

Analysis of Activity Ratios and Profitability Ratios at PT PP London Sumatra Indonesia Tbk

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ARTICLE INFORMATION	ABSTRACT
<p>Received: 26 September 2025 Revised: 10 November 2025 Accepted: 31 Desember 2025 Published: 31 Desember 2025</p>	<p>This study aims to determine the level of activity ratio and profitability ratio at PT PP London Sumatra Indonesia Tbk during the period 2018 to 2024. The data collection technique uses documentation in the form of secondary data from the Statement of Financial Position and Income Statement obtained through the company's official website. Data is processed quantitatively using descriptive statistical analysis of the activity ratio and profitability. The results of the study indicate that the level of activity ratio experienced significant fluctuations in each period. A drastic decrease occurred in: receivables turnover in the 2024 period of 6.667 times, inventory turnover in the 2022 period of 7.024 times, working capital turnover in the 2024 period of 0.709 times, fixed asset turnover in the 2020 period of 0.560 times, and total asset turnover in the 2020 period of 0.324 times. Meanwhile, the highest increase occurred in: receivables turnover in the 2018 period of 26,442 times, inventory turnover in the 2021 period of 12,309 times, working capital turnover in the 2019 period of 2,144 times, fixed asset turnover in the 2024 period of 0.903 times and total asset turnover in the 2018 period of 0.400 times. The profitability ratio level also showed significant fluctuations each period. A significant decrease occurred in: the 2019 period, namely: return on assets of 2.471%, return on equity of 2.973%, gross profit margin of 15.180%, operating profit margin of 8.124%, and net profit margin of 6.829%. Meanwhile, the highest increases occurred in 2024, with a return on assets of 10.661%, a return on equity of 11.752%, a gross profit margin of 43.659%, an operating profit margin of 33.991%, and a net profit margin of 32.343%.</p> <p>Keywords: Financial Statements, Activity Ratios, Profitability Ratios</p>
	A B S T R A K
	<p>Penelitian ini bertujuan untuk mengetahui tingkat rasio aktivitas dan rasio profitabilitas pada PT PP London Sumatra Indonesia Tbk selama periode 2018 sampai 2024. Teknik pengumpulan data menggunakan dokumentasi berupa data sekunder dari Laporan Posisi Keuangan dan Laporan Laba Rugi yang diperoleh melalui situs resmi perusahaan. Data diolah secara kuantitatif menggunakan analisis statistik deskriptif terhadap rasio aktivitas dan profitabilitas. Hasil penelitian menunjukkan bahwa tingkat rasio aktivitas mengalami fluktuasi signifikan pada setiap periode. Penurunan drastis terjadi pada: perputaran piutang periode 2024 sebesar 6,667 kali, perputaran persediaan periode 2022 sebesar 7,024 kali, perputaran modal kerja periode 2024 sebesar 0,709 kali, perputaran aset tetap periode 2020 sebesar 0,560 kali, serta perputaran total aset periode 2020 sebesar 0,324 kali. Sementara itu, peningkatan tertinggi terjadi pada: perputaran piutang periode 2018 sebesar 26,442 kali, perputaran persediaan periode 2021 sebesar 12,309 kali, perputaran modal kerja periode 2019 sebesar 2,144 kali, perputaran aset tetap periode 2024 sebesar 0,903 kali serta perputaran total aset periode 2018 sebesar 0,400 kali. Tingkat rasio profitabilitas juga menunjukkan fluktuatif yang signifikan tiap periode. Penurunan signifikan terjadi pada: periode 2019, yaitu:</p>

	<p>pengembalian atas aset sebesar 2,471%, pengembalian atas ekuitas sebesar 2,973%, marjin laba kotor sebesar 15,180%, marjin laba operasional sebesar 8,124%, dan marjin laba bersih sebesar 6,829%. Sementara itu, peningkatan tertinggi terjadi pada: periode 2024, pengembalian atas aset sebesar 10,661%, pada pengembalian atas ekuitas sebesar 11,752%, pada marjin laba kotor sebesar 43,659%, pada marjin laba operasional sebesar 33,991%, dan pada marjin laba bersih 32,343%.</p> <p>Kata kunci: Laporan Keuangan, Rasio Aktivitas, Rasio Profitabilitas</p>
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INTRODUCTION

During this current era of globalization, economic development is happening at a very rapid pace, making competition among companies increasingly fierce. The success of a company can be measured by its financial condition over a certain period to assess whether the company is in a healthy state or not. This assessment is generally based on an analysis of the company's financial statements, one of which is through financial ratio analysis. Activity Ratios are used to measure the company's effectiveness in using its assets. Meanwhile, Profitability Ratios are used to measure the company's ability to generate profit from its normal business activities.

Based on a five-month research period at PT PP London Sumatra Indonesia Tbk, it was found that the company's asset management is not yet fully optimal. There are assets that are no longer fit for use but are still recorded in the financial statements, which can affect sales and net profit. This highlights the importance of financial statement analysis as a management tool for making sound decisions. The problem statement for this research is: "How is the level of activity ratios and profitability ratios at PT PP London Sumatra Indonesia Tbk?". The objective of this research is to determine the level of activity ratios and profitability ratios of PT PP London Sumatra Indonesia Tbk.

THEORETICAL REVIEW

Financial Statement

According to PSAK 201 (Indonesian Financial Accounting Standards), financial statements are a presentation of an entity's financial position and financial performance. The types of financial statements include:

1. Statement of Financial Position (Balance Sheet): This report outlines a company's financial position at a specific point in time, including its assets, liabilities, and equity.
2. Income Statement: This statement shows a company's ability to generate profit over a specific accounting period.
3. Statement of Changes in Equity: This report details the changes in a company's capital due to additions and deductions from profit/loss and owner transactions. It records all transactions that affect the company's equity and owner's capital during a specific period.
4. Statement of Cash Flows: This report illustrates the receipts and disbursements of cash over a specific period. It presents historical information on changes in an entity's cash and cash equivalents, separately showing changes that occurred during a period from operating, investing, and financing activities.
5. Notes to the Financial Statements: These are additional notes or information added to provide explanations to the reader of the financial statements. Notes to the financial statements help clarify the calculation of certain items within the financial statements.

Financial Statement Analysis

Financial statement analysis is the process of breaking down financial statements into their components and examining each part to gain a thorough and accurate understanding of the financial statements themselves (Hery 2023:113).

Methods of Financial Statement Analysis

According to Kasmir (2024:69), there are two main methods used in the practice of financial statement analysis:

1. Vertical Analysis (Static) This method involves analyzing a company's financial statement for only one single period. The analysis is performed between the items within that single period. The information obtained is therefore limited to one period, and it doesn't show the company's development from one period to the next.
2. Horizontal Analysis (Dynamic) This method compares financial statements over multiple periods. The results of this analysis reveal the company's progress and trends from one period to another.

Financial Ratio Analysis

Financial ratio analysis is a method of comparing numbers found in financial statements by dividing one number by another. The comparison can be made between different components within a single financial statement or between figures from one period and those from several periods (Kasmir 2019:104).

Types of Financial Ratios

According to Sujarweni(2023:60), the types of financial ratios are as follows:

1. Liquidity Ratios: These ratios measure a company's ability to meet its short-term financial obligations, such as short-term debt. This is indicated by the size of the company's current assets.
2. Solvency/Leverage Ratios: These ratios are used to measure a company's ability to meet all of its obligations, both short-term and long-term. They also show how effectively a company uses its resources.
3. Activity Ratios: These ratios measure the effectiveness of a company's use of its assets or wealth. They can also indicate the extent to which a company's assets are financed by debt or external parties.
4. Profitability and Rentability Ratios: These ratios measure the return or profit earned compared to sales or assets. They gauge a company's ability to generate profit in relation to its sales, assets, and equity.

Activity Ratios

According to Kasmir (2024:174), Activity Ratios are used to measure a company's effectiveness in utilizing its assets. In other words, these ratios gauge the efficiency and effectiveness of a company's resource utilization. This includes efficiency in areas such as sales, inventory, accounts receivable collection, and other operational areas. These ratios are also used to assess a company's ability to carry out its day-to-day activities. By measuring with activity ratios, you can see whether a company is more efficient and effective in managing its assets, or perhaps the opposite. Here are a few types of activity ratios:

a. Receivable Turn Over

Receivables turnover is a ratio used to measure how long it takes to collect receivables over a specific period, or how many times the funds invested in receivables turn over in that period. A higher ratio indicates that the working capital invested in receivables is lower (compared to the

previous period's ratio), which is a better condition for the company. Conversely, a lower ratio suggests an over-investment in receivables.

$$Receivable\ Turn\ Over = \frac{Sales}{Receivable}..... (1)$$

- b. Inventory Turn Over

Inventory turnover is a ratio used to measure how many times the funds invested in inventory are turned over during a period. It can also be interpreted as the number of times a company's inventory is replaced in a given period. A high ratio indicates that the company is operating efficiently and its inventory liquidity is good. Conversely, a low ratio means the company is working inefficiently or unproductively, and a large amount of inventory is piling up. The formula used to calculate inventory turnover is:

$$Inventory\ Turn\ Over = \frac{Sales}{Inventory}..... (2)$$

- c. Working Capital Turn Over

The working capital turnover ratio is used to measure or evaluate the effectiveness of a company's working capital over a specific period. It shows how many times the working capital has "turned over" or been used to generate sales during the period. A low working capital turnover ratio can indicate that a company has excess working capital. Conversely, a high ratio might be due to a high turnover of inventory, receivables, or a very small cash balance. The formula for calculating working capital turnover is:

$$Working\ Capital\ Turn\ Over = \frac{Net\ Sales}{Working\ Capital} (3)$$

- d. Fixed Assets Turn Over

The fixed asset turnover ratio is used to measure how many times the funds invested in fixed assets have "turned over" during a period. In other words, it assesses whether the company is fully utilizing the capacity of its fixed assets. A low fixed asset turnover ratio indicates that the company has excess fixed asset capacity, meaning the existing fixed assets are not being fully utilized to generate sales. The formula to calculate fixed asset turnover is:

$$Fixed\ Assets\ Turn\ Over = \frac{Net\ Sales}{Total\ Fixed\ Assets} (4)$$

- e. Total Assets Turn Over

The total asset turnover ratio is used to measure the turnover of all assets a company owns. It gauges how many sales are generated for every dollar of assets. This ratio helps determine if a company needs to increase its sales or reduce some of its unproductive assets. A low total asset turnover ratio means the company has excess total assets that are not being used to their maximum potential to generate sales. The formula used to calculate total asset turnover is:

$$Total\ Assets\ Turn\ Over = \frac{Sales}{Total\ Assets} (5)$$

Profitability Ratios

According to Herry (2023:192), profitability ratios are used to measure a company's ability to generate profit from its normal business activities. A company is an organization that operates with the goal of generating profit by selling products (goods and/or services) to its customers. The operational objective of most companies is to maximize profit, both in the short and long term. Here are some common types of profitability ratios used in practice to measure a company's ability to generate profit:

- a. Return On Assets Ratio

Return on Assets (ROA) is a ratio that shows how much a company's assets contribute to generating its net profit. In other words, this ratio measures how much net profit is generated for every dollar of assets invested. A higher ROA indicates that a greater amount of profit is being generated from each dollar of assets, and vice versa. The formula used to calculate the return on assets ratio is:

$$\text{Return On Assets} = \frac{\text{Net Profit}}{\text{Total Assesta}} \dots\dots\dots (6)$$

b. Return On Equity Ratio

Return on Equity (ROE) is a ratio that shows how much a company's equity contributes to generating its net profit. In other words, this ratio measures how much net profit is generated for every dollar of shareholder equity. A higher ROE indicates a greater amount of net profit is being generated from each dollar of equity, and vice versa. The formula used to calculate the return on equity ratio is:

$$\text{Return On Equity} = \frac{\text{Net Profit}}{\text{Total Equity}} \dots\dots\dots (7)$$

c. Gross Profit Margin Ratio

Gross Profit Margin is a ratio used to measure the percentage of gross profit generated from net sales. This ratio is calculated by dividing gross profit by net sales. Gross profit itself is calculated by subtracting the cost of goods sold from net sales. Here, net sales refer to total sales (both cash and credit) minus sales returns, allowances, and discounts. A higher gross profit margin means a greater amount of gross profit is generated from net sales. This can be attributed to either higher selling prices or lower costs of goods sold, and vice versa. The formula used to calculate the gross profit margin ratio is:

$$\text{Gross Profit Margin} = \frac{\text{Gross Profit}}{\text{Net Sales}} \dots\dots\dots (8)$$

d. Operation Profit Margin Ratio

The Operating Profit Margin is a ratio used to measure the percentage of operating profit generated from net sales. It is calculated by dividing operating profit by net sales. Operating profit is the result of subtracting operating expenses from gross profit. Operating expenses include both selling expenses and general and administrative expenses. A higher operating profit margin means a greater amount of operating profit is being generated from net sales. This can be caused by a high gross profit and/or low operating expenses. The opposite is true if the ratio is low. The formula for calculating the operating profit margin is:

$$\text{Operating Profit Margin} = \frac{\text{Operation Profit}}{\text{Net Sales}} \dots\dots\dots (9)$$

e. Net Profit Margin Ratio

Net Profit Margin is a ratio used to measure the percentage of net profit generated from net sales. Net profit is calculated by subtracting income tax expense from profit before tax. Profit before tax is the result of adding other income and gains to operating profit and then subtracting other expenses and losses. A higher net profit margin means a greater amount of net profit is being generated from net sales. This is typically due to a high profit before tax, and the reverse is true if the margin is low. The formula for calculating the net profit margin ratio is:

$$\text{Net Profit Margin} = \frac{\text{Net Profit}}{\text{Net Sales}} \dots\dots\dots (10)$$

Industry Average Standards

The following are the industry average standards for activity ratios, according to Kasmir (2024:189):

Table 1. industry average standards for activity ratios

No	Type Ratios	Industry Average Standards
1	<i>Receivable turn over</i>	15 kali
2	<i>Inventory turn over</i>	20 kali
3	<i>Working capital turn over</i>	6 kali
4	<i>Fixed assets turn over</i>	5 kali
5	<i>Total assets turn over</i>	2 kali

Source: Kasmir, (2024)

Here are the industry average standards for profitability ratios, according to Hery (2023:194):

Table 2. standar rata-rata industri rasio profitabilitas

No	Type Ratios	Industry Average Standards
1	<i>Return on Assets</i>	20%
2	<i>Return on Equity</i>	30%
3	<i>Gross Profit Margin</i>	28%
4	<i>Operating Profit Margin</i>	23%
5	<i>Net Profit Margin</i>	20%

Source: Hery, (2023)

METHOD

The study used quantitative methods and descriptive statistics to analyze the financial statements of PT PP London Sumatra Indonesia Tbk. Quantitative data processing techniques were used to calculate the numerical data required in this study, while descriptive statistics were used to draw conclusions from the results of calculations carried out through quantitative data processing. The data sources used by the author in this study were secondary data in the form of financial statements sourced from the official website of PT PP London Sumatra Indonesia Tbk. The data collection technique used in this study was the documentation technique. The documentation used was financial statement data, especially the statement of financial position and profit and loss statement for 7 periods from 2018 to 2024.

RESULT AND DISCUSSION

The following is the calculation of the activity ratio at PT PP London Sumatra Indonesia Tbk:

1. Receivable Turn Over

Table 3. Calculation Receivable Turn Over

Period	Sales	Receivable	Calculation	Calculation Results
2018	4.019.846	152.026	<u>4.019.846</u> <u>152.026</u>	26,442
2019	3.699.439	468.618	<u>3.699.439</u> <u>468.618</u>	7,894
2020	3.536.721	339.080	<u>3.536.721</u> <u>339.080</u>	10,430
2021	4.525.473	307.328	<u>4.525.473</u> <u>307.328</u>	14,725
2022	4.585.348	397.476	<u>4.585.348</u> <u>397.476</u>	11,536
2023	4.189.896	216.312	<u>4.189.896</u> <u>216.312</u>	19,370
2024	4.562.503	684.341	<u>4.562.503</u> <u>684.341</u>	6,667

Source: Data is processed, 2025

2. Inventory Turn Over

Table 4. Calculation Inventory Turn Over

Period	Sales	Inventory	Calculation	Calculation Results
2018	4.019.846	488.712	<u>4.019.846</u> <u>488.712</u>	8,225
2019	3.699.439	341.851	<u>3.699.439</u> <u>341.851</u>	10,822
2020	3.536.721	364.228	<u>3.536.721</u> <u>364.228</u>	9,710
2021	4.525.473	367.649	<u>4.525.473</u> <u>367.649</u>	12,309
2022	4.585.348	652.810	<u>4.585.348</u> <u>652.810</u>	7,024
2023	4.189.896	431.429	<u>4.189.896</u> <u>431.429</u>	9,712
2024	4.562.503	619.768	<u>4.562.503</u> <u>619.768</u>	7,362

Source: Data is processed, 2025

3. Working Capital Turn Over

Table 5. Calculation Working Capital Turn Over

Period	Net Sales	Working Capital	Calculation	Calculation Results
2018	4.019.846	1.919.213	<u>4.019.846</u> <u>1.919.213</u>	2,095
2019	3.699.439	1.725.688	<u>3.699.439</u> <u>1.725.688</u>	2,144
2020	3.536.721	2.323.270	<u>3.536.721</u> <u>2.323.270</u>	1,522

2021	4.525.473	3.611.216	<u>4.525.473</u> <u>3.611.216</u>	1,253
2022	4.585.348	4.397.862	<u>4.585.348</u> <u>4.397.862</u>	1,043
2023	4.189.896	4.812.341	<u>4.189.896</u> <u>4.812.341</u>	0,871
2024	4.562.503	6.439.310	<u>4.562.503</u> <u>6.439.310</u>	0,709

Source: Data is processed, 2025

4. Fixed Assets Turn Over

Table 6. Calculation Fixed Assets Turn Over

Period	Sales	Total Fixed Assets	Calculation	Calculation Resultd
2018	4.019.846	6.234.540	<u>4.019.846</u> <u>6.234.540</u>	0,645
2019	3.699.439	6.311.102	<u>3.699.439</u> <u>6.311.102</u>	0,586
2020	3.536.721	6.313.300	<u>3.536.721</u> <u>6.313.300</u>	0,560
2021	4.525.473	5.826.682	<u>4.525.473</u> <u>5.826.682</u>	0,777
2022	4.585.348	5.665.815	<u>4.585.348</u> <u>5.665.815</u>	0,809
2023	4.189.896	5.493.363	<u>4.189.896</u> <u>5.493.363</u>	0,763
2024	4.562.503	5.049.883	<u>4.562.503</u> <u>5.049.883</u>	0,903

Source: Data is processed, 2025

5. Total Assets Turn Over

Table 7. Calculation Total Assets Turn Over

Period	Sales	Total Assets	Calculation	Calculation
2018	4.019.846	10.037.294	<u>4.019.846</u> <u>10.037.294</u>	0,400
2019	3.699.439	10.225.322	<u>3.699.439</u> <u>10.225.322</u>	0,362
2020	3.536.721	10.922.788	<u>3.536.721</u> <u>10.922.788</u>	0,324
2021	4.525.473	11.851.182	<u>4.525.473</u> <u>11.851.182</u>	0,382
2022	4.585.348	12.417.013	<u>4.585.348</u> <u>12.417.013</u>	0,369
2023	4.189.896	12.514.203	<u>4.189.896</u> <u>12.514.203</u>	0,335
2024	4.562.503	13.841.956	<u>4.562.503</u> <u>13.841.956</u>	0,330

Source: Data is processed, 2025

The following is the calculation of the profitability ratio at PT PP London Sumatra Indonesia Tbk:

1. Return On Assets

Table 8. Calculation Return On Assets

Period	Net Profit	Total Assets	Calculation	Calculation Results
2018	329.426	10.037.294	$\frac{329.426}{10.037.294}$	3,282%
2019	252.630	10.225.322	$\frac{252.630}{10.225.322}$	2,471%
2020	695.490	10.922.788	$\frac{695.490}{10.922.788}$	6,367%
2021	990.445	11.851.182	$\frac{990.445}{11.851.182}$	8,357%
2022	1.035.285	12.417.013	$\frac{1.035.285}{12.417.013}$	8,338%
2023	760.673	12.514.203	$\frac{760.673}{12.514.203}$	6,078%
2024	1.475.654	13.841.956	$\frac{1.475.654}{13.841.956}$	10,661%

Source: Data is processed, 2025

2. Return on Equity

Table 9. Calculation Return on Equity

Period	Net Profit	Total Equity	Calculation	Calculation Results
2018	329.426	8.332.119	$\frac{329.426}{8.332.119}$	3,954%
2019	252.630	8.498.500	$\frac{252.630}{8.498.500}$	2,973%
2020	695.490	9.286.332	$\frac{695.490}{9.286.332}$	7,489%
2021	990.445	10.172.506	$\frac{990.445}{10.172.506}$	9,736%
2022	1.035.285	10.935.707	$\frac{1.035.285}{10.935.707}$	9,467%
2023	760.673	11.347.441	$\frac{760.673}{11.347.441}$	6,703%
2024	1.475.654	12.556.754	$\frac{1.475.654}{12.556.754}$	11,752%

Source: Data is processed, 2025

3. Gross Profit Margin

Table 10. Calculation Gross Profit Margin

Period	Gross Profit	Net Sales	Calculation	Calculation Results
2018	683.033	4.019.846	$\frac{683.033}{4.019.846}$	16,992%
2019	561.560	3.699.439	$\frac{561.560}{3.699.439}$	15,180%
2020	1.075.795	3.536.721	$\frac{1.075.795}{3.536.721}$	30,418%

2021	1.808.374	4.525.473	<u>1.808.374</u> <u>4.525.473</u>	39,960%
2022	1.491.444	4.585.348	<u>1.491.444</u> <u>4.585.348</u>	32,526%
2023	1.150.868	4.189.896	<u>1.150.868</u> <u>4.189.896</u>	27,468%
2024	1.991.961	4.562.503	<u>1.991.961</u> <u>4.562.503</u>	43,659%

Source: Data is processed, 2025

4. Operating Profit Margin

Table 11. Calculation Operating Profit Margin

Period	Operating Profit	Net sales	Calculation	Calculation Results
2018	339.735	4.019.846	<u>339.735</u> <u>4.019.846</u>	8,451%
2019	300.551	3.699.439	<u>300.551</u> <u>3.699.439</u>	8,124%
2020	816.120	3.536.721	<u>816.120</u> <u>3.536.721</u>	23,076%
2021	1.191.297	4.525.473	<u>1.191.297</u> <u>4.525.473</u>	26,324%
2022	1.205.856	4.585.348	<u>1.205.856</u> <u>4.585.348</u>	26,298%
2023	759.425	4.189.896	<u>759.425</u> <u>4.189.896</u>	18,125%
2024	1.550.851	4.562.503	<u>1.550.851</u> <u>4.562.503</u>	33,991%

Source: Data is processed, 2025

5. Net Profit margin

Table 12. Calculation Net Profit margin

Period	Net Profit	Net Sales	Calculation	Calculation Results
2018	329.426	4.019.846	<u>329.426</u> <u>4.019.846</u>	8,195%
2019	252.630	3.699.439	<u>252.630</u> <u>3.699.439</u>	6,829%
2020	695.490	3.536.721	<u>695.490</u> <u>3.536.721</u>	19,665%
2021	990.445	4.525.473	<u>990.445</u> <u>4.525.473</u>	21,886%
2022	1.035.285	4.585.348	<u>1.035.285</u> <u>4.585.348</u>	22,578%
2023	760.673	4.189.896	<u>760.673</u> <u>4.189.896</u>	18,155%
2024	1.475.654	4.562.503	<u>1.475.654</u> <u>4.562.503</u>	32,343%

Source: Data is processed, 2025

Discussion

Overall, the company's activity ratios show a poor condition compared to industry standards. The average of all activity ratios over the research period (2018-2024) was below the set industry average standards.

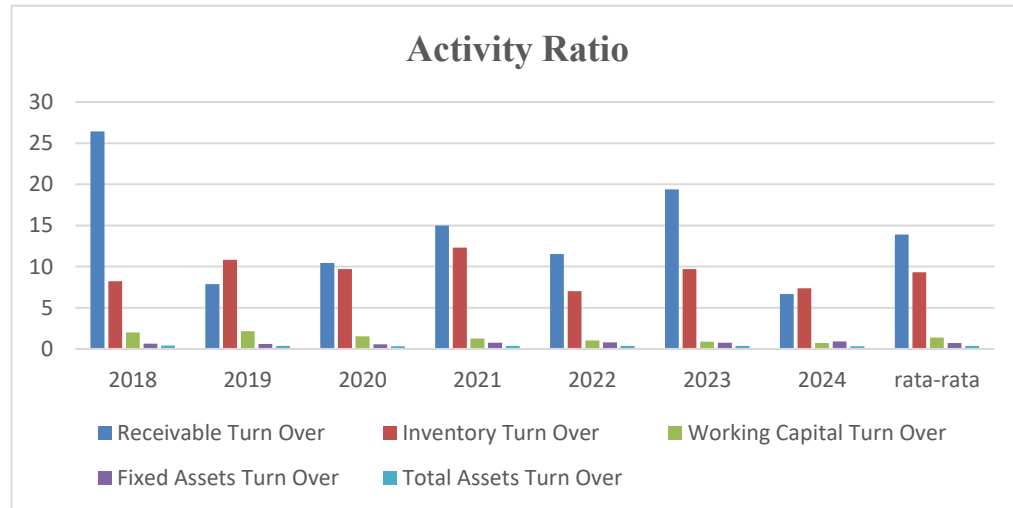


Figure 1. activity ratio summary chart

1. **Receivable Turnover:** This ratio was volatile, with a high of 26.442 times in 2018 and a low of 6.667 times in 2024. A sharp drop occurred in 2019 due to the COVID-19 pandemic, and another significant decrease in 2024 was caused by an increase in non-operating receivables. The company's average receivable turnover (13.906 times) is lower than the industry standard (15 times), indicating poor performance in collecting receivables.
2. **Inventory Turnover:** This ratio fluctuated but was consistently below the industry standard (20 times). The highest value was in 2021 (12.309 times), while the lowest values were in 2022 (7.024 times) and 2024 (7.362 times). The low ratio is attributed to an accumulation of obsolete inventory in the warehouse, demonstrating inefficiency in inventory management.
3. **Working Capital Turnover:** This ratio showed a consistent decline from 2019 to 2024 and was always below the industry standard (6 times). The highest value was in 2019 (2.144 times) and the lowest in 2024 (0.709 times). This indicates the company is inefficient in using its current assets to generate sales.
4. **Fixed Assets Turnover:** This ratio fluctuated but remained consistently below the industry standard (5 times). The ratio hit its lowest point in 2020 (0.560 times) and its highest in 2024 (0.903 times). The increase in later years shows that the company is becoming more efficient at utilizing its fixed assets to generate revenue.
5. **Total Assets Turnover:** This ratio was always below the industry standard (2 times). The highest value was in 2018 (0.400 times) and the lowest was in 2020 (0.324 times). This decline was caused by unproductive assets and a drop in sales, as seen during the COVID-19 pandemic.

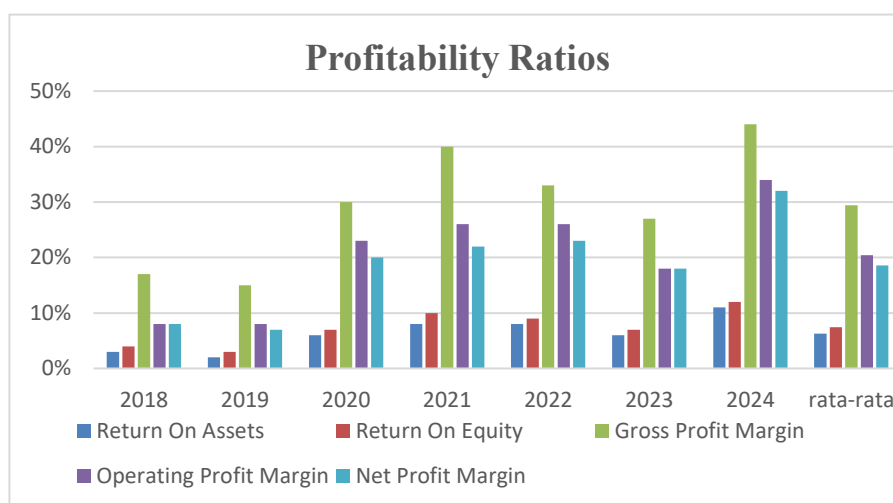


Figure 2. Profitability ratio recapitulation graph

Company's profitability ratios have fluctuated, and their overall average is below industry standards, with the exception of the Gross Profit Margin.

1. **Return on Assets (ROA)** The company's ROA has been consistently below the industry standard of 20%. It hit a low of 2.471% in 2019 but saw a significant rise to a high of 10.661% in 2024. The increase in 2024 indicates an improvement in the company's efficiency at using its assets to generate profits.
2. **Return on Equity (ROE)** The company's ROE has always been below the industry standard of 30%. It was lowest in 2019 at 2.973% due to declining sales and peaked in 2024 at 11.757%. The increase in 2024 shows that the company is becoming more efficient in using shareholder equity to generate net profit.
3. **Gross Profit Margin** This ratio, on average, performed better than the industry standard. The company's average of 29.458% surpassed the industry standard of 28%. While it fluctuated, with a low of 15.180% in 2019 and a high of 43.659% in 2024, the increase in 2024 was due to higher sales and a decrease in the cost of goods sold.
4. **Operating Profit Margin** The average for this ratio was 20.627%, slightly below the industry standard of 23%. The ratio reached its peak at 33.991% in 2024, showing improved efficiency in generating operating profit from sales. However, it hit its lowest point in 2019 at 8.124%.
5. **Net Profit Margin** The average for this ratio was 18.552%, just under the industry standard of 20%. The ratio was lowest at 6.829% in 2019 and highest at 32.343% in 2024. The significant increase in 2024 indicates that the company is becoming more efficient at converting sales into net profit.

CONCLUSION

Overall, the activity ratio indicates instability in the management of the company's assets. The lowest declines occurred in: Receivables Turnover: 6,667 times in 2024. Inventory Turnover: 7,024 times in 2022. Working Capital Turnover: 0.709 times in 2024. Fixed Asset Turnover: 0.560 times in 2020. Total Asset Turnover: 0.324 times in 2020. Furthermore, the highest increases occurred in: Receivables Turnover: 26,442 times in 2018. Inventory Turnover: 12,309 times in 2021. Working Capital Turnover: 2,144 times in 2019. Fixed Asset Turnover: 0.903 times in 2024. Total Asset Turnover: 0.400 times in 2018.

The profitability ratio level also showed significant fluctuations. The lowest decline for all profitability ratios occurred in 2019, which includes: Return on Assets: 2.471%. Return on Equity: 2.973%. Gross Profit Margin: 15.180%. Operating Profit Margin: 8.124%. Net Profit Margin:

6.829%. Furthermore, the highest increase for all profitability ratios occurred in 2024, namely: Return on Assets: 10.661%. Return on Equity: 11.752%. Gross Profit Margin: 43.659%. Operating Profit Margin: 33.991%. Net Profit Margin: 32.343%.

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