



## Enhancing MSME Financial Sustainability through Pro Forma Analysis: A Case Study of Footwear Industry

Arika Putri Febrianti<sup>1\*</sup>, Warsono<sup>2</sup>, Chalimatuz Sa'diyah<sup>2</sup>

Management Department, [arikaputri6678@gmail.com](mailto:arikaputri6678@gmail.com),  
Universitas Muhammadiyah Malang, Indonesia<sup>1\*</sup>  
Management Department, Universitas Muhammadiyah Malang,  
Indonesia<sup>2</sup>

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### ABSTRACT

*This study aims to develop and analyze financial planning for Aluna Pasuruan Sandals Company for the period 2025–2026 to support more targeted and sustainable managerial decision-making. The research employs a quantitative descriptive approach with a case study design, utilizing historical financial data from 2020–2024, including income statements and balance sheets, which are projected into pro forma financial statements to estimate future financial conditions. The results indicate that the company is in a healthy financial position, reflected in stable liquidity and its ability to meet short-term obligations, alongside improving asset utilization efficiency and a balanced capital structure between debt and equity. In addition, profitability is projected to increase consistently, demonstrating the company's strong capacity to generate earnings. Financial ratio analysis—including liquidity, activity, solvency, and profitability ratios—further supports these findings, showing improved asset efficiency, controlled leverage, and strong profit potential. Overall, the study concludes that Aluna Pasuruan Sandals Company has a solid and sustainable financial outlook, supported by effective management of assets and financial resources to drive future sales growth and profitability.*

**Keywords:** *Financial Planning; Sales Forecasting; Pro Forma Financial Statements; Financial Performance; Financial Ratios; Footwear Industry.*

### INTRODUCTION

The footwear industry, particularly sandals and shoes, is a sector that continues to evolve over time, adapting to changing consumer trends. Sandals and shoes not only protect the feet but have also become a fashion staple, crucial for a person's appearance. Changes in consumer consumption patterns, increased purchasing power for sandals and shoes, and the growth of the local and global fashion industry have driven demand for increasingly diverse footwear products, in terms of design, price, and quality.

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\*Corresponding Author : [arikaputri6678@gmail.com](mailto:arikaputri6678@gmail.com)

According to data from the World Footwear Yearbook 2023, Indonesia is among the top five footwear producing countries in the world (Yearbook, 2023). In 2023, Indonesia produced 807 million pairs of footwear, equivalent to 3.2 percent of total global footwear consumption. However, the domestic market only absorbed around 362 million pairs, while the remainder was exported to various countries worldwide, so the industry still faces several challenges (Mercury, 2024). One of the biggest challenges is changing consumer preferences. Today, consumers increasingly value a combination of comfort, innovative design, and sustainability.

Public demand for footwear products is influenced by various factors, including fashion trends, comfort, price, and quality (Schiffman & Wisenblit, 2019). Amidst intense market competition, manufacturers are required to understand consumer behavior to meet market needs and expectations. Furthermore, developments in digital marketing technology and social and cultural factors also play a role in influencing consumer choices regarding footwear products. This situation has driven the growth of entrepreneurs in the footwear industry, particularly small businesses. Based on data from the Ministry of Industry, citing the Central Statistics Agency (BPS), the number of small-scale industries in the leather, leather goods, and footwear subsector in Indonesia reached 53,333 (Kementerian Perindustrian Republik Indonesia, 2025).

MSMEs are a crucial sector in Indonesia, as evidenced by the continued increase in the number of businesses, reaching 66 million units in 2023, an increase of approximately 1.52% from the previous year. The footwear industry, dominated by MSMEs, also demonstrated positive growth, with industry performance growing 3.92% through mid-2024 and production reaching 807 million pairs in 2023 (Fauzan, 2023) (News, 2024). As a country with diverse cultures and traditions, Indonesian preferences for sandals and shoes are increasingly diverse. For example, people in urban areas tend to choose fashionable products that follow the latest trends, while those in rural areas prioritize comfort and durability. This demonstrates that a deep understanding of consumer demand is crucial for manufacturers to compete in the market, leading to the emergence of many local companies to meet the increasing market demand each year.

One such business is Sandal Sepatu Aluna, a shoe and sandal manufacturer based in Pasuruan Regency. Sandal Sepatu Aluna is a renowned local footwear company that prioritizes comfort, premium-quality materials, and affordable prices. Building on these strengths, Sandal Sepatu Aluna strives to meet the tastes of consumers across various market segments, from teenagers to adults. The company continues to innovate in design to maintain its competitive edge amidst increasingly fierce competition.

Based on the sales and profit data in Table 1.1, it can be seen that the Aluna Sandals and Shoes company experienced significant sales and profit growth during the period 2020 to 2024. Experiencing a slight decline in 2024, this trend indicates that this business has been able to maintain its financial performance quite stable over the past 5 years.

**Table 1.** Sales and Profit Data for 2020-2024

Years	Sales	Profit
2020	129.600.000	32.400.000
2021	172.800.000	43.200.000
2022	302.400.000	75.600.000
2023	432.000.000	108.000.000
2024	418.400.000	104.600.000

Source: Aluna Sandals And Shoes Company 2024

This MSME has consistently performed well and shown a positive growth trend over the past five years. Based on internal data, Aluna's sales have steadily increased. This achievement demonstrates the MSME's ability to survive and compete amidst the increasingly competitive footwear industry, including facing challenges arising from the COVID-19 pandemic and changing consumer preferences (Bartik et al., 2020). This research not only contributes to the development of academic literature but also benefits similar local businesses as a reference in formulating more effective business strategies.

Aluna, a local footwear manufacturer, envisions becoming the preferred brand by offering comfortable, high-quality products at affordable prices. To achieve this goal, financial planning is essential for Aluna to manage its resources more efficiently. This financial planning also guides sustainable business decision-making. Implementing a structured financial plan helps Aluna project income and expenses, allocate budgets optimally, and minimize future financial risks.

The success of a business is determined not only by its turnover but also by the effectiveness of its financial management. Financial planning is a crucial aspect that no business owner can afford to overlook. With sound financial planning, a business can manage and optimize the use of resources to support its growth. Without sound financial planning, many businesses face difficulties managing cash flow, financing operations, or expanding their business, which can ultimately lead to bankruptcy (Scarborough & Cornwall, 2019)

Financial planning also plays a crucial role in maintaining business continuity amidst economic uncertainty, changing market trends, and increasingly fierce competition. Having a clear and sound financial plan allows business owners to establish key priorities, identify opportunities, and anticipate future challenges. In (Yudianto, 2023), MSMEs use financial planning are more competitive than those that don't.

The importance of implementing financial planning for MSMEs is supported by this fact. MSMEs can increase their profitability and competitiveness in the market by practicing it and managing their finances more skillfully and efficiently. Furthermore, business owners can more easily obtain loans from financial institutions when they have the right financial strategy. Business leaders can prioritize expenses, reduce losses, and ensure long-term company sustainability with a well-designed financial strategy.

Therefore, a research gap exists in the application of comprehensive and projective financial planning models for MSMEs, particularly in the footwear industry. This study aims to address this gap by developing financial planning through sales forecasting, pro forma income statements, pro forma balance sheets, and financial ratio analysis to support more effective managerial decision-making. Based on this background, this research is conducted under the title "Analysis of Financial Planning at Sandal Sepatu Aluna Pasuruan."

## **LITERATURE REVIEW**

### **Previous Research**

Financial planning remains a significant problem for most MSMEs, according to previous research. A study of MSMEs in Amuntai City found that most manage their finances simply without long-term planning and lack sophisticated financial planning, which jeopardizes their business continuity (Yudianto, 2023). To improve financial planning knowledge and skills, including the application of technology in financial management, this study suggests offering training and mentoring. A study

of 72 shoe MSMEs in the Dolly Lama red-light district of Surabaya revealed that although financial management did not significantly improve MSME performance because it was still limited to basic income and expense tracking, financial literacy did have a positive impact (Wulansari & Anwar, 2022).

Another study on shoe and sandal MSMEs in Sindangsari Village, using data from 2018–2020, showed that suboptimal financial planning significantly impacted their financial performance (Supriadi & Utami, 2021). This underscores the importance of structured financial planning and management to maintain business continuity. Research on shoe and sandal MSMEs in Bogor also showed that the business had a two-year payback period based on sales reports from 2011–2015, but its financial planning was deemed suboptimal due to the lack of an adequate recording and bookkeeping system (Nainggolan, 2018). Therefore, the study recommends strengthening the financial management system and providing training support from the government.

Furthermore, based on 2018 data, research on MSMEs in the New Hunteria shoe and bag sector showed that financial planning was still rudimentary and did not contribute to the production of high-quality financial reports (Loen, 2019). The Financial Accounting Standards for Micro, Small, and Medium Enterprises (SAK EMKM) need to be implemented gradually, according to this study, so that MSMEs can produce more comprehensive and practical financial reports to serve as a basis for decision-making. This research generally supports the idea that financial factors—specifically, literacy, record-keeping, and compliance with standards—are critical to the long-term sustainability of MSMEs in the sandal and shoe industry.

However, most previous research focuses on evaluating historical performance, financial literacy, compliance with standards, and business feasibility, without developing projective financial planning. Unlike these studies, the study of the Aluna Sandal and Shoe Company in Pasuruan offers a forward-looking approach through the preparation of pro forma financial statements and financial ratio analysis to design future financial strategies. Thus, this study fills a gap in previous research by providing a technical and applicable overview of sustainable financial planning for MSMEs, particularly in the sandal and shoe sector.

### **Theoretical Review**

To achieve business goals, financial management is crucial. Brigham and Houston (2019) state that maximizing revenue, increasing company value, maintaining liquidity, and optimizing capital structure to mitigate financial risk are the core objectives of financial management. The process of creating financial strategies to meet a company's short- and long-term goals is known as financial planning (Brigham & Houston, 2019). According to Gitman and Zutter (2015), financial planning encompasses budgeting, taxation, financing, investment, cash flow planning, and short- and long-term financial planning. The primary objectives of financial planning are to maintain cash flow balance, prepare for future funding needs, optimize efficient use of funds, facilitate decision-making, and enhance financial stability and security. Factors determining financial planning include financial goals, income, financial literacy, attitudes and motivations, personal circumstances, the economic environment, and education and knowledge levels (Gitman & Zutter, 2015).

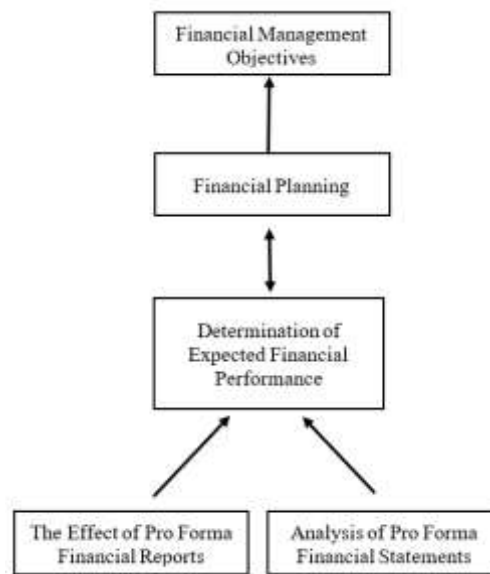
Sales forecasting is the process of estimating future sales of a product or service by considering historical data, market trends, economic conditions, and planned marketing strategies (Kotler et al., 2016). Sales forecasting plays a crucial role as a basis for managerial decision-making, particularly for MSMEs with limited capital, labor, and access to market information. With effective sales forecasting, companies can determine efficient production levels, avoid excess or insufficient inventory, and estimate working capital and cash flow needs. In this study, the growth rate method was used as an approach to sales forecasting.

Pro forma financial statements are financial reports prepared based on assumptions or financial projections for the upcoming period (Ross, 2019). Preparation begins with establishing financial assumptions related to sales, operating expenses, and investments, followed by the preparation of projected income statements, balance sheets, and cash flow statements. Pro forma financial statements serve as a strategic planning tool for projecting a company's profit, financial position, and liquidity needs. According to Gitman and Zutter (2015), these statements are highly useful in evaluating investments and making financial decisions, while Brigham and Houston (2019) emphasize their role in anticipating the impact of financial changes such as business expansion or changes in cost structure.

Pro forma financial statement analysis is conducted to determine how managerial decisions may impact a company's future financial status. Unlike historical financial statements, which provide concrete facts, pro forma statements are estimates used as a corporate planning tool (Harahap, 2015). Financial ratio analysis, including debt or leverage ratios to evaluate capital structure and financial risk, activity ratios to measure asset utilization efficiency, liquidity ratios to assess the ability to meet short-term obligations, and profitability ratios to assess profit-generating ability, are examples of frequently used analysis techniques. The debt-to-equity ratio, return on equity, return on assets, net profit margin, current ratio, and total asset turnover are among the ratios that offer a comprehensive picture of a business's financial health and form the basis for more focused, long-term financial planning.

### **Research Framework**

A conceptual framework is an essential component of any research project, serving as a roadmap for understanding and evaluating the phenomenon being studied. It helps researchers develop hypotheses and select appropriate analytical techniques, and it also provides a clear structure. The conceptual framework used in this study aims to show how the variables are interconnected and to illustrate how they influence each other. Figure 1 shows the research framework.



**Figure 1.** Research Framework Chart

Figure 1 shows the relationship between financial management objectives, financial planning, and the role of pro forma financial statements. Financial management objectives form the basis for managing a company's finances. Financial planning helps determine future performance, and pro forma financial statements are used to measure that achievement.

## RESEARCH METHOD

To fully understand the circumstances, difficulties, and tactics used by Sandal Sepatu Aluna in running its business, this study uses a case study methodology with a quantitative descriptive approach. The purpose of this study is to provide specific recommendations and conclusions for the Sandal Sepatu Aluna Company. The location where the research was conducted is known as the research site. Sandal Sepatu Aluna, located in Melaten, Karangrejo, Gempol District, Pasuruan, East Java 67155, is the research location.

The pro forma income statement and balance sheet, which project a company's revenue, expenses, profit, and financial position based on certain assumptions; sales revenue, which is the total amount of money received from the sale of goods or services in a year; and financial ratios, which evaluate performance, such as liquidity, activity, profitability, and solvency ratios, are examples of operational definitions of variables. The following information was used in this study: The 2020–2024 financial statements are the source of quantitative data, or information collected from the business in numerical form. This secondary data is obtained by the company through the preparation of financial statements. Primary data obtained directly from the business in the form of financial statements serves as the data source.

Direct observation of business operations and interviews with the owner of Sandal Sepatu Aluna are two methods used in this study to collect data on management and financial conditions. The company's financial statements for 2020–2024 are another example of documentation used in secondary data collection. A data analysis technique called sales forecasting is used to project future sales figures using growth trends, historical data, and other additional information. The growth rate method, which projects future sales assuming that the previous period's sales growth pattern will continue, is used in this study to forecast sales (Brigham & Houston, 2019). This

method can be used as a basis for production planning, inventory management, and business financial planning.

$$g_t = \frac{y_t - y_{t-1}}{y_{t-1}}$$

Description:

$g_t$  = Growth rate in period t

$y_t$  = Value or size (sales) in period t

$y_{t-1}$  = Value or size in the previous period

Average sales formula:

$$\bar{g} = \sum_{t=1}^n \frac{g_t}{n}$$

Description:

$\bar{g}$  = Average growth rate during period n

n = Number of periods calculated (years)

$g_t$  = Growth rate in period t

The final sales forecast results use the following formula:

$$y_{2026} = y_{2024} \times (1 + \bar{g})^2$$

Description:

$y_{2026}$  = Variable value calculated in 2026

$y_{2024}$  = Initial variable value observed in 2024

$(1 + \bar{g})^2$  = Cumulative growth factor for two years (from 2024 to 2026)

Pro forma financial statements, which include a pro forma income statement and balance sheet, are prepared to project a company's future financial position based on predetermined assumptions. A pro forma balance sheet is prepared to depict the company's estimated financial position, including assets, liabilities, and equity, at a future date. Both can be used as a basis for financial planning and managerial decision-making. A pro forma income statement projects the company's revenue, expenses, and profit or loss for a future period.

Financial planning can be conducted using pro forma financial statements, including a pro forma income statement and a projected balance sheet. This requires calculating the need for additional funding, which can be calculated using the following formula:

$$AFN = TA - (TL - E)$$

Description:

AFN = Additional funds needed

TA = Total assets

TL = Total liquidity

E = Equity

One technique for assessing a company's financial performance is financial ratio analysis, which compares various components of the financial statements. The following ratios are used in this analysis:

Liquidity ratio, which assesses a company's ability to meet short-term obligations. This study uses the current ratio. According to Van Horne and Wachowicz (2024), this ratio is crucial for financial planning to maintain a company's liquidity and prevent cash flow problems.

$$\text{Current Ratio} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

The Activity Ratio measures the efficiency with which all assets are used to generate sales. This ratio is relevant to financial planning because it relates to asset productivity. According to Munawir (2014), the higher this ratio, the more efficiently assets are utilized to support operational activities and sales.

$$\text{Total Asset Turnover} = \frac{\text{Net Sales}}{\text{Total Assets}}$$

The Solvency Ratio assesses a company's ability to meet its long-term obligations. Fahmi (2020) states that the DER is one of the most important because a good DER can increase the trust of creditors and investors, so this needs to be considered when planning a company's capital structure.

$$\text{Debt to Equity Ratio} = \frac{\text{Total Debt}}{\text{Total Equity}} \times 100\%$$

Profitability ratios assess a company's ability to generate profits. This study uses net profit margin and return on assets. According to Harahap (2025), net profit margin is useful for evaluating cost control efficiency and pricing strategies. Therefore, in financial planning, it is a crucial indicator for predicting business continuity because it is directly related to profitability. Furthermore, according to Brigham & Houston (2019), ROA is one of the most effective indicators for evaluating asset utilization. Through ROA projections, companies can assess their future operational efficiency.

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\%$$

$$\text{Return on Assets} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

Pro forma financial statement analysis is used to compare the values of each financial ratio. Specifically, the financial ratios for 2025 and 2026 are used as the standard for assessing the company's financial performance. The comparison results can be summarized as shown in Table 2.

**Table 2.** Realized financial ratios in 2024 and expected ratios in 2025 and 2026

Financial Ratios	2024	2025	2026
<i>Current Ratio</i>	x	x	x
<i>Total Asset Turnover</i>	x	x	x
<i>Debt to Equity Ratio</i>	x	x	x
<i>Net Profit Margin</i>	x	x	x
<i>Return on Assets</i>	x	x	x

## RESULTS AND DISCUSSION

### Sales Forecasting

**Table 3.** Results of Growth Rate Calculation

Years	Sales (Idr)	Growth Rate (%)
2020	129.600.000,00	-
2021	172.800.000,00	33,33%
2022	302.400.000,00	75%
2023	432.000.000,00	42,86%
2024	418.400.000,00	-3,15%
	$\bar{g}$	37,01%

Based on Table 3, the sales growth of Aluna Sandals Company in the 2020–2024 period shows a relatively stable and positive trend, with an increase of 33% in 2021 indicating the company's ability to maintain sales during the Covid-19 pandemic, then a significant jump in 2022 by 75% along with increasing post-pandemic demand, and increasing again in 2023 by 42.8% reflecting consistent business development, although in 2024 there was a small decline of -3.15% which is thought to be due to increased market competition; overall, the average annual growth (mean growth rate) of 37% indicates excellent sales performance for MSMEs, reflecting healthy and productive business conditions with large growth opportunities in the future, but still requiring careful financial planning so that this growth can be sustainable and not temporary.

**Table 4.** SR Calculation Results 2025 and 2026

Years	SR	$g_t$
2024	418.400.000	-3,15%
2025	573.249.840	37,01%
2026	785.294.960	87,69%

Based on Table 4, sales growth data for 2025 is not yet available so it is assumed to be 37.01%, while in 2026 it shows a significant growth potential of 87.69% which can be used as a basis for projecting future revenue; this projection provides important benefits for the company because it helps management in planning finances and operations in a more targeted manner through an overview of future revenues, costs, and capital needs, while also enabling the company to identify potential risks and anticipate challenges that may arise, so that decisions taken are more appropriate and strategic, and can be used as a performance evaluation tool by comparing targets and realizations and increasing the trust of external parties such as creditors in the company's business prospects.

### Proforma Income Statement

**Table 5.** Proforma Income Statement

	2024	2025	2026
Sales (Revenue)	418.400.000	573.249.840	785.294.960
Cost of Goods Sold (COGS)			
Beginning Inventory	175.000.000	239.767.500	328.457.500
Purchases	200.000.000	274.020.000	375.380.000
Ending Inventory	95.000.000	130.159.500	178.305.500
COGS= Beginning Inventory + Purchases – Ending Inventory	280.000.000	383.628.000	525.532.000
Gross Profit	138.400.000	189.621.840	259.762.960
Operating Expenses			
Selling Expenses	15.000.000	20.551.500	28.153.500

General and Administrative Expenses	18.000.000	24.661.800	33.784.200
Total Operating Expenses	33.000.000	45.213.300	61.937.700
Operating Income (EBIT)	105.400.000	144.408.540	197.825.260
Interest Expense	10.000.000	13.701.000	18.769.000
Earnings Before Taxes (EBT)	95.400.000	130.707.540	179.056.260
Income Tax Expense	477.000	653.537	895.281
Net Income	94.923.000	130.054.002	178.160.978

Based on the pro forma income statement calculations in Table 5, the company's financial performance shows positive growth. In 2024, the company's revenue was recorded at IDR 418,400,000, with a net profit of IDR 94,923,000. In 2025, revenue increased to IDR 573,249,840, with a net profit of IDR 130,054,002, reflecting a significant increase in profitability. This growth trend further strengthens in 2026, where projections show the company's revenue reaching IDR 785,294,960, with a net profit of IDR 178,160,978. This increase in revenue is accompanied by increases in the company's gross profit and operating profit. The 2025 and 2026 revenue projections are based on sales revenue (SR) calculations with an assumed growth rate (g) of 37.01% for 2025 and 87.69% for 2026, where the 2025 projection is calculated using a multiplier of 1.3701. This increase in revenue indicates the potential for market expansion and an increase in the company's sales volume, although accompanied by an increase in the cost of goods sold. COGS is projected at Rp383,628,000 in 2025 and Rp525,532,000 in 2026, higher than the 2024 COGS recorded at Rp280,000,000, indicating increased production activity in line with sales growth.

### Proforma Balance Sheet

**Table 6.** Proforma Balance Sheet

	2024	2025	2026
Current Assets			
Cash	80.680.000	110.539.668	157.058.992
Accounts Receivable	39.260.000	53.790.126	79.317.794
Raw Materials Inventory	41.840.000	57.324.984	78.529.496
Finished Goods Inventory	58.990.000	80.822.199	117.005.946
Total Current Assets	220.770.000	302.476.977	431.912.228
Fixed Asset			
Gross Fixed Assets	167.360.000	229.299.936	314.117.984
Accumulated Depreciation	(16.736.000)	(22.929.993)	(31.411.798)
Net Fixed Assets	150.624.000	206.369.942	282.706.185
Total Assets	371.394.000	508.846.919	714.618.413
Liabilities and Equity			
Current Liabilities			
Accounts Payable	79.956.240	109.548.044	150.069.866
Taxes Payable	22.844.640	31.299.441	42.877.104
Total Liabilities	102.800.880	140.847.485	214.385.524
Equity			
Common Stock	196.522.000	269.254.792	357.309.206
Retained Earnings	98.123.000	134.438.322	178.160.978

Total Equity	268.593.120	367.999.433	500.232.889
Total Liabilities and Equity	371.394.000	508.846.919	714.618.413
AFN	-	-735.998.867	-1.008.244.853

Based on the projected balance sheet calculations for 2024–2026, the company demonstrates a strong and consistent growth trend. The company's assets have increased significantly each year, both in current and non-current assets. The increase in cash, accounts receivable, and inventory reflects increased operational activity, credit sales volume, and the company's readiness to meet growing market demand. Furthermore, the substantial increase in gross fixed assets indicates intensive investment in equipment and production facilities as part of a long-term expansion strategy. Although accumulated depreciation has also increased, the value of net fixed assets has continued to rise, reinforcing the company's physical growth and production capacity. Overall, the increase in total assets indicates that the company is in a phase of progressive and sustainable growth.

On the liabilities side, accounts payable and taxes payable have increased in line with increased production activity and rising profits, but remain at reasonable levels and do not pose a short-term liquidity risk. Meanwhile, the company's equity has increased significantly, particularly retained earnings, which have grown rapidly each year, indicating the company's ability to generate consistent profits and rely on internal funding for expansion. The calculation of Additional Funds Needed (AFN) with a negative value of Rp-Rp735.998.867,42 in 2025 and Rp-1,008.244.853,36 in 2026 indicates that the company does not require additional external funding because it has a surplus of internal funding. Thus, the results of this projected balance sheet analysis confirm that the Aluna Sandal Shoe Company is in a strong, liquid, and independent financial condition, and has the ability to maintain healthy business growth without dependence on external funding sources.

### Financial Ratio Analysis

**Table 7.** Actual financial ratios in 2024 and expected ratios in 2025 and 2026

Financial Ratios	2024	2025	2026
<i>Current Ratio</i>	2,14	2,15	2,17
<i>Total Asset Turnover</i>	1,12	1,13	1,14
<i>Debt to Equity Ratio</i>	0,39	0,39	0,39
<i>Net Profit Margin</i>	22,68%	23,10%	23,50%
<i>Return on Assets</i>	24,93%	26,00%	26,40%

Based on the results of the financial ratio analysis for the 2024–2026 period, the company's financial performance shows positive and relatively stable development. The liquidity ratio, reflected in the current ratio, continues to increase from 2.14 in 2024 to 2.15 in 2025 and 2.17 in 2026, indicating the company's excellent ability to meet short-term obligations. The activity ratio, measured by total assets turnover (TATO), increased from 1.12 in 2024 to 1.14 in 2026, indicating increasingly effective asset utilization in generating sales. The company's capital structure is also considered healthy with a stable debt-to-equity ratio of 0.39, reflecting low financial risk. In addition, the profitability ratio shows a significant upward trend, where the net profit margin (NPM) and return on assets (ROA) continue to increase annually, indicating the company's efficiency in managing costs and assets to generate profits. Overall, the results of this analysis indicate that the company is in a strong, liquid financial condition and is able to support sustainable business growth.

## **Discussion of Research Results**

Financial planning is a crucial process undertaken by companies to predict funding needs, allocate resources optimally, and ensure short- and long-term operational continuity (Brigham & Houston, 2019). This planning serves as a roadmap for management in directing operational activities to align with the company's strategic objectives, particularly in increasing profitability, maximizing company value, and maintaining financial stability. In recent years, the Aluna Sandals and Shoes Company in Pasuruan has shown significant growth, particularly in sales and net profit. Despite a decline in 2024, the company managed to improve its performance in 2025 and 2026, demonstrating strong adaptability to market dynamics and sustainable growth prospects.

The company's financial planning is conducted through the preparation of pro forma financial statements and financial ratio analysis to project future financial conditions. The income statement projections show a significant increase in revenue in line with increasing sales volume and production capacity, resulting in consistent increases in gross profit and operating profit. Despite the increase in operating expenses, their growth is still in line with the increase in revenue, thus maintaining a positive net profit trend. The pro forma balance sheet also shows growth in total assets, particularly in current assets and fixed assets, reflecting strengthening liquidity and the company's investment in the development of production facilities.

From a funding perspective, the increase in liabilities was offset by greater equity growth, so the company's capital structure remains strong and dominated by equity. This is reinforced by the negative additional funds needed in 2025 and 2026, indicating that the company does not require external funding. Financial ratio analysis indicates excellent liquidity, increasing asset efficiency, a low solvency level, and growing profitability, reflected in the increasing net profit margin and return on assets. Overall, this analysis confirms that Aluna Pasuruan Sandals and Shoes Company has stable and healthy financial performance and strong and sustainable growth prospects.

## **CONCLUSION**

The analysis of research data on financial planning at the Aluna Shoe Sandal Company in Pasuruan indicates that the preparation of pro forma financial statements for 2025 and 2026 yields positive performance projections. The projected income statement shows increases in revenue, gross profit, and net income, while the pro forma balance sheet reflects growth in assets and equity, indicating strengthened capital and the potential for sustainable business expansion. Furthermore, financial ratio analysis demonstrates that the company's financial performance remains healthy, as evidenced by stable liquidity (current ratio), efficient asset utilization (total asset turnover), and a balanced capital structure (debt-to-equity ratio). The increasing net profit margin and return on assets further confirm the company's improved ability to generate profits from both sales and asset utilization.

This study contributes to the literature by providing a forward-looking financial planning model for MSMEs through the integration of sales forecasting, pro forma financial statements, and financial ratio analysis, which is still relatively limited in prior studies that tend to focus on retrospective financial evaluation. Practically, the findings offer a structured framework that can assist MSME owners in improving financial decision-making and long-term business sustainability.

However, this study has several limitations. First, it is based on a single case study, which may limit the generalizability of the findings. Second, the financial projections rely on historical growth assumptions, which may not fully capture future market uncertainties. Third, the analysis focuses primarily on financial indicators without incorporating external factors such as market dynamics, competition, or macroeconomic conditions.

Based on these findings, it is recommended that the company improve operational efficiency, diversify products, and strengthen digital marketing strategies to sustain profitability, while maintaining prudent debt management. Future research is encouraged to incorporate additional variables and comparative analysis across similar industries to provide a more comprehensive understanding of MSME financial sustainability.

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