69	\$5.13	\$1.45	\$3.75	\$5.80	\$4.69	\$4.13	\$0.45	\$2.75	\$4.80
EPS- earning per share	5.5	\$4.96	\$1.43	\$3.67	\$5.59	\$4.50	\$3.96	\$0.43	\$2.67	\$4.59

Balance Sheet Analysis

The reason for the balance sheet is to depict the financial status of businesses at a specific point in time. The statement indicates what a business owns (assets) and what states its (liabilities), in adding up to the quantity invested with the entity (equity). This actuality is greater treasured when the balance sheets for numerous consecutive periods are grouped so that trends within the exclusive line objects can be regarded (Syahputra & Febrianti, 2021). Balance sheets are crucial and decisive documents because they keep enterprise owner conversant about the firm's financial positioning. As Inc. magazine tinted out, the several of business owners fail to identify their businesses are in nuisance until it's too late. It is due to some business owners are not calculating their balance sheets. characteristically, if the ratio of your business's assets to liabilities is less than 1 to 1, your firm is in hazard of becoming bankrupt, and you will have to make some strategic shifts to improve its financial health. Balance sheets are also significant since these documents let banks know if your business qualifies for supplementary loans or credit. Balance sheets assist current and latent investors better understand where their funding will go and what they can anticipate to receive in the future. Investors value businesses with high cash assets, as this insinuates a business will raise and prosper. The balance sheet is a snapshot of a business's financial records at a given date. The total of the owner's equity is the book value of your business as of that date. So, in Table no.3 and Table no.4 Balance sheet of Unilever and Proctor and Gamble from (2017 to 2021) is given in which all data is accessible along with Balance sheets their Trend analysis is also given which is used to reveal the difference between current and base year to know that how much firm nurture their significance from the base year. In 2017 Unilever's Total current assets of \$19,196 Total assets is \$68,140.13 and company's Liabilities is \$51878.51 and the Shareholders' equity is \$16216.63 and the Total Equity is \$68,140.13. In 2018 Total assets is \$7217.54 and the Total Liabilities is \$32349.95 and that year assets enlarged than the previous year in 2017 and the Total assets of the company increased in 2020 and 2021 and the same year liability of Unilever also augmented and the shareholders' Equity is in negative so, Unilever's require to relate strategies for lure more shareholders (Khatun et al., 2021). On the other hand, P&G increase their Assets in 2020 and then 2019 and 2018 but in 2021 little decrease happen but that year their Shareholder's equity is negative. And further results you see in Tables 3 and 4.

Table 03
Trend Analysis of Unilever's Balance sheet (2021-2017)

Annual Data millions of US except per share data	YEARS					TREND ANALYSIS				
	31/12/ 2021	31/12/ 2020	31/12/ /2019	31/12 /2018	31/12 /2017	2021	2020	2019	2018	2017
Cash on Hand	\$5,407. 95	\$7,26 0.46	\$5,70 3.04	\$4,84 6.82	\$4,61 9.54	\$5,40 6.95	\$7,25 9.46	\$5,70 2.04	\$4,84 5.82	\$4,61 8.54
Receivables	\$6,798 .09	6066. 755	7943. 04	8216. 217	6454. 013	\$6,79 7.09	\$6,06 5.76	\$7,94 2.04	\$8,21 5.22	\$6,45 3.01
Inventory	\$5,540 .46	\$45,0 96.94		\$5,07 9.48	\$4,47 8.25	\$5,53 9.46		(\$1.0 0)	\$5,07 8.48	\$4,47 7.25
Pre-paid Expenses										
Other Current Assets				140.5 39	3644. 087			(\$1.0 0)	\$139. 54	\$3,64 3.09
Total Current Assets	\$2,058 .71	\$18,4 56.14	\$18,4 01.60	\$18,2 83.06	\$19,1 96	\$2,05 7.71	\$18,4 55.14	\$18,4 00.60	\$18,2 82.06	\$19,1 94.88
Property, Plant, & Equipment	\$12,24 1.54	\$12,0 60.40	\$13,5 09.44	\$12,2 19.81	\$11,7 68	\$12,2 40.54	\$12,0 59.40	\$13,5 08.44	\$12,2 18.81	\$11,7 66.55
Investments of Long term	\$14,17 3.54	\$1,00 0.66	\$978. 88	\$758. 20	\$762. 95	\$14,1 72.54	\$999. 66	\$977. 88	\$757. 20	\$761. 95

Goodwill and Intangible Assets	\$45,65 7.02	\$40,9 76.59	\$34,7 52.48	\$34,8 31.23	\$32,1 01.65	\$45,6 56.02	\$40,9 75.59	\$34,7 51.48	\$34,8 30.23	\$32,1 00.65
Other Long term Assets	\$1,152 .34		\$731. 36	\$765. 29	\$629. 58	#DIV /0!	(\$1.0 0)	\$730. 36	\$764. 29	\$628. 58
Total Long-term Asset	\$68,25 7.77	\$58,8 30.73	\$54,1 81.12	\$51,9 34.48	\$48,9 44.25	\$68,2 56.77	\$58,8 29.73	\$54,1 80.12	\$51,9 33.48	\$48,9 43.25
Total Assets	\$88,84 4.89	\$77,2 86.88	\$72,5 82.72	\$70,2 17.54	\$68,1 40.13	\$88,8 43.89	\$77,2 85.88	\$72,5 81.72	\$70,2 16.54	\$68,1 39.13
Total Current Liabilities	29314. 85	23522 .24	2349 5.36	2335 0.73	2619 6.96	\$29,3 13.85	\$23,5 21.24	\$23,4 94.36	\$23,3 49.73	\$26,1 95.96
Long term Debt										
Other non-current Liabilities	30809. 11	29980 .8	3065 3.28	3007 8.89	2351 9.28	\$30,8 08.11	\$29,9 79.80	\$30,6 52.28	\$30,0 77.89	\$23,5 18.28
Total Long-term Liabilities	\$36,16 8.55	\$33,5 97.33	\$33,5 35	\$32,3 49.95	\$25,6 81.55	\$36,1 67.55	\$33,5 96.33	\$33,5 34.04	\$32,3 48.95	\$25,6 80.55
Total Liabilities	\$65,48 3.40	\$57,1 19.57	\$57,0 30.40	\$55,7 00.68	\$51,8 78.51	\$65,4 82.40	\$57,1 18.57	\$57,0 29.40	\$55,6 99.68	\$51,8 77.51
Common Stock	\$108.8 5	\$105. 09	\$470. 40	\$547. 98	\$547. 07	\$107. 85	\$104. 09	\$469. 40	\$546. 98	\$546. 07
Retained earnings(accumulated deficit)	44407. 66	17209 .89	1415 4.56	1296 6.2	1471 0.85	\$44,4 06.66	\$17,2 08.89	\$14,1 53.56	\$12,9 65.20	\$14,7 09.85
Comprehensive Income										
Other Shares Holders Equity	(\$86,7 96.95)	(\$83,8 03.70)								(\$86,7 97.95)
Shareholder Equity	23361. 49	\$20,1 67.31	\$15,5 52.32	\$14,5 16.85	\$16,2 16.63	\$23,3 60.49	\$20,1 66.31	\$15,5 51.32	\$14,5 15.85	\$16,2 15.63
Total Liabilities and Shareholders' Equity	\$88,84 5	\$77,2 86.88	\$72,5 82.72	\$70,2 17.54	\$68,1 40.13	88843 .89	7728 5.88	7258 1.72	7021 6.54	6813 9.13

Table 4
Trend Analysis of Procter & Gamble's Balance sheet (2021-2017)

Annual Data(Millions of US & Except per share)	YEARS					TREND ANALYSIS				
	30-6-2021	30-6-2020	30-6-2019	30-6-2018	30-6-2017	2021	2020	2019	2018	2017
Cash on Hand	\$10,28 8.00	\$16,18 1.00	\$10,28 7.00	\$11,85 0.00	\$15,13 7.00	\$10,287. 00	\$16,18 0.00	\$10,28 6.00	\$11,84 9.00	\$15,136.0 0
Receivables	\$4,725 .00	4178	4951	4686	4594	\$4,724.0 0	\$4,177 .00	\$4,950 .00	\$4,685 .00	\$4,593.00
Inventory	\$5,983 .00	\$5,498 .00	\$5,017 .00	\$4,738 .00	\$4,624 .00	\$5,982.0 0	\$5,497 .00	\$5,016 .00	\$4,737 .00	\$4,623.00
Pre-paid Expenses	2095	2130	2218	2046	2139	\$2,094.0 0	\$2,129 .00	\$2,217 .00	\$2,045 .00	\$2,138.00
Other Current Assets										
Total Current Assets	\$23,09 1.00	\$27,98 7.00	\$22,47 3.00	\$23,32 0.00	\$26,49 4	\$23,090. 00	\$27,98 6.00	\$22,47 2.00	\$23,31 9.00	\$26,493.0 0
Property, Plant, & Equipment	\$21,68 6.00	\$20,69 2.00	\$21,27 1.00	\$20,60 0.00	\$19,89 3	\$21,685. 00	\$20,69 1.00	\$21,27 0.00	\$20,59 9.00	\$19,892.0 0
Long term Investments										
Goodwill and Intangible Assets	\$64,56 6.00	\$63,69 3.00	\$64,48 8.00	\$69,07 7.00	\$68,88 6.00	\$64,565. 00	\$63,69 2.00	\$64,48 7.00	\$69,07 6.00	\$68,885.0 0
Other Long term Assets	\$9,964 .00	\$8,328	\$6,863 .00	\$5,313 .00	\$5,133 .00	\$9,963.0 0	\$8,327 .00	\$6,862 .00	\$5,312 .00	\$5,132.00
Total Long-term Asset	\$96,21 6.00	\$92,71 3.00	\$92,62 2.00	\$94,99 0.00	\$93,91 2.00	\$96,215. 00	\$92,71 2.00	\$92,62 1.00	\$94,98 9.00	\$93,911.0 0
Total Assets	\$119,3 07.00	\$120,7 00.00	\$115,0 95.00	\$118,3 10.00	\$120,4 06.00	\$119,30 6.00	\$120,6 99.00	\$115,0 94.00	\$118,3 09.00	\$120,405. 00
Total Current Liabilities	33132	32328	30011	28237	30210	\$33,131. 00	\$32,32 7.00	\$30,01 0.00	\$28,23 6.00	\$30,209.0 0
Long term Debt	\$23,09 9.00	\$23,53 7.00	\$20,39 5.00	\$20,86 3.00	\$18,03 8.00	\$23,098. 00	\$23,53 6.00	\$20,39 4.00	\$20,86 2.00	\$18,037.0 0
Other non-current Liabilities	10269	11110	10211	10164	8254	\$10,268. 00	\$11,10 9.00	\$10,21 0.00	\$10,16 3.00	\$8,253.00
Total Long-term Liabilities	\$39,52 1.00	\$40,84 6.00	\$37,50 5	\$37,19 0.00	\$34,41 8.00	\$39,520. 00	\$40,84 5.00	\$37,50 4.00	\$37,18 9.00	\$34,417.0 0
Total Liabilities	\$72,35 3.00	\$73,82 2.00	\$67,51 6.00	\$65,42 7.00	\$64,62 8.00	\$72,352. 00	\$73,82 1.00	\$67,51 5.00	\$65,42 6.00	\$64,627.0 0
Common Stock	\$4,009 .00	\$4,009 .00	\$4,009 .00	\$4,009 .00	\$4,009 .00	\$4,008.0 0	\$4,008 .00	\$4,008 .00	\$4,008 .00	\$4,008.00
Retained earnings(accumulated deficit)	10637 4	10023 9	94918	98641	96128	\$106,37 3.00	\$100,2 38.00	\$94,91 7.00	\$98,64 0.00	\$96,127.0 0
Compressive Income	-13744	-16165	-14936	-14632	-14632	(\$13,745 .00)	(\$16,1 66.00)	(\$14,9 37.00)	(\$14,6 33.00)	(\$14,633. 00)
Other Shares Holders Equity	(\$1,00 6.00)	(\$1,08 0.00)	(\$1,14 6.00)	(\$1,24 9.00)	(\$1,24 9.00)	(\$1,007. 00)	(\$1,08 1.00)	(\$1,14 7.00)	(\$1,25 0.00)	(\$1,250.0 0)
Shareholder Equity	46654	\$46,87 8.00	\$47,57 9.00	\$52,88 3.00	\$55,77 8.00	\$46,653. 00	\$46,87 7.00	\$47,57 8.00	\$52,88 2.00	\$55,777.0 0
Total Liabilities and Shareholders' Equity	\$119,3 07	\$120,7 00	\$115,0 95	\$118,3 10	\$120,4 06	119306	12069 9	11509 4	11830 9	120405

Cash flows Statement analysis:

The third major component of financial statement analysis process is cash flow statement. It presents the inflow and outflow of the cash in the business. Financial statement is comprised of three main components including Cash inflow and out flow from operating activities (Evantha, 2021). Cash inflow and out flow from investing activities and cash inflow and out flow from financing activities. Trend analysis presents that the cash flow from operating activities has increasing trend in last five year Net income of 2018 is more which is \$11,583.25 than other years, they continually two years then in 2021 company will high their net income somehow which is \$7,833.31 in that year Unilever's cash flow from operating activities is \$9431.67 and cash flow from investing activities is (3840.34) which is negative as from last three years continuously and cash flow from financing actives is also in negative which continuously from five years negative of Unilever's company. On the other hand P&G net Income of 2018, 2019 is less than 2017 which is \$15416 and after two year company improve their net income in 2020. That year P&G's current debt is \$2345 and net cash flow is \$11945. While in 2021 net cash flow is \$-5839 it means in negative but net income is \$14353 (Khatun et al., 2021). But it is main point to know that both companies Unilever and Proctor and Gamble makes Profit and faces ups and downs and also they face covid-19 pandemic but both companies overcome on that situation.

Table 5
Trend Analysis of Unilever's Cash Flow Statement (2017-2021)

Annual Data millions of US except per share data	YEARS					TREND ANALYSIS				
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	2021	2020	2019	2018	2017
Net Income/Loss	\$7,833.31	\$6,937.19	\$6,749.12	\$11,583.25	\$7,331.13	7832.305	6936.188	6748.12	1158.225	7330.126
Total Depreciation and Amortization-Cash Flow	\$2,085.81	\$2,085.81	\$2,219.84	\$2,063.21	\$1,738.40	2084.805	2084.805	2218.84	2062.207	1737.401
Other Non-Cash Items	\$2,652.51	\$2,670.70	\$3,172.96	\$3,452.06	\$3,000.95	2651.51	2669.698	3171.96	3451.063	2999.947
Total Non-Cash Items	\$4,738.32	\$4,975.86	\$5,392.80	\$5,515.27	\$4,739.35	4737.315	4974.859	5391.8	5514.27	4738.348
Change in Account Receivables	(\$363.21)	\$1,285.09	(\$498.40)	(\$1,532.94)	(\$571.93)	364.212	1284.088	-499.4	1533.938	572.932
Change in Inventories	(\$541.86)	(\$670.53)	\$350.56	(\$556.25)	(\$117.55)	542.86	671.53	349.56	557.251	118.551
Change in Account Payable	\$849.47	\$162.21	\$137.76	\$1,152.66	\$612.62	848.466	161.207	136.76	1151.656	611.623
Change in Assets/Liabilities										
Total Change in Assets/Liabilities	(\$55.61)	\$776.76	(\$10.08)	(\$936.53)	(\$776.86)	56.606	775.764	-11.08	937.533	777.86
Cashflow from Operating Activities	\$9,431.67	\$10,346.95	\$9,082.08	\$7,975.29	\$8,242.15	9430.673	1034.595	9081.08	7974.293	8241.147
Net Change in Property, Plant and Equipment	(\$1,191.38)	(\$884.14)	(\$1,365.28)	(\$1,442.00)	(\$1,653.63)	1192.382	885.14	1366.28	1443.001	1654.629
Net Change in Intangible Assets	(\$274.48)	(\$180.48)	(\$235.20)	(\$239.74)	(\$178.59)	275.479	181.483	236.2	240.743	179.587
Net Acquisitions/Divestitures	(\$2,476.23)	(\$1,672.33)	(\$1,176.00)	\$6,866.34	(\$4,974.45)	2477.228	1673.327	-1177	6865.344	4975.45
Net Change in Short term Investments										
Net Change in Long term Investments										
Net Change in Investment-Total										
Investing Activities- Other	\$101.75	\$1,045.20	\$271.04	\$299.97	\$161.63	100.747	1044.204	270.04	298.974	160.633
Cashflow from Investing Activities	(\$3,840.34)	(\$1,691.75)	(\$2,505.44)	\$5,484.56	(\$6,645.03)	3841.343	1692.746	2506.44	5483.564	6646.034
Net Long-term Debt							#DIV/0!			

Net Current Debt	\$227.1 6	\$318.7 0				226.1 55				
Debt Issuance/Retirement net- Total	\$227.1 6	\$318.7 0				226.1 55				
Net Common Equity Issued/Repurchased	(\$3,570 .60)			(\$7,109. 62)	(\$5,667 .32)			-1	7110. 62	5668. 324
Net Total Equity Issued / Repurchased	(\$3,570 .60)			(\$7,109. 62)	(\$5,667 .32)			-1	7110. 62	5668. 324
Total Common and Preferred Stock Dividends Paid	(\$5,303 .84)	(\$4,887 .90)	(\$471.0 8)	(\$4,801. 95)	(\$4,426 .26)	5304. 837	4888. 902	472.0 8	4802. 946	4427. 255
Financial Activities-Other	\$248.4 5	(\$2,060 .71)	(\$52.96)	(\$1,726. 62)	\$8,980. 23	247.4 51	2061. 709	-	1727. 621	8979. 233
Cashflow from Financial Activities	(\$8,39 8.83)	(\$6,62 9.91)	(\$5,22 7.04)	(\$13,6 38.19)	(\$1,61 9.72)	8399. 827	6630. 909	5228 .04	1363 9.19	1620. 72
Net Cashflow	(\$2,47 0.31)	\$1,552. 39	\$1,149. 12	(\$93.3 0)	(\$32.8 0)	2471. 313	1551. 386	1148 .12	94.29 9	33.79 9
Stock Based Compensation	\$190.4 8	\$123.3 7		\$231.48	\$321.0 1	189.4 79			-1	230.4 76
Common Stock Dividends Paid	(\$5,303 .84)	(\$4,887 .90)	(\$4,714 .08)	(\$4,801. 95)	(\$4,426 .26)	5304. 837	4888. 902	4715. 08	4802. 946	4427. 255

Table 06
Trend Analysis of Procter & Gamble's Cash Flow Statement (2021-2017)

Annual Data (Millions of US & Except per share)	YEARS					TREND ANALYSIS				
	30-6- 2021	30-6- 2020	30-6- 2019	30-6- 2018	30-6- 2017	2021	2020	2019	2018	2017
Net Income/Loss	\$14,353	\$13,103	\$3,966	\$9,861	\$15,411	1435 2	1310 2	396 5	9860	1541 0
Total Depreciation and Amortization-Cash Flow	\$2,735	\$3,013	\$2,824	\$2,834	\$2,820	2734	3012	2823	2833	2819
Other Non-Cash Items	\$778	(\$31)	\$7,771	(\$848)	(\$5,197)	777	-32	7770	-849	5198
Total Non-Cash Items	\$3,513	\$2,982	\$10,595	\$1,986	(\$2,377)	3512	2981	1059 4	1985	2378
Change in Account Receivables	(\$342)	\$634	(\$276)	(\$177)	(\$322)	-343	633	-277	-178	-323
Change in Inventories	(\$309)	(\$637)	(\$239)	(\$188)	\$71	-310	-638	-240	-189	70
Change in Account Payable										
Change in Assets/Liabilities	(\$369)	(\$710)	(\$973)	\$2,000	(\$43)	-370	-711	-974	1999	-44
Total Change in Assets/Liabilities	\$371	\$1,210	\$368	\$3,020	(\$443)	370	1209	367	3019	-444
Cash flow from Operating Activities	\$18,371	\$17,403	\$15,242	\$14,867	\$12,753	1837 0	1740 2	1524 1	1486 6	1275 2
Net Change in Property, Plant and Equipment	(\$2,745)	(\$3,043)	(\$2,953)	(\$3,448)	(\$2,813)	-2746	3044	2954	-3449	2814
Net Change in Intangible Assets										
Net Acquisitions/Divestitures	(\$34)	(\$58)	(\$3,945)	(\$109)	(\$491)	-35	-59	3946	-110	-492
Net Change in Short term Investments	(\$55)	\$6,151	\$3,470	\$19	(\$3,355)	-56	6150	3469	18	3356
Net Change in Long term Investments		(\$5)	(\$62)	\$27	(\$26)	-1	-6	-63	26	-27
Net Change in Investment-Total	(\$55)	\$6,146	\$3,408	\$46	(\$3,381)	-56	6145	3407	45	3382
Investing Activities- Other										
Cash flow from Investing Activities	(\$2,834)	\$3,045	(\$3,490)	(\$3,511)	(\$6,685)	-2835	3044	3491	-3512	6686
Net Long-term Debt	(\$570)	\$2,504	\$1,398	\$2,199	(\$1,328)	-571	2503	1397	2198	1329
Net Current Debt	(\$3,333)	\$2,345	(\$2,215)	(\$3,437)	\$2,727	-3334	2344	2216	-3438	2726
Debt Issuance/Retirement net-Total	(\$3,903)	\$4,849	(\$817)	(\$1,238)	\$1,399	-3904	4848	-818	-1239	1398
Net Common Equity Issued/Repurchased	(\$11,009)	(\$7,405)	(\$5,003)	(\$7,004)	(\$5,204)	1101 0	7406	5004	-7005	5205
Net Total Equity Issued / Repurchased	(\$11,009)	(\$7,405)	(\$5,003)	(\$7,004)	\$5,204	1101 0	7406	5004	-7005	5203
Total Common and Preferred Stock Dividends Paid	(\$8,263)	(\$7,789)	(\$7,498)	(\$7,310)	(\$7,236)	-8264	7790	7499	-7311	7237
Financial Activities-Other	\$1,644	\$1,978	\$3,324	\$1,177	\$2,473	1643	1977	3323	1176	2472
Cashflow from Financial Activities	(\$21,53 1)	(\$8,367)	(\$9,994)	(\$14,37 5)	(\$8,568)	2153 2	8368	999 5	1437 6	8569
Net Cash flow	(\$5,893)	\$11,942	\$1,670	(\$3,000)	(\$2,529)	-5894	1194 1	1669	-3001	2530
Stock Based Compensation	\$540	\$558	\$515	\$395	\$351	539	557	514	394	350
Common Stock Dividends Paid	(\$8,263)	(\$7,798)	(\$7,498)	(\$7,310)	(\$7,236)	-8264	7799	7499	-7311	7237

Ratio Analysis

Ratio analysis is almost certainly the mainly familiar structure of analysis for Firm’s financial statement. Ratio analysis organization diverse financial statement accounts. For example, the debt to equity ratio evaluates firm’s debt to the sum equity (Efendi, 2022) also did ratio analysis of Unilever. The ratio inclusively depicts investors to analyze the assets are worth standing so may own after all the liabilities are paid off. Ratio analysis may not be limited to be materialized horizontally to sketch inter firm trends; it can also be applied to compare different entities. For instance, small and large enterprises cannot be compared on a pure dollar value. It would not be fair instead ratios are signified. A ratio analysis is a quantitative analysis of information enclosed in firm’s financial statements (Dimiyati et al., 2021). Ratio analysis is significant to calculate a variety of facets of a firm’s operating and financial performance with reference to efficiency, liquidity, profitability, and solvency. When investors and analysts discuss about basic or quantitative analysis, they recurrently refer to ratio analysis. Ratio analysis pertains analyzing the performance and financial health of a business by materializing data from the current and historical financial statements. The data regained from the statements is significant to - compare an enterprise's performance over time to evaluate whether the entity is enhancing or deteriorating; comparing an entity's financial positioning with the industry average; or correlate an enterprise to one or more other enterprises operating in its sector to look how the business stacks up (Anggraini, 2022).

Liquidity Ratios

The liquidity of a company is determined by liquidity ratios, which indicate, whether the company is in a position to repay the debt within due time or not. It presents the true picture of the firm in reference of the given of current and highly liquid assets to repay its current debt. The most important liquidity ratios are the current ratio and quick ratio. The standard value of ratios is 1.0, if the ratio is above the standard value that means the firm has enough capability to repay its current debt through current assets. On the flip side, if the ratio is less than the standard value that means a company is in trouble to repay its current liabilities through available current assets. Hence, Liquidity ratios present a company’s credit and investment worthiness. As liquidity ratios are used by creditors to decide whether to extend the credit line to a firm or not. Whereas, investors decide to invest in it or not based on the firm’s worth. Hence, instability in liquidity ratios disqualifies a firm from obtaining extended credit lines and attracting potential investors (Shaikh et al., 2022).

Current Ratio analysis

The current ratio is acquired by dividing current assets by current liabilities. It is calculated to determine the liquidity but it is not considered the best ratio to present the true picture of the company’s ability to repay short-term debt, because its current assets comprise the two not very liquid components such as accounts receivables and inventory. Hence, it may produce a better liquidity position which might not be actual. It is vital to consider that a company must have a current ratio of 1.0 as its current assets include all current assets components. So the current Ratio of both comparative companies Unilever and Proctor and Gamble is less than 1.0 Standard Current Ratio of Unilever is 0.73, 0.78, 0.78, 0.78, and 0.70, and on the side of P&G 0.87,0.82,0.75, 0.86 and 0.69 as shown in table 7. Hence, it can be concluded that Unilever and P&G have to maintain their CR ratio in order to avoid the problem of creditworthiness in the future.

Table 7
Current Ratio analysis

COMPANY	UNILEVER					P & G				
Year	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017

Current Assets	\$20,587	\$18,456.14	\$18,401.60	\$18,283.06	\$19,195.88	\$23,091	\$27,987	\$22,473	\$23,320	\$26,494
Current Liabilities	\$29,315	\$23,522.24	\$23,495.36	\$23,350.73	\$26,196.96	\$33,132	\$32,328	\$30,011	\$28,237	\$30,210
Current Ratio	0.702	0.7846	0.7832	0.782	0.7327	0.6969	0.8657	0.7488	0.8258	0.8769
	27615	25104	01449	97595	52197	39515	20119	25431	66771	94373

Quick Ratio analysis

The quick ratio symbolizes the scope to which a firm can pay its short-term liabilities with its most liquid assets. It actually evaluates the proportion of an entity's current liabilities can meet its cash position and assets that can be ready to be changed to cash. The quick ratio is also familiarized as the acid test ratio, an orientation to the reality that it's materialized to measure the financial strength of a business (Fachri et al., 2021). A business with a negative quick ratio is understood more expectedly to struggle in a crisis, whereas one with a positive quick ratio is more likely to endure. Comparative both firms Unilever and P&G of Quick Ratio are less than the standard value of both firms. But QR of Unilever's 2020 is minus which it improves in 2021.

Table 8
Quick Ratio analysis

COMPANY	UNILEVER					P & G				
Year	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Current Assets	\$20,587	\$18,456.14	\$18,401.60	\$18,283.06	\$19,195.88	\$23,091	\$27,987	\$22,473	\$23,320	\$26,494
Inventory	\$5,540	\$45,096.94		\$5,079.48	\$4,478.25	\$5,983	\$5,498	\$5,017	\$4,738	\$4,624
Current Liabilities	29314.85	23522.24	23495.36	23350.73	26196.96	33132	32328	30011	28237	30210
Quick Ratio	\$0.51	(\$1.13)	\$0.78	\$0.57	\$0.56	\$0.52	\$0.70	\$0.58	\$0.66	\$0.72

Solvency Ratios Analysis

The company's financial position is measured and analyzed by solvency ratios. They seem similar to current ratios in the way that both measure and analyze the ability of the company to meet its financial obligations. However, the major difference is that the former measures the ability of a company based on the long term, and the latter measure the ability on short-term bases. The solvency ratios are potential drivers used by lenders, investors, suppliers, and others having a direct or indirect interest in the business of the company (Lisdawati et al., 2022).

Debt to Equity Ratio Analysis

The debt to Equity ratio is calculated by dividing the total debt by the total equity of the company. Total debt is comprised of current debt, non-current debt, and other fixed payments. Whereas, total equity is related to the shareholder's equity. This ratio measures the weight of financial liability against the shareholder's equity. The standard value on average for this ratio is 1.0 to 2.0 as most the companies including private and public have the debt to equity ratio between the defined standard measures. The comparative measures for Unilever and Proctor and Gamble are presented in the table 9. It reflects 1.58, 2.23, 2.15, 1.67, and 1.55 of DER of five years of Unilever's 2017,18,19,20 and 2021 respectively. Hence, the values are in between the defined range of 1 to 2. It indicates that Unilever can meet its obligations and takes advantage of leverage to increase equity returns. On the other hand, the debt to equity ratio of P&G is less throughout the last three years than the range defined. Hence, it concluded that P&G meets its financial obligations but it does not take the advantage of using leverage to increase the equity returns (Suriyanti et al., 2022; Raza et al., 2022).

Table 9
Debt to Equity Ratio analysis

COMPANY	UNILEVER					P & G				
Year	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Total Debt	\$36,169	\$33,597.33	\$33,535.04	\$32,349.95	\$25,681.55	39521	40846	37505	37190	34418
Total equity	23361.49	20167.31	15552.32	14516.85	16216.63	46654	46878	47579	52883	55778
Debt to Equity Ratio	1.54821	1.66593	2.15627	2.22844	1.58365	0.84710	0.87132	0.78826	0.70325	0.61705
	2464	0161	2505	1432	5174	8501	5568	7933	0572	3319

Debt to Total Assets Ratio Analysis

It is the solvency ratio, applied to measure the firm's leverage amount and compare the leverage used in the other firms in the same business (Sari et al., 2022). It can be computed by dividing total debt by the total assets of the company. It presents a clear picture of the company's financial stability. Potential investors feel risky to invest in the company if the debt to total assets ratio is higher. A healthy and sound debt to total assets ratio is approximately around 40%. A perfect number of this ratio cannot be justified as the companies use the leverage to have tax benefits, but are not overwhelmed with debt. While above 60% of this ratio seems a little bit alarming that the company will not meet its obligations with total assets available. Unilever debt to total assets ratio is 0.54, 0.62, 0.61, 0.57 and 0.53 in 2017, 2018, 2019, 2020 and 2021 respectively. It seems that Unilever uses more debt to total assets to have the advantage of leverage to increase the return on equity. It does not seem alarming situation overall because Unilever can bring back the ratio to a minimum as shown in 2021. Whereas, P&G ratio is 0.37, 0.39, 0.40, 0.44 and 0.41 in 2017, 2018, 2019, 2020 and 2021. This suggests that P&G has the strong capability to meet its debt from total assets, but it does not take advantage of leverage to increase the returns to equity as Unilever does. The results are presented in Table 10.

Table 10
Debt to asset ratio analysis

COMPANY	UNILEVER					P & G				
Year	2021	2020	2019	2018	2017	2021	2020	2019	2018	2017
Total Debt	\$36,169	\$33,597.33	\$33,535.04	\$32,349.95	\$25,681.55	39521	40846	37505	37190	34418
Total Asset	68257.77	58830.73	54181.12	51934.48	48944.25	96216	92713	92622	94990	93912
Debt to Total Asset ratio	0.529	0.5710	0.61894	0.62289	0.52471	0.41075	0.44056	0.40492	0.39151	0.36649
	8818	84704	3278	9276	0257	2889	3891	5396	4896	2035

Profitability Ratios analysis

Profitability ratios are used to measure, analyze, and assess the firm's earnings-generating capability in terms of revenue, gross profit margin, operating income, and net income. It answers the question that how much a company is efficient in generating the profit and added value to shareholders' worth (Sihotang et al., 2022).

Return on Assets (ROA) Analysis

To measure the profitability of a company in terms of total assets the return on assets ratio is used. It is computed as dividing the net income of the company by the total assets possessed by it. If the ratio is higher means that the management of the company is deploying and using its resources effectively and efficiently to generate a return. In general, a ratio over 5% is believed to be good but over 20% is excellent. Hence, the higher the ROA ratio, the proficiency will be in resource allocation leading to more return and value addition to shareholders' wealth. So, ROA of Unilever is 7.8%, 21%, 11.6%, 10% and 11% in 2017, 2018, 2019, 2020 and 2021 respectively. Hence, results suggest that Unilever is improving returns throughout the analysis period but in 2018 it is excellent. On the flip side, the ROA of P&G is 16%, 9%, 3%, 13%, and 14%. The P&G is having a positive ratio of around 3% in

2019 and 16% in 2021. It suggests that P & G has not effectively utilized its resources in 2019 but it proved resource management efficiency in 2020 and 2021 to generate good returns and value addition to shareholders' worth. It is recommended for the management of P&G to form short-term asset management strategies leading to the long term (Sohibien et al., 2022).

Table 11
Return on Assets ratio analysis

COMPANY	UNILEVER					P & G				
	Year	2021	2020	2019	2018	2017	2021	2020	2019	2018
Net Income	\$7,833	\$6,375.18	\$6,300.00	\$11,088.41	\$3,841.71	14035	12764	3634	9485	15079
Total Asset	68257.77	58830.73	54181.12	51934.48	48944.25	96216	92713	92622	94990	93912
Return on Total Asset Ratio	0.114760635	0.108364727	0.116276666	0.213507674	0.078491467	0.14586971	0.137672171	0.039234739	0.099852616	0.16056521

Return on Equity (ROE) Analysis

Return on equity is a measurement of investment returns. It is used to measure and evaluate the return on investment in terms of equity. ROE is computed as net income divided by shareholders' equity. It takes the value of equity from the balance sheet and the value of returns from the income statement. If the ratio is higher than it can be concluded that the company is taking investment decisions wisely. But if the ratio is declining over time then it can be concluded that the management is taken poor investment decisions. On average, the ROE listed on S&P 500 is around 14%. The Unilever ROE ratio is 23%, 76%, 40%, 31% and 33% in 2017, 2018, 2019, 2020 and 2021 respectively. Therefore, it can be concluded that Unilever is taking the right investment decisions to generate a return on equity and is adding value to shareholders' wealth. On the flip side, P&G has less return to equity in 2019 and positive in 2017, 2018, 2020, and 2021. It can be seen from the results that Buzz is improving its investment decisions throughout 2020 and 2021. But it is recommended to the management of P&G to wisely invest the finds so that it can increase value for the existing shareholders and attract the potential investors in the future (Saputra, 2022). The comparative results of both companies are presented in Table 12.

Table 12
Return on total equity ratio analysis

COMPANY	UNILEVER					P & G				
	Year	2021	2020	2019	2018	2017	2021	2020	2019	2018
Net Income	\$7,833	\$6,375.18	\$6,300.00	\$11,088.41	\$3,841.71	14035	12764	3634	9485	15079
Total equity	23361.49	20167.31	15552.32	14516.85	16216.63	46654	46878	47579	52883	55778
Return on Total Equity Ratio	0.33530845	0.316114345	0.405084258	0.763830308	0.236899158	0.300831654	0.272281241	0.076378234	0.179358206	0.27033956

Conclusion

A comparative analysis of Unilever and Proctor and Gamble has been performed above. Both companies' performance is well. This study is supported by (Sutisna & Sulistiyo, 2021; Anggraini, 2022). Both Companies Unilever and P&G make products which used in daily life. So ups and downs in the Economy of countries did not make to worry for both firms. Enterprises make products like soaps, cleaning products, and necessary items which are used by people also in downturns or recessions. Both Companies have good at dividend paying, and companies that are good at dividend-paying attract more shareholders, Increase in shareholders of companies, and increase their share purchases, In this way, enterprises grow and make Profit, and also shareholders give different ideas and strategies to management for reinvesting in growth initiatives (Mardianna, 2022). First note, that both Companies Unilever and P&G make the same revenue somehow in size. Whereas in the balance sheet, Proctor and Gamble have more significant cash, which generates more Cash flow that makes more operating income which is used to cover interest expenses. Both

Companies maintained their current Ratio and because of that, both companies do have not to worry about future credit worthiness. But Proctor and Gamble's debt to equity ratio is less throughout the last three years. So, Proctor and Gamble either meets the financial Obligations but doesn't take advantage of using leverage to increase the Equity Ratio. Adjusted income in keeping with a share on a currency-neutral basis. Within the fiscal 2nd quarter, adjusted earnings increase reached 13% year over 12 months. Though, the grooming phase (10% of total sales) has confronted mounting competition from niche manufacturers which are offering excellent shaving merchandise at costs that undercut P&G's Gillette brand. As a result, organic income inside the grooming segment declined three% over year in the last region, and internet profits for the segment fell 11%. Regardless, with maximum classes hitting their stride right now, management expects fiscal 2019 organic sales to rise between 2% and 4%, and for adjusted income to grow between three% and eight%. Looking similarly out, all avenue analysts assume P&G to develop an income of 6.5% per year over the subsequent 5 years. On the other aspect, Unilever has experienced solid outcomes as well. Adjusted sales growth (apart from currency) accelerated with the aid of 3.1% in 2018, and that translated to an adjusted income increase of 12.8%. Those consequences had been pushed using boom across all product divisions: splendor and personal care, domestic care, and foods and refreshment. As for steerage, control is calling for 2019 adjusted sales to grow on the lower cease of its long-time period purpose of 3% to 5%. Analysts anticipate Unilever to grow profits faster than P&G at 9.3% annually over the subsequent five years. Both firms are acting nicely, however, P&G is at a slight drawback having to nurse the suffering grooming segment. For now, Unilever's extensive roster of products seems to be at full energy, and with control calling for a slightly faster pinnacle-line boom within the brief period, it has the edge prospectively.

Recommendations

The study is so limited. Only 2 major industries Unilever and P&G was studied in the time of 2017-2021. It is recommended that the study can be expanded in various industries such as; Airline, Telecommunication, Textile and Chemical. Data was gathered only for 5 years. It is recommended that data can be expanded from 1990-2023 for more authentic results. Third recommendation is to use Python for most authentic financial results.

References

- Anggraini, N. T. (2022). Analysis of Financial Statements Based on Financial Ratio and Vertical-Horizontal Method in PT Unilever, Tbk, 2016-2017 Period. *Journal of Sosial Science*, 3(1), 171-176.
- Anupama, S., Dharmajan, D., & Nair, R. (2022). Fast Moving Consumer Goods sector in India- Tending towards oligopoly?. *Arab Economic and Business Journal*, 14(1), 17-30.
- Chen, Y., & Sivakumar, V. (2021). Investigation of finance industry on risk awareness model and digital economic growth. *Annals of Operations Research*, 317(2), 1-22.
- Cheng, Y. (2022, April). Research on the Influence of R&D on Cosmetic Company in China's Market. In *2022 7th International Conference on Social Sciences and Economic Development (ICSSSED 2022)* (pp. 939-949). Atlantis Press.
- Constance, D. H., & Bonanno, A. (2000). Regulating the global fisheries: The world wildlife fund, unilever, and the marine stewardship council. *Agriculture and Human Values*, 17(1), 125-139.
- Daryanto, W. M., Dewanti, R. W., & Farras, R. (2020). Financial Ratio Analysis of PT Unilever Indonesia Tbk to Measure Financial Performance. *International Journal of Business, Economics, and Laws*, 23(1), 93-100.
- Devendra, M., & Deshpande, R. A Study of Accounting Ratio Analysis of National Stock Exchange Companies. *International Journal of Research Publication and Reviews*, 2(10), pp. 639-646.
- Dewi, E. I. P., & Kiswara, E. (2013). Mapping International Financial Reporting Standards Convergence On Financial Statements (A Comparative Study Between Unilever At United Kingdom And Indonesia). *Diponegoro Journal of Accounting*, 2(2), 688-699.
- Dimiyati, M., Supeni, N., & Saputri, K. D. (2021). The Effect Of Liquidity Ratio And Profitability Ratio On Financial Performance At Unilever Indonesia Company. *E-Proceeding Stie Mandala*, 10(1), 140-144.
- Efendi, A. I. (2021). Financial Ratio Analysis For Assessing Financial Performance At Pt. Unilever Indonesia. *Economic and Business Management International Journal (EABMIJ)*, 3(03), 50-65.
- Evantha, R. (2021). *Equity valuation: Unilever Indonesia* (Doctoral dissertation). University of Lisbon, Portugal.
- Fachri, S., Salam, A. F., Suryanegara, M. H., & Sapari, H. (2021). Pengaruh Quick Ratio (QR) dan Debt To Asset Ratio (DAR) Terhadap Return On Assets (ROA) (Studi Pada Perusahaan Sektor Pertanian Yang Terdaftar di Indeks Saham Syariah Indonesia (ISSI) Periode 2015-2019). *Management Studies and Entrepreneurship Journal (MSEJ)*, 2(1), 34-47.
- Ganguly, S., & Gope, M. (2021). Islamic banking, a fusion of morals and finance-An analytical study. *Asian Journal of Research in Banking and Finance*, 11(8), 11-17.
- Ghak, T. E., & Zarrouk, H. (2022). Opportunities and Challenges Facing SMEs' Access to Financing in the UAE: An Analytical Study. *Contemporary Research in Accounting and Finance*, 1(1), 311-328.

- Khan, G. (2020). COVID-19 and the related accounting considerations in preparing financial statements and disclosure requirements: (A case study based on Unilever Pakistan Limited). *International Journal of Experiential Learning & Case Studies*, 5(2), 183-192.
- Khatun, M. A., Haque, S. Z., & Rahman, S. (2021). Forecasting Financial Performance using Regression Techniques: A case study on Comparative Analysis of Nestle and Unilever. *AIUB Journal of Business and Economics*, 18(1), 133-159.
- KIRLIOĞLU, H., & AKAYTAY, A. (2010). Increasing importance of independent audit of financial statements in developing countries. *2nd International Symposium on Sustainable Development, June 8-9 2010, Sarajevo*.
- Lakada, M. N., Lapian, S. J., & Tumiwa, J. R. (2017). Analyzing The Financial Statement Using Horizontal-Vertical Analysis To Evaluating The Company Financial Performance Period 2012-2016 (Case Study at PT. Unilever Indonesia Tbk). *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 5(3), 3985-3994.
- Light, J. O. (2009). Financial statement analysis. *Wiley Online Library*, 27-45.
- Lisdawati, L., Nurita, E., & Akbar, A. (2022). Effect Of Liquidity Ratio And Solvency Ratio On Stock Prices In Pt Kalbe Farma. *International Journal of Economy, Education and Entrepreneurship*, 2(1), 120-127.
- Mardiana, S. (2022). Analisis Rasio Likuiditas Dan Rasio Rentabilitas Untuk Menilai Kinerja Keuangan Pada Pt. Unilever Indonesia Tbk. *Scientific Journal Of Reflection: Economic, Accounting, Management and Business*, 5(2), 291-300.
- Patjoshi, P. K., & Nandini, G. (2019). Comparative Study on Financial Performance of Hindustan Unilever and Nestle India. *Journal of Xidian University*, 14(4), 3075-3080.
- Pérez-Benedito, M. A. (2022). Explaining Accounting Structures Changes by Applying the Accounting Methodology of Radar-Polar Chart. *Archives of Business Research*, 10(5), 39-64.
- Raza, A., Shaikh, A. U. H., Tursoy, T., Almashaqbeh, H. A., & Alkhateeb, S. M. (2022). Empirical analysis of Financial Risk on Bank's Financial Performance: An Evidence from Turkish Banking Industry. *ILMA Journal of Social Sciences & Economics (IJSSE)*, 1(3), 16-38.
- Rialdi, R., & Yustien, R. (2021). Analisis Perubahan Harga Dan Volume Transaksi Saham Sebelum Dan Sesudah Kasus Covid-19 (Studi Kasus Pada Pt Unilever Indonesia, Jambi). *Accounting Review (JAR)*, 2(3), 384-396.
- Saputra, F. (2022). Analysis Effect Return on Assets (ROA), Return on Equity (ROE) and Price Earning Ratio (PER) on Stock Prices of Coal Companies in the Indonesia Stock Exchange (IDX) Period 2018-2021. *Dinasti International Journal of Economics, Finance & Accounting*, 3(1), 82-94.
- Sari, R. N., Nurhasanah, N., & Hersona, S. (2022). The Pengaruh Return On Asset, Debt To Equity Ratio Dan Debt To Total Asset Ratio Terhadap Harga Saham Pada Perusahaan Manufaktur Sub Sektor Makanan Dan Minuman Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2016-2020. *COSTING: Journal of Economic, Business and Accounting*, 5(2), 1148-1161.
- Satria, R., & Shabrina, N. (2022). ANALISIS TREN HARGA SAHAM PT UNILEVER INDONESIA PERSPEKTIF NET PROFIT MARGIN, EARNING PER SHARE DAN CURRENT

RATIO. *SCIENTIFIC JOURNAL OF REFLECTION: Economic, Accounting, Management and Business*, 5(1), 66-73.

Sihotang, M. K., Hasanah, U., & Hayati, I. (2022). Model Of Sharia Bank Profitability Determination Factors By Measuring Internal And Externals Variables. *Indonesian Interdisciplinary Journal Of Sharia Economics (Ijse)*, 5(1), 235-251.

Sohibien, G. P. D., Laome, L., Choiruddin, A., & Kuswanto, H. (2022). COVID-19 Pandemic's Impact on Return on Asset and Financing of Islamic Commercial Banks: Evidence from Indonesia. *Sustainability*, 14(3), 1128.

Suriyanti, S., Priadana, S., & Astuty, P. (2022). Analysis Of Liquidity Ratio, Solvency Ratio, And Profitability Ratio To Bond Ratings In Food And Beverages Companies Listed On The Indonesia Stock. *Jurnal Pendidikan Nusantara*, 2(2), 57-63.

Sutisna, S. A. A. R., & Sulistiyo, H. (2022). Trend Analysis to Analyze Performance Assessment of Pt Unilever Indonesia Tbk in 2019–2021. *Jurnal Penelitian Ekonomi Dan Akuntansi (JPENSI)*, 7(2), 219-225.

Suwadji, S. A., Suryaningsum, S., & Pamungkas, N. (2021, December). Analysis of the Financial Performance of the Largest Consumer Goods Company in Indonesia Before and During the Covid-19 Pandemic (Case Study at PT. Unilever Indonesia Tbk). In *Journal of International Conference Proceedings (JICP)*, 539-550

Syahputra, R. A., & Febrianti, S. (2021). Prediction of Bankruptcy on PT. Unilever, Tbk using Altman Z-Score Model. *Economic and Business Management International Journal (EABMIJ)*, 3(03), 66-77.

Wang, R. (2017). Financial Analysis of P&G Company (Master's Thesis). *Faculty of Economics, University of Mining - Technical University of Ostrava, Czech Republic*.

Yahya, F., Ali, S. A., Mir, Z., Yaqoob, M., & Khan, U. A. (2013). Significant analysis for financial statements: an empirical study of national and unilever foods. *Research Journal of Finance and Accounting*, 4(1), 26-34.

Yen, H. M., Chiang, H. C., & Fontenelle, Y. (2021). The Comparative Analysis and Its Effect on Stock Prices of Consumer Goods Companies. *Applied Science and Management Research*, 8(1), 83-92.

Zandi, G., Shahzad, I. A., & Lokanathan, V. (2021). Financial Ratios And Company Stock Performance: An Empirical Study Of Public Companies Listed On Shanghai Stock Exchange (Sse). *Academy of Entrepreneurship Journal*, 27(6), 1-9.

Zhang, D., & Tveterås, R. (2022). Influence of Price Variability and Financial Ratios on Business Failure in the Atlantic Salmon Industry. *Marine Resource Economics*, 37(2), 183-200.