

AN ANALYSIS OF FINANCIAL RATIOS AS A TOOL TO EVALUATE THE FINANCIAL PERFORMANCE OF PT ARITA PRIMA INDONESIA TBK

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Abstract

This study aims to evaluate the financial performance of PT Arita Prima Indonesia Tbk over the period 2015–2024 using a financial ratio analysis approach. Operating in the industrial machinery and components sector, the company faces challenges arising from fluctuating market demand, increasing production costs, and intense competition within domestic and global markets. The research adopts a quantitative descriptive method utilizing secondary data derived from the company's audited annual financial reports. The analysis focuses on key financial indicators, including liquidity ratios (Current Ratio, Quick Ratio, Cash Ratio), profitability ratios (Return on Investment, Return on Equity, Gross Profit Margin, Net Profit Margin), solvency ratios (Debt to Asset Ratio, Debt to Equity Ratio), and activity ratios (Total Asset Turnover, Inventory Turnover). The findings reveal that the company maintains a relatively strong liquidity position, with an average Current Ratio of 165.05%, Quick Ratio of 58.63%, and Cash Ratio of 16.68%, reflecting its ability to meet short-term obligations. Profitability performance remains moderate, as indicated by an average ROI of 4.17%, ROE of 6.74%, GPM of 58.63%, and NPM of 8.86%, showing fluctuations during the observed period. Meanwhile, solvency ratios (DAR 0.37x, DER 0.61x) suggest a healthy capital structure with low financial risk, while activity ratios (TATO 0.47x, IT 0.54x) indicate the need for improved asset utilization. Overall, the results conclude that PT Arita Prima Indonesia Tbk demonstrates stable financial performance with sound liquidity and capital structure, though profitability and asset efficiency require enhancement to strengthen long-term competitiveness.

Keywords:

Financial Performance, Financial Ratio, PT Arita Prima Indonesia Tbk, Financial Statement Analysis, Industrial Machinery and Components Sector

Introduction

Over the past decade, the Industrial Machinery and Components sector has undergone significant dynamics, primarily due to shifts in global industry trends, the digitalization of manufacturing, and fluctuations in demand across the construction, energy, and infrastructure sectors. The period from 2015 to 2024 has been marked by global economic uncertainty, the COVID-19 pandemic that disrupted supply chains, and the accelerated adoption of automation technologies and energy efficiency initiatives. These conditions have required companies within this sector to

maintain strong financial resilience and a high level of adaptability to market changes.

PT Arita Prima Indonesia Tbk (APII), as one of the leading companies engaged in the distribution and trading of industrial equipment such as valves, instrumentation, and control system components, has also faced various challenges and opportunities during this period. The company had to navigate the impact of declining industrial activities during the pandemic years, rising logistics and raw material costs, as well as increasing post-pandemic demand in line with the recovery of national infrastructure projects. In this context, the company's ability to maintain financial stability and operational efficiency has become a crucial factor for its long-term sustainability and growth.

Financial performance analysis serves as an essential instrument to assess the extent to which PT Arita Prima Indonesia Tbk is able to manage its financial resources effectively amid the dynamics of the industrial sector. Through a financial ratio approach encompassing aspects of liquidity, profitability, solvency, and activity, a comprehensive overview of the company's financial strengths and weaknesses can be obtained. The results of this analysis not only function as an internal evaluation tool for management but also serve as a crucial reference for investors and stakeholders in making strategic decisions.

This study aims to analyze the financial performance of PT Arita Prima Indonesia Tbk during the period of 2015–2024 using the financial ratio analysis method. The objectives are to identify financial trends, assess operational efficiency, and provide strategic recommendations that are relevant to market conditions and the direction of industry development.

The significance of this research lies in its contribution to enriching the study of financial health among companies in the Industrial Machinery and Components sector in Indonesia. The findings of this study are expected to serve as a valuable reference for management, investors, and academics in understanding the financial dynamics of industrial companies amid the challenges of technological transformation and changes in the national economic structure.

Theoretical Framework Financial Statement

Financial statements serve as the primary source of information used by companies to assess their financial condition and performance. They present various essential data regarding the company's financial activities and position, which are useful for management, investors, creditors, and other stakeholders. According to Jumingan (2014), financial statements are the result of a process of summarizing a company's financial data that is prepared and interpreted to support decision-making by both internal and external parties who have an interest in the company's financial condition.

In general, financial statements aim to provide a comprehensive overview of a company's ability to meet its financial obligations, both in the short and long term. In addition, these statements help assess the level of profitability, or the company's ability to generate profit from its operational activities. Another aspect that can be measured through financial statements is the company's level of stability, which

reflects its ability to maintain business continuity and meet debt and interest payment obligations on time.

Thus, financial statements not only serve as a tool to measure a company's financial condition but also function as a basis for evaluation and strategic planning in supporting the company's long-term business sustainability.

Financial Statement Analysis

Financial ratio analysis is one of the important methods for evaluating a company's financial performance and condition. This technique is conducted by relating various items in financial statements, both from the balance sheet and the income statement, to produce quantitative measures that can depict the company's financial health over a specific period. Financial ratios are used as tools to assess efficiency, stability, and the company's ability to manage its resources. According to Harahap (2013), financial ratios are the result of a comparison between two or more items in the financial statements that have a relevant and significant relationship, making them useful for comprehensively evaluating a company's financial performance.

In the context of PT Arita Prima Indonesia Tbk, financial ratio analysis becomes highly relevant considering that the company operates in the Industrial Machinery and Components sector, which demands high efficiency and sound financial management to ensure business sustainability. Through ratio analysis, the company's ability to meet its short-term obligations (liquidity), generate profits from operational activities (profitability), manage its capital structure and long-term liabilities (solvency), as well as the effectiveness of asset utilization in supporting operational activities (activity) can be assessed.

The primary objective of financial ratio analysis is to gain a deeper understanding of a company's financial position and performance. According to Kasmir (2019), financial statement analysis is useful for various parties, both internal and external, to: (a) determine the company's financial position for a specific period; (b) identify the company's financial strengths and weaknesses; (c) establish necessary corrective actions; (d) evaluate management's effectiveness in achieving financial goals; and (e) compare the company's performance with other entities in the same industry.

Thus, financial ratio analysis serves not only as an evaluation tool but also as a foundation for strategic decision-making by the company's management and other stakeholders in assessing the sustainability and future growth prospects of PT Arita Prima Indonesia Tbk.

Financial Ratio

Financial ratio analysis is an evaluation method used to assess a company's performance and financial condition through the mathematical relationships among various elements in the financial statements over a certain period. This technique is conducted by comparing two or more variables contained in financial reports, such as the balance sheet and the income statement, to produce indicators that reflect the effectiveness of the company's financial management. This approach provides a deeper and more comprehensive overview than the individual analysis of financial data, as it is able to reveal trends and changes in financial performance over time.

Through financial ratio analysis, a company can assess the effectiveness of its operations, its ability to meet financial obligations, and the efficiency of asset utilization. In general, financial ratios are classified into five main categories: liquidity ratios, which measure the company's ability to meet short-term obligations; profitability ratios, which indicate the company's ability to generate profits; activity ratios, which assess the effectiveness of asset utilization in supporting sales and operations; solvency or leverage ratios, which evaluate the company's ability to meet long-term obligations; and market value ratios, which reflect the market's assessment of the company's performance and future prospects.

In the context of PT Arita Prima Indonesia Tbk, the use of financial ratio analysis is highly important to understand the effectiveness of the company's financial strategies during the 2015–2024 period, particularly in responding to the dynamics of the Industrial Machinery and Components sector, which is influenced by demand fluctuations, technological changes, and global economic conditions.

Liquidity Ratios

According to Kasmir (2019), the liquidity ratio is used to measure a company's ability to meet its short-term obligations that are due in the near future by utilizing its current assets. This ratio indicates the extent to which a company's financial position is considered sufficiently liquid to cover its current liabilities. A high level of liquidity reflects the company's capability to maintain financial stability and ensure smooth operational activities, whereas low liquidity may indicate potential difficulties in fulfilling short-term obligations. The following are several ratios used in this study:

1. Current Ratio

The current ratio is used to assess a company's ability to meet its short-term obligations using the total current assets available. The formula used is as follows:

2. Quick Ratio

The quick ratio is used to measure a company's ability to meet its short-term obligations without relying on inventory, considering only cash, cash equivalents, and accounts receivable. The formula used is as follows:

3. Cash Ratio

The cash ratio is used to assess a company's ability to meet its short-term obligations solely with its most liquid assets, namely cash and cash equivalents. This ratio provides a more conservative measure of liquidity compared to the current and quick ratios, as it excludes receivables and inventories from the calculation. The formula used is as follows:

Profitability Ratios

The profitability ratio is utilized to evaluate a company's ability to generate profit from its operational activities. This ratio reflects how effectively management utilizes available resources to produce earnings from sales or overall revenue. A high level of profitability indicates the company's operational efficiency and its capacity to maintain financial stability amid business competition (Amiin, 2022). The following ratios are used in this study:

1. Net Profit Margin

Net Profit Margin (NPM) is a ratio that serves to indicate the proportion of net income

generated from the total revenue earned by a company. This ratio reflects the company's overall efficiency in managing its operations and controlling expenses to maximize profitability.

2. **Gross Profit Margin**

Gross Profit Margin (GPM) is a ratio used to measure a company's ability to generate gross profit from each sale after accounting for the cost of production. This ratio indicates the efficiency of the company's production and pricing strategies in maintaining profitability.

3. **Return on Equity**

This ratio is used to measure the company's ability to generate net profit based on the shareholders' equity invested in the business. It reflects how effectively the company utilizes its own capital to produce earnings.

4. **Return on Investment**

Return on Investment (ROI) is a ratio used to assess the extent to which a company generates profit from the total assets or investments utilized in its operational activities. This ratio reflects management's effectiveness in managing resources to produce overall profitability.

Solvency Ratios

The solvency ratio is used to measure a company's ability to meet all of its obligations, both short-term and long-term, in the event of liquidation. This ratio provides an overview of the extent to which the company's assets can cover all of its outstanding debts. A higher solvency ratio indicates a stronger long-term financial position and greater stability of the company (Nugraha, 2023). The following ratios are used in this study:

1. **Debt to Asset Ratio**

is a ratio that measures the proportion of total assets financed by debt. A higher ratio indicates a greater level of financial risk, as it shows a higher dependency on external financing sources.

2. **Debt to Equity Ratio**

Debt to Equity Ratio (DER) is a ratio that measures the extent to which a company's own capital can cover its total liabilities. A high DER indicates a greater dependence on external financing sources, which may increase the company's financial risk.

Activity Ratios

The activity ratio is used to measure the efficiency level of a company in utilizing its assets to generate revenue. Through this ratio, it can be observed how effectively management manages inventory, receivables, and fixed assets to support the company's operational activities (Putri, 2022). The following ratios are used in this study:

1. **Inventory Turnover**

Inventory Turnover (IT) measures how quickly a company can sell and replace its inventory within a given period. This ratio indicates the efficiency of inventory management in supporting operational activities.

2. **Total Asset Turnover**

Total Asset Turnover (TATO) is used to assess how efficiently a company utilizes its total

assets to generate sales. A higher TATO value indicates that the company is more effective in using its assets to generate revenue

Method

This study employs a quantitative approach using a descriptive-analytical method to analyze and compare the financial performance of PT Arita Prima Indonesia Tbk over the period 2015–2024, with reference to the industry average within the Industrial Machinery and Components sector. The research utilizes quantitative secondary data, consisting of numerically measured financial ratio values obtained from the company’s annual financial statements throughout the study period. These secondary data were sourced from the company’s official financial reports, which were downloaded from the official website at <https://arita.co.id/laporan-keuangan>. The data analysis was conducted descriptively through several stages, including the collection of financial statement data, the calculation of key financial ratios to evaluate the company’s performance, comparison of the results with industry benchmarks and historical trends, and the formulation of conclusions that comprehensively describe the financial condition and stability of the company..

Results and Discussion

This analysis aims to comprehensively evaluate the financial performance of PT Arita Prima Indonesia Tbk over the period 2015–2024. The assessment is conducted using a financial ratio analysis method, encompassing liquidity, profitability, solvency, and activity ratios, in order to obtain a holistic understanding of the company’s ability to manage its assets and liabilities as well as generate profits. The results of this analysis are subsequently presented and interpreted based on the processed data to provide a deeper insight into the company’s financial condition throughout the specified period.

Table 1. Current Ratio
Expressed in Indonesian Rupiah

Year	Current Assets	Current Liabilities	CR (%)
2015	Rp 257135303091.0.00	Rp 177093362706.0.00	145
2016	Rp 233516320193.0.00	Rp 154451484608.0.00	151
2017	Rp 244356486419.0.00	Rp 162612162913.0.00	150
2018	Rp 266336566823.0.00	Rp 161275642980.0.00	165
2019	Rp 277538146400.0.00	Rp 172681301594.0.00	161
2020	Rp 290537022291.0.00	Rp 162664484708.0.00	179
2021	Rp 307335545064.0.00	Rp 165727263794.0.00	185
2022	Rp 312339991473.0.00	Rp 174914078408.0.00	179
2023	Rp 308413652363.0.00	Rp 175767795344.0.00	175
2024	Rp 310199311834.0.00	Rp 194071687181.0.00	160
Average Current Ratio			165.05

Source: processed data, 2025

Based on the calculations presented in Table 1, the average current ratio of PT Arita Prima Indonesia Tbk during the 2015–2024 period was 165.05% or 1.65 times. This figure indicates that the company has demonstrated a strong ability to meet its short-term obligations using its current assets. The ratio exceeds the minimum healthy benchmark of 100% or 1.0

time, signifying that the company's liquidity position is considered safe. The highest current ratio was recorded in 2021, at 185.45% or 1.85 times, while the lowest occurred in 2015, at 145.19% or 1.45 times. Overall, these findings suggest that PT Arita Prima Indonesia Tbk has successfully maintained its financial stability and liquidity at a sound level over the past decade.

Table 2. Quick Ratio
 Expressed in Indonesian Rupiah

Year	Current Assets	Inventory	Current Liabilities	QR (%)
2015	Rp 257135303091.0.00	Rp 159.792.913.619.00	Rp 177093362706.0.00	55
2016	Rp 233516320193.0.00	Rp 151.431.399.318.00	Rp 154451484608.0.00	53.1
2017	Rp 244356486419.0.00	Rp 159.429.959.785.00	Rp 162612162913.0.00	52.2
2018	Rp 266336566823.0.00	Rp 162.845.314.432.00	Rp 161275642980.0.00	64.2
2019	Rp 277538146400.0.00	Rp 180.839.287.377.00	Rp 172681301594.0.00	56
2020	Rp 290537022291.0.00	Rp 185.623.386.596.00	Rp 162664484708.0.00	64.5
2021	Rp 307335545064.0.00	Rp 190.144.968.351.00	Rp 165727263794.0.00	70.7
2022	Rp 312339991473.0.00	Rp 207.613.950.014.00	Rp 174914078408.0.00	59.9
2023	Rp 308413652363.0.00	Rp 199.928.715.241.00	Rp 175767795344.0.00	61.7
2024	Rp 310199311834.0.00	Rp 215.087.728.328.00	Rp 194071687181.0.00	49
Average Quick Ratio				58.6 3

Source: processed data, 2025

Based on the calculations presented in Table 2, the average quick ratio of PT Arita Prima Indonesia Tbk for the period 2015–2024 was 58.63% or 0.59 times. This indicates that the company has a moderate ability to meet its short-term liabilities without relying on inventory, although the value remains below the ideal benchmark of 1.0 time. The highest quick ratio was recorded in 2021, at 70.71%, reflecting improved efficiency in managing non-inventory current assets. Conversely, the lowest value occurred in 2024, at 49.01%, suggesting a decline in liquidity capability during that period. Overall, these findings emphasize that PT Arita Prima Indonesia Tbk needs to enhance the effectiveness of its current asset management to achieve a more stable and optimal liquidity position.

Table 3. Cash Ratio
 Expressed in Indonesian Rupiah

Year	Cash and Cash Equivalents	Current Liabilities	CR (%)
2015	Rp 37.776.487.891.00	Rp 177093362706.0.00	21.33
2016	Rp 33.886.162.333.00	Rp 154451484608.0.00	21.94
2017	Rp 15.063.563.369.00	Rp 162612162913.0.00	9.26
2018	Rp 20.102.055.535.00	Rp 161275642980.0.00	12.46
2019	Rp 21.455.269.747.00	Rp 172681301594.0.00	12.42
2020	Rp 35.845.223.355.00	Rp 162664484708.0.00	22.04
2021	Rp 53.459.892.747.00	Rp 165727263794.0.00	32.26

2022	Rp	34.273.304.173.00	Rp	174914078408.0.00	19.59
2023	Rp	19.177.926.755.00	Rp	175767795344.0.00	10.91
2024	Rp	8.860.040.451.00	Rp	194071687181.0.00	4.57
Average Cash Ratio					16.68

Source: processed data, 2025

Based on the calculations presented in Table 3, the average cash ratio of PT Arita Prima Indonesia Tbk for the period 2015–2024 was 16.68% or 0.17 times, indicating a relatively low cash capacity to cover short-term liabilities. The highest value was recorded in 2021, at 32.26%, while the lowest occurred in 2024, at 4.57%. Overall, this figure falls below the ideal benchmark of 50%, suggesting the need for improved cash management efficiency to strengthen the company's liquidity position.

Table 4. Net Profit Margin
 Expressed in Indonesian Rupiah

Year	Net Income	Revenues	NPM(%)
2015	Rp 18.443.574.546.00	Rp 202.115.388.442.00	9.13
2016	Rp 15.871.882.915.00	Rp 170.213.172.087.00	9.32
2017	Rp 13.921.992.681.00	Rp 168.065.942.352.00	8.28
2018	Rp 30.402.061.201.00	Rp 216.508.943.536.00	14.04
2019	Rp 25.744.441.617.00	Rp 242.761.693.999.00	10.60
2020	Rp 30.152.459.780.00	Rp 248.930.980.599.00	12.11
2021	Rp 20.672.232.124.00	Rp 252.448.924.906.00	8.19
2022	Rp 14.054.281.418.00	Rp 295.022.431.265.00	4.76
2023	Rp 30.651.441.707.00	Rp 299.110.900.336.00	10.25
2024	Rp 5.248.828.652.00	Rp 280.126.867.734.00	1.87
Average Net Profit Margin			8.86

Source: processed data, 2025

Based on the calculations presented in Table 4, the average Net Profit Margin (NPM) of PT Arita Prima Indonesia Tbk over the period 2015–2024 was 8.9%, indicating that for every Rp1 of sales, the company generated a net profit of Rp0.089. The highest NPM was recorded in 2018, at 14%, reflecting the company's efficiency in managing costs and generating profit. Conversely, the lowest NPM occurred in 2024, at 1.9%, suggesting a decline in profitability, possibly due to increased operational expenses or decreased revenue. Overall, the company's NPM is considered relatively sound but exhibits fluctuations, indicating that PT Arita Prima

Indonesia Tbk's net profitability performance remains influenced by market conditions and operational efficiency, which have yet to achieve full stability.

Table 5. Gross Profit Margin
 Expressed in Indonesian Rupiah

Year	Gross Profit	Revenues	GPM(%)
2015	Rp 121.610.839.949.00	Rp 202.115.388.442.00	60.17
2016	Rp 103.402.842.965.00	Rp 170.213.172.087.00	60.75
2017	Rp 101.624.822.870.00	Rp 168.065.942.352.00	60.47
2018	Rp 132.957.952.261.00	Rp 216.508.943.536.00	61.41
2019	Rp 144.765.371.794.00	Rp 242.761.693.999.00	59.63
2020	Rp 143.893.531.346.00	Rp 248.930.980.599.00	57.80
2021	Rp 144.356.267.824.00	Rp 252.448.924.906.00	57.18
2022	Rp 158.568.781.894.00	Rp 295.022.431.265.00	53.75
2023	Rp 178.619.510.253.00	Rp 299.110.900.336.00	59.72
2024	Rp 155.298.521.606.00	Rp 280.126.867.734.00	55.44
Average Gross Profit Margin			58.63

Source: processed data, 2025

Based on the calculations presented in Table 5, the Gross Profit Margin (GPM) of PT Arita Prima Indonesia Tbk exhibited a generally declining trend over time. The highest GPM was recorded in 2018, at 0.61 or 61.4%, while the lowest value occurred in 2022, at 0.54 or 53.7%. The average GPM over the past decade was 58.6%, indicating that, in general, the company has been able to maintain its gross profitability level above 50%, despite experiencing some pressure in recent years. This suggests that PT Arita Prima Indonesia Tbk remains relatively effective in managing its production costs, although challenges related to cost control and market conditions have affected its profit margins in certain periods.

Table 6. Return On Equity
 Expressed in Indonesian Rupiah

Year	Net Income	Total Equity	ROE(%)
2015	Rp 18.443.574.546.00	Rp 220.610.754.297.00	8.36
2016	Rp 15.871.882.915.00	Rp	6.63

		239.253.850.667.00	
2017	Rp 13.921.992.681.00	Rp 247.392.624.934.00	5.63
2018	Rp 30.402.061.201.00	Rp 275.592.626.530.00	11.03
2019	Rp 25.744.441.617.00	Rp 301.364.703.058.00	8.54
2020	Rp 30.152.459.780.00	Rp 333.221.035.115.00	9.05
2021	Rp 20.672.232.124.00	Rp 361.467.725.895.00	5.72
2022	Rp 14.054.281.418.00	Rp 377.677.206.114.00	3.72
2023	Rp 30.651.441.707.00	Rp 410.447.289.084.00	7.47
2024	Rp 5.248.828.652.00	Rp 417.433.943.563.00	1.26
Average Return On Equity			6.74

Source: processed data, 2025

Based on the calculations presented in Table 6, the Return on Equity (ROE) of PT Arita Prima Indonesia Tbk exhibited considerable fluctuations over the years. The highest ROE was recorded in 2018, at 11.0%, while the lowest occurred in 2024, at 1.3%. Overall, the average ROE over the past decade was 6.7%, indicating that the company was able to generate a net profit equivalent to 6.7% of its total shareholders' equity. This suggests that while PT Arita Prima Indonesia Tbk has maintained a moderate level of profitability relative to its equity, its performance has been inconsistent, likely influenced by variations in revenue, cost structure, and market dynamics throughout the period.

Table 7. Return On Investment
Expressed in Indonesian Rupiah

Year	Net Income	Total Assets	ROI(%)
2015	Rp 18.443.574.546.00	Rp 421.872.747.114.00	4.4
2016	Rp 15.871.882.915.00	Rp 407.985.799.015.00	3.9
2017	Rp 13.921.992.681.00	Rp 423.181.306.980.00	3.3
2018	Rp 30.402.061.201.00	Rp 450.303.354.800.00	6.8
2019	Rp 25.744.441.617.00	Rp 490.860.655.716.00	5.2
2020	Rp 30.152.459.780.00	Rp 512.220.639.129.00	5.9
2021	Rp 20.672.232.124.00	Rp 542.329.085.650.00	3.8
2022	Rp 14.054.281.418.00	Rp	2.5

		564.389.039.479.00	
2023	Rp 30.651.441.707.00	Rp 600.737.338.506.00	5.1
2024	Rp 5.248.828.652.00	Rp 628.645.607.287.00	0.8
Average Return On Investment			4.2

Source: processed data, 2025

Based on the calculations presented in Table 7, the Return on Investment (ROI) of PT Arita Prima Indonesia Tbk exhibited notable fluctuations throughout the observation period. The highest ROI was recorded in 2018, at 6.8%, while the lowest occurred in 2024, at 0.8%. Overall, the average ROI during the study period was 4.2%, indicating that the company was able to generate a net profit equivalent to 4.2% of the total assets utilized in its operational activities. This result reflects the company's moderate effectiveness in managing its assets to generate returns, although the declining trend in recent years suggests the need for improved operational efficiency and strategic asset utilization.

Table 8. Debt to Assets Ratio
 Expressed in Indonesian Rupiah

Year	Total Liabilities	Total Assets	DAR
2015	Rp 201.261.992.817.00	Rp 421.872.747.114.00	0.48
2016	Rp 168.731.948.348.00	Rp 407.985.799.015.00	0.41
2017	Rp 175.788.682.046.00	Rp 423.181.306.980.00	0.42
2018	Rp 174.710.728.270.00	Rp 450.303.354.800.00	0.39
2019	Rp 189.495.952.658.00	Rp 490.860.655.716.00	0.39
2020	Rp 178.999.604.014.00	Rp 512.220.639.129.00	0.35
2021	Rp 180.861.359.755.00	Rp 542.329.085.650.00	0.33
2022	Rp 186.711.833.365.00	Rp 564.389.039.479.00	0.33
2023	Rp 190.290.049.422.00	Rp 600.737.338.506.00	0.32
2024	Rp 211.211.663.724.00	Rp 628.645.607.287.00	0.34
Average Debt To Assets Ratio			0.37

Source: processed data, 2025

Based on the results presented in Table 8, the Debt to Asset Ratio (DAR) of PT Arita Prima Indonesia Tbk demonstrates a gradually declining trend throughout the observation period. The highest DAR value was recorded in 2015 at 47.7%, while

the lowest occurred in 2023 at 31.7%. Overall, the average DAR over the ten-year period was 37.5%, indicating that approximately 37.5% of the company's total assets were financed through debt, whereas the remaining 62.5% were funded by shareholders' equity. This downward trend suggests that the company has been progressively reducing its financial leverage, reflecting a more conservative capital structure and potentially lower financial risk exposure over time.

Table 9. Debt to Equity Ratio
 Expressed in Indonesian Rupiah

Year	Total Liabilities	Total Equity	DER
2015	Rp 201.261.992.817.00	Rp 220.610.754.297.00	0.91
2016	Rp 168.731.948.348.00	Rp 239.253.850.667.00	0.71
2017	Rp 175.788.682.046.00	Rp 247.392.624.934.00	0.71
2018	Rp 174.710.728.270.00	Rp 275.592.626.530.00	0.63
2019	Rp 189.495.952.658.00	Rp 301.364.703.058.00	0.63
2020	Rp 178.999.604.014.00	Rp 333.221.035.115.00	0.54
2021	Rp 180.861.359.755.00	Rp 361.467.725.895.00	0.5
2022	Rp 186.711.833.365.00	Rp 377.677.206.114.00	0.49
2023	Rp 190.290.049.422.00	Rp 410.447.289.084.00	0.46
2024	Rp 211.211.663.724.00	Rp 417.433.943.563.00	0.51
Average Debt To Equity Ratio			0.61

Source: processed data, 2025

Based on the results presented in Table 9, the Debt to Equity Ratio (DER) of PT Arita Prima Indonesia Tbk during the 2015–2024 period recorded an average value of 0.61 or 61%. The highest ratio was observed in 2015 at 0.91, while the lowest occurred in 2023 at 0.46. Overall, the company's DER exhibited a declining trend over the years, indicating a gradual reduction in the proportion of debt relative to equity. This trend suggests that the company has been strengthening its financial structure by relying more on internal equity financing rather than external debt sources.

Table 10. Inventory Turnover
 Expressed in Indonesian Rupiah

Year	Cost of Goods Sold	Inventory	IT
2015	Rp 80.504.548.493.00	Rp	0.50

		159.792.913.619.00	
2016	Rp 66.810.329.122.00	Rp 151.431.399.318.00	0.44
2017	Rp 66.441.119.482.00	Rp 159.429.959.785.00	0.42
2018	Rp 83.550.991.275.00	Rp 162.845.314.432.00	0.51
2019	Rp 97.996.322.205.00	Rp 180.839.287.377.00	0.54
2020	Rp 105.037.449.253.00	Rp 185.623.386.596.00	0.57
2021	Rp 108.092.657.082.00	Rp 190.144.968.351.00	0.57
2022	Rp 136.453.649.371.00	Rp 207.613.950.014.00	0.66
2023	Rp 120.491.390.083.00	Rp 199.928.715.241.00	0.60
2024	Rp 124.828.346.128.00	Rp 215.087.728.328.00	0.58
Average Inventory Turnover			0.54

Source: processed data, 2025

Based on the results presented in Table 10, the Inventory Turnover (IT) ratio of PT Arita Prima Indonesia Tbk during the 2015–2024 period recorded an average value of 0.54 times. The highest turnover was observed in 2022 at 0.66 times, while the lowest occurred in 2017 at 0.42 times. The IT ratio reflects how frequently the company's inventory is sold or replaced within a year. An average value of 0.54 times indicates that, on average, PT Arita Prima Indonesia Tbk's inventory turns over approximately half a cycle per year, suggesting that the company requires a relatively long time to convert its inventory into sales.

Table 11. Total Asset Turnover
 Expressed in Indonesian Rupiah

Year	Net Sales	Total Assets	TATO
2015	Rp 202.115.388.442.00	Rp 421.872.747.114.00	0.48
2016	Rp 170.213.172.087.00	Rp 407.985.799.015.00	0.42
2017	Rp 168.065.942.352.00	Rp 423.181.306.980.00	0.40
2018	Rp 216.508.943.536.00	Rp 450.303.354.800.00	0.48
2019	Rp 242.761.693.999.00	Rp 490.860.655.716.00	0.49
2020	Rp 248.930.980.599.00	Rp 512.220.639.129.00	0.49
2021	Rp 252.448.924.906.00	Rp 542.329.085.650.00	0.47

2022	Rp 295.022.431.265.00	Rp 564.389.039.479.00	0.52
2023	Rp 299.110.900.336.00	Rp 600.737.338.506.00	0.50
2024	Rp 280.126.867.734.00	Rp 628.645.607.287.00	0.45
Average Total Asset Turnover			0.47

Source: processed data, 2025

Based on the results presented in Table 11, the Total Asset Turnover (TATO) ratio of PT Arita Prima Indonesia Tbk during the 2015–2024 period recorded an average of 0.47 times. The highest value was observed in 2022 at 0.52 times, while the lowest occurred in 2017 at 0.40 times. This ratio reflects the company's ability to utilize its total assets to generate net sales. An average TATO of 0.47 times indicates that each Rp1 of assets generated only Rp0.47 in sales, suggesting a moderate level of asset utilization efficiency. The increase in the ratio during the 2018–2022 period signifies an improvement in asset management effectiveness, whereas the decline in 2024 indicates that certain assets were not optimally utilized.

Conclusion

Based on the financial ratio analysis conducted over the 2015–2024 period, the financial performance assessment of PT Arita Prima Indonesia Tbk reveals several key findings as follows:

1. The capital structure shows a healthy level of solvency, with an average Debt to Asset Ratio (DAR) of 0.37x and a Debt to Equity Ratio (DER) of 0.61x. This value indicates that a greater proportion of the company's funding comes from equity than debt. This condition reflects a low level of dependence on external parties and shows a financial position that is relatively safe from the risk of default and interest rate pressure. Thus, APII's capital structure can be categorized as stable and efficient in supporting the sustainability of long-term operational activities..
2. The company's profitability shows a fluctuating trend with a downward trend in the final period of the study. Based on data, the average Gross Profit Margin (GPM) is 58.63%, reflecting efficiency in controlling production costs, while the average Net Profit Margin (NPM) is 8.86%, Return on Equity (ROE) is 6.74%, and Return on Investment (ROI) is 4.17%, indicating the company's ability to generate profits from sales, capital and assets is still relatively moderate. A significant decline in 2024 indicates pressure on profitability, possibly due to increased operating costs or decreased sales volumes. This emphasizes the need for efficiency strategies and revenue diversification to maintain long-term profit stability.
3. The efficiency of asset and inventory utilization is quite good but not yet optimal. The average Total Asset Turnover (TATO) value is 0.47x and Inventory Turnover (IT) is 0.54x, indicating that the company's assets and inventory are able to generate income consistently, even though the turnover rate is still at a moderate level. This indicates that there is room for improvement in optimizing the use of fixed assets and current assets in order to increase the company's productivity and profitability ratios in the future.

- Liquidity performance shows a relatively strong position even though it experiences fluctuations between periods. The average Current Ratio (CR) value is 165.05% and the Quick Ratio (QR) is 58.63%, indicating that the company's ability to fulfill short-term obligations is at a safe level. However, the Cash Ratio which only reached an average of 16.68% shows that the majority of current assets are not in the form of cash, so the effectiveness of cash management needs to be improved so that liquidity stability can be better maintained in uncertain market conditions.

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