ABSTRACT

Revenues of PT. DMT in 2008 and 2009 are still derived primarily from the Revenue Sharing (KSO agreement) with PT. TELKOM, representing 80 % of the total revenues, while tower lease revenues only contributes 20 %. In the meantime, starting from the year 2011 the KSO agreement will end. One of the corporate action plan to cover the deficit in revenues is by non organic growth strategy, which is by acquiring other company in the same industry.

In this research , analysis and evaluation on financial performance will be conducted using Du Pont method and financial analysis to examine the financial position of PT DMT in the forthcoming years and to examine the condition of the company if acquisition should be executed, whether or not it will produce better performance from the ROE, ROI and other financial ratios. The result of the analysis can be used as more straight forward and communicative indicators on the company performances and useful for the management as the decision making criteria whether or not they will go with the acquisition as planned or the other way around they should get rid of it.

The case study is done on the financial projections of PT. DMT and of the consolidated financial projections by means of ROE, ROI as well as other financial ratios comparison. The analysis are able to identify the improvement on the ROE and ROI. Value ROE for each year 2013-2014 are 19% and 24%, while the ROI for the year 2012-2014 amounted to 5.84%, 6.87%, and 9.30%. But on the other hand the value of total assets and fixed asset turnover ratio is below the company without acquisitions for each year. Results from analisisi and evaluations are then used as a reference as the formulation of recommendations to improve financial performance.

Key Word : Du Pont, ROE, ROI, *Financial Performance.*