



Profitability Ratio Analysis To Measure Financial Performance (PT. Astra International Tbk 2020-2023)

Nopi Yulianti, Monika Sutarsa *, Rani Ligar Fitriani

Politeknik LP3I, Indonesia

*Email (corresponding author): monikasutarsaa@gmail.com

Abstract. This research examines the financial performance of PT Astra International Tbk over a four-year period from 2020 to 2023, with a specific focus on profitability metrics. The study employs quantitative analysis through a descriptive approach, utilizing key profitability ratios including Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Operating Profit Margin (OPM). By comparing these performance indicators against established industry benchmarks, the research provides a comprehensive assessment of the company's financial health and efficiency. Findings reveal mixed results: ROA averaged 8.05% and ROE averaged 13.92%, both falling below industry standards, indicating suboptimal asset and equity utilization. Similarly, GPM averaged 22.6%, below the recommended threshold for satisfactory performance. However, NPM and OPM averaged 14.05% and 15.06% respectively, exceeding minimum industry standards and suggesting favorable revenue management and operational efficiency. This analysis offers valuable insights for stakeholders and management to identify areas for strategic improvement in Astra International's financial operations.

Keywords: Return on asset, return on equity, net profit margin

1. Introduction

The Indonesian economy has witnessed substantial growth and diversification in recent decades, characterized by the proliferation of large-scale enterprises across private, public, and state-owned sectors. This economic expansion, while creating opportunities, has simultaneously intensified competitive pressures and business risks across industries. A significant disruptive force in this landscape was the COVID-19 pandemic, which precipitated widespread economic contraction and specifically affected PT Astra International Tbk's operational performance and market valuation. According to research by Putri et al. (2021), Astra group experienced marked declines in both revenue generation and profit realization during 2020, directly attributable to pandemic-induced economic distress. This represents a stark reversal from the company's trajectory in 2019, when, as reported by Syafii et al. (2022), profitability metrics and capital position had been strengthening.

The onset of the pandemic in late 2019, with its full economic impact materializing throughout 2020, created unprecedented challenges for Indonesian businesses, including Astra International. In this context, financial statements serve as critical analytical instruments for assessing corporate performance trajectories, revealing whether entities are experiencing growth, stagnation, or decline within specific timeframes. These financial documents—comprising Income Statements, Statements of Changes in Equity, Cash Flow Statements, Balance Sheets, and accompanying Notes—provide the empirical foundation for

performance evaluation. Profitability patterns naturally vary across corporations, reflecting differences in asset management strategies, liability structures, capital deployment, revenue streams, and expense control mechanisms. Consequently, financial statements exhibit year-to-year variations that reflect changing business conditions and management responses.

Financial statements thus represent essential tools for companies, offering comprehensive performance snapshots, supporting decision-making processes, and enhancing investor attractiveness. As Hery (2018) notes, "Financial Statements are reports that show the Company's financial condition at this time or within a certain period." Their fundamental purpose encompasses performance evaluation, strategic planning, financial analysis, and future business trajectory forecasting. For potential investors, financial statement review constitutes a foundational element of the investment assessment process. Rational investment decisions require analytical rigor, including thorough examination of corporate financial statements and performance metrics. Fundamental analysis represents a powerful methodological approach, incorporating both internal company data and relevant external factors affecting business operations (Elisabet & Putra, 2022). Through financial knowledge and ratio analysis, financial statements provide critical insights into issuer conditions, supporting informed investment decisions.

Investment decision-making represents a continuous evaluative process encompassing five sequential stages: establishing investment objectives, formulating investment policies, selecting appropriate portfolio strategies, conducting asset selection, and measuring/evaluating portfolio performance. Rational decision frameworks favor logical approaches and considerations. However, as Rasid & Hafizi (2022) observe, investors sometimes make decisions based on non-rational factors, contributing to market inefficiencies. For investors, comprehensive analysis of financial conditions, performance metrics, and growth prospects is paramount, alongside continuous monitoring of automotive industry developments and broader economic factors influencing corporate performance. Table 1 presents Astra International's revenue and net profit trends.

Table 1. Net profit and revenue data of PT Astra International Tbk 2020-2023
(Expressed in billions of Rupiah)

Year	Net Profit	Revenue	Percentage
2020	18,571	175,046	10.60%
2021	25,586	233,485	10.95%
2022	40,420	301,379	13.41%
2023	44,501	316,565	14.05%

Source: Annual Report PT. Astra International Tbk.

The data reveals a consistent annual improvement in PT Astra International's Net Income to Revenue percentage. Beginning at 10.60% in 2020, this metric rose to 10.95% in 2021, further increased to 13.41% in 2022, and reached 14.05% in 2023, reflecting continuous growth in both revenue generation and net income realization.

PT Astra International Tbk, initially established in Jakarta in 1957 as Astra International Inc., has evolved into one of Indonesia's largest conglomerates, publicly traded on the Indonesia Stock Exchange since 1990. With a diversified business portfolio, the Astra

Group's products and services have become integral to Indonesian daily life, spanning motorcycles, automobiles, toll road infrastructure, printing services, digital solutions, financing options, and insurance products. The company's business segments encompass Automotive, Financial Services, Heavy Equipment, Agribusiness, Infrastructure and Logistics, Information Technology, and Property Development. Despite rapid growth in Indonesia's automotive sector attracting new market entrants and intensifying brand competition, Astra maintains a dominant position with approximately 50% market share in the automotive industry (Rachmawati & Rismayani, 2019).

The financial data presented in Table 1 demonstrates fluctuations in PT Astra International's net profit and revenue across successive years. These variations stem from multiple internal and external factors, including COVID-19 impacts, competitive industry dynamics, and investment decisions affecting the company's asset base. This research aims to conduct a comprehensive analysis of profitability ratios to evaluate PT Astra International Tbk's financial performance from 2020 through 2023, providing meaningful insights for stakeholders.

2. Literature Review

2.1. Financial Performance

According to Irham Fahmi, as cited in Tyas (2020), financial performance represents an analytical process designed to evaluate the extent to which a company has implemented financial regulations appropriately and effectively. This assessment primarily examines financial dimensions, scrutinizing financial statements and supporting documentation that provide performance indicators. Financial performance analysis relies on balance sheets, income statements, cash flow reports, and complementary information that strengthens the evaluation framework.

2.2. Financial Report

Irham Fahmi, quoted in Tyas (2020), defines financial statements as information sources that delineate a company's condition, effectively portraying its performance metrics. These statements provide stakeholders with numeric representations of a company's status during specific periods. Financial statements constitute formal documentation presenting information about financial position and performance across defined timeframes. These reports typically comprise several core components: balance sheets, income statements, cash flow statements, and capital change reports.

2.3. Financial Ratios

According to Hery, referenced in Tyas (2020), financial ratios represent one of the most widely utilized analytical tools in financial assessment. While ratio calculations involve straightforward arithmetic operations, their interpretation requires nuanced understanding. These ratios help identify performance trends and provide insights into operational efficiency. Common ratio categories include liquidity ratios (assessing short-term financial obligations), solvency ratios (measuring long-term financial stability), and profitability ratios (evaluating earnings generation). Ratio analysis assists management and investors in evaluating corporate financial health and developing future strategic initiatives.

2.4. Profitability Ratio

Profitability ratios measure a company's capacity to generate earnings relative to sales, assets, and equity within specified periods. These metrics also indicate management effectiveness, as evidenced by sales-derived profits or investment returns (Dewi et al., 2020). According to Hery (2018), common profitability ratios used to evaluate corporate profit-generating capabilities include Return on Assets (ROA), Return on Equity (ROE), Gross Profit Margin (GPM), Net Profit Margin (NPM), and Operating Profit Margin (OPM).

a. Return On Asset (ROA)

This ratio evaluates profit generation relative to total assets, assessing asset utilization efficiency. ROA calculation involves dividing net income by total assets.

b. Return On Equity (ROE)

This metric measures profit generation in relation to shareholder investment capital, calculated by dividing net income by total equity.

c. Gross Profit Margin (GPM)

This ratio compares gross profit to net sales. Increasing gross profit margins indicate improving operational efficiency.

d. Net Profit Margin (NPM)

This ratio measures net income (after interest and tax deductions) relative to net sales.

e. Operating Profit Margin (OPM)

This metric evaluates operating profit in relation to net sales. Operating profit reflects gross profit minus company operating expenses.

2.5. Industry Standard Profitability Ratio

Comprehensive financial performance evaluation requires comparing calculated ratios against industry standards, providing contextual benchmarks for assessment.

Table 2. Profitability Ratio Industry Standard

Type Of Ratio	Industry standard
Return On Asset	More than 40% excellent 30% good less than 20% is not good
Return On Equity	More than 40% excellent 40% good less than 25% not good
Gross Profit Margin	More than 30% excellent 28% good less than 28% not good
Net Profit Margin	More than 20% excellent 28% good less than 28% not good
Operating Profit Margin	More than 23% excellent 23% good less than 10% not good

Source: (Hery, 2018)

3. Methods

This research employs quantitative methodologies with a descriptive approach, designed to objectively characterize variables through numerical data analysis. Rather than testing hypotheses, the study provides detailed analyses of financial conditions and performance metrics. According to Prof. Dr. H. Djaali (2020), quantitative research represents inferential investigation, drawing conclusions based on statistical hypothesis testing using empirical data collected through measurement processes. The research

specifically adopts a descriptive framework, which according to Jaya (2020), involves evaluating variable values, either singularly or in combinations. Descriptive research operates independently to characterize variables, employing analytical techniques including mean, median, mode, standard deviation, minimum and maximum values, frequency distributions, and percentage calculations.

This methodological approach is particularly appropriate for the current investigation, which examines a single variable type (profitability) and aims to comprehensively assess the company's profit-generating capabilities from revenue streams related to sales, assets, and equity, using established measurement criteria.

4. Results

The following table summarizes the financial statement data used for calculating PT Astra International Tbk's profitability ratios from 2020 to 2023.

Table 3. Summary of Financial Statement Data of PT Astra International Tbk. 2020-2023
(Expressed in billions of rupiah)

Year	Net Profit	Total Asset	Total Equity	Sales	Gross Profit	Operating Profit
2020	Rp18,571	Rp338,203	Rp195,454	Rp175,046	Rp38,778	Rp21,741
2021	Rp25,586	Rp367,311	Rp215,615	Rp233,485	Rp51,033	Rp32,350
2022	Rp40,420	Rp413,297	Rp243,720	Rp301,379	Rp70,088	Rp50,390
2023	Rp44,501	Rp445,679	Rp250,418	Rp316,565	Rp73,310	Rp54,729

Source: Annual Report PT. Astra International Tbk.

4.1. Return On Asset (ROA)

The following calculations demonstrate the Return On Asset ratio for PT Astra International Tbk from 2020 to 2023.

Table 4. Return On Asset of PT Astra International Tbk. 2020-2023
(Expressed in billions of rupiah)

Year	Net Profit (a)	Total Asset (b)	Ratio (a/b) x100%
2020	Rp18,571	Rp338,203	5.49%
2021	Rp25,586	Rp367,311	6.96%
2022	Rp40,420	Rp413,297	9.77%
2023	Rp44,501	Rp445,679	9.98%

Source: Data processed, 2024

With Formula:

$$ROA = \frac{\text{Return On Asset}}{\text{Total Asset}} \times 100\%$$

$$\text{Year 2020} = \frac{\text{Rp18,571}}{\text{Rp338,203}} \times 100\% = 5.49\%$$

$$\text{Year 2021} = \frac{\text{Rp25,586}}{\text{Rp367,311}} \times 100\% = 6.96\%$$

$$\text{Year 2022} = \frac{\text{Rp40,420}}{\text{Rp413,297}} \times 100\% = 9.77\%$$

$$\text{Year 2023} = \frac{\text{Rp44,501}}{\text{Rp445,679}} \times 100\% = 9.98\%$$

4.2. Return On Equity (ROE)

The following calculations show the Return On Equity Ratio for PT Astra International Tbk from 2020 to 2023.

Table 5. Return On Equity PT Astra International Tbk 2020-2023
(Expressed in billions of rupiah)

Year	Net Profit (a)	Total equity (b)	Ratio (a/b) x100%
2020	Rp18,571	Rp195,454	9.50%
2021	Rp25,586	RP215,615	11.86%
2022	Rp40,420	Rp243,720	16.58%
2023	Rp44,501	Rp250,418	17.77%

Source: Data processed, 2024

With Formula:

$$\text{ROE} = \frac{\text{Earning After Tax}}{\text{Total Equity}} \times 100\%$$

$$\text{Year 2020} = \frac{\text{Rp18,571}}{\text{Rp195,454}} \times 100\% = 9.50\%$$

$$\text{Year 2021} = \frac{\text{Rp25,586}}{\text{Rp215,615}} \times 100\% = 11.86\%$$

$$\text{Year 2022} = \frac{\text{Rp40,420}}{\text{Rp243,720}} \times 100\% = 16.58\%$$

$$\text{Year 2023} = \frac{\text{Rp44,501}}{\text{Rp250,418}} \times 100\% = 17.77\%$$

4.3. Gross Profit Margin (GPM)

The following calculations present the Gross Profit Margin Ratio for PT Astra International Tbk from 2020 to 2023.

Table 6. Gross Profit Margin of PT Astra International Tbk 2020-2023
(Expressed in billions of rupiah)

Year	Gross Profit (a)	Sales (b)	Ratio (a/b) x100%
2020	Rp38,778	Rp175,046	22.15%
2021	Rp51,033	Rp233,485	21.85%
2022	Rp70,088	Rp301,379	23.25%
2023	Rp73,310	Rp316,565	23.15%

Source: Data processed 2024

With Formula:

$$\text{GPM} = \frac{\text{Gross Profit}}{\text{Sales}} \times 100\%$$

$$\text{Year 2020} = \frac{\text{Rp38,778}}{\text{Rp175,046}} \times 100\% = 22.15\%$$

$$\text{Year 2021} = \frac{\text{Rp51,033}}{\text{Rp233,485}} \times 100\% = 21.85\%$$

$$\text{Year 2022} = \frac{\text{Rp70,088}}{\text{Rp301,379}} \times 100\% = 23.25\%$$

$$\text{Year 2023} = \frac{\text{Rp73,310}}{\text{Rp316,565}} \times 100\% = 23.15\%$$

4.4. Net Profit Margin (NPM)

The following calculations show the Net Profit Margin Ratio for PT Astra International Tbk from 2020 to 2023.

Table 7. Net Profit Margin of PT Astra International Tbk 2020-2023
(Expressed in billions of rupiah)

Year	Net Profit (a)	Sales (b)	Ratio (a/b) x100%
2020	Rp18,571	Rp175,046	10.60%
2021	Rp25,586	Rp233,485	10.95%
2022	Rp40,420	Rp301,379	13.41%
2023	Rp44,501	Rp316,565	14.05%

Source: Data processed, 2024

With Formula:

$$\text{NPM} = \frac{\text{Earning After tax}}{\text{Sales}} \times 100\%$$

$$\text{Year 2020} = \frac{\text{Rp18,571}}{\text{Rp175,046}} \times 100\% = 10.60\%$$

$$\text{Year 2021} = \frac{\text{Rp25,586}}{\text{Rp233,485}} \times 100\% = 10.95\%$$

$$\text{Year 2022} = \frac{\text{Rp40,420}}{\text{Rp301,379}} \times 100\% = 13.41\%$$

$$\text{Year 2023} = \frac{\text{Rp44,501}}{\text{Rp316,565}} \times 100\% = 14.05\%$$

4.5. Operating Profit Margin (OPM)

The following calculations demonstrate the Operating Profit Margin Ratio for PT Astra International Tbk from 2020 to 2023.

Table 8. Operating Profit Margin of PT Astra International Tbk 2020-2023
(Expressed in billions of rupiah)

Year	Operating Profit (a)	Sales (b)	Ratio (a/b) x100%
2020	Rp21,741	Rp175,046	12.42%
2021	Rp32,350	Rp233,485	13.85%
2022	Rp50,390	Rp301,379	16.71%
2023	Rp54,729	Rp316,565	17.28%

Source: Data processed, 2024

With Formula:

$$\text{OPM} = \frac{\text{Operating Profit}}{\text{Sales}} \times 100\%$$

$$\text{Year 2020} = \frac{\text{Rp21,741}}{\text{Rp175,046}} \times 100\% = 12.42\%$$

$$\text{Year 2021} = \frac{\text{Rp32,350}}{\text{Rp233,485}} \times 100\% = 13.85\%$$

$$\text{Year 2022} = \frac{\text{Rp50,390}}{\text{Rp301,379}} \times 100\% = 16.71\%$$

$$\text{Year 2023} = \frac{\text{Rp54,729}}{\text{Rp316,565}} \times 100\% = 17.28\%$$

5. Discussion

The profitability ratio analysis of PT Astra International Tbk from 2020 to 2023 reveals several noteworthy patterns and insights regarding the company's financial performance. Below is a detailed discussion of each profitability metric and its implications for the company's financial health:

5.1. Return on Assets (ROA)

The ROA analysis demonstrates a consistent upward trajectory over the four-year period. Beginning at a modest 5.49% in 2020, which coincided with the height of the COVID-19 pandemic's economic disruption, the company steadily improved its asset utilization efficiency to 6.96% in 2021, 9.77% in 2022, and ultimately reaching 9.98% in 2023. This progressive improvement indicates the management's growing effectiveness in generating returns from the company's asset base.

However, when benchmarked against industry standards, the average ROA of 8.05% falls significantly below the 20% threshold considered satisfactory for the industry. This suggests that despite improvements, PT Astra International's asset utilization remains suboptimal compared to industry expectations. The company appears to be maintaining a substantial asset base relative to the profit it generates, which could indicate potential inefficiencies in asset deployment, excess capacity, or underperforming business segments that require strategic reconsideration.

The ROA trend should be viewed in the context of the company's expanding asset base, which grew from Rp338,203 billion in 2020 to Rp445,679 billion in 2023. While net profit increased at a faster rate than assets (139.6% versus 31.8% over the four-year period), the absolute level of profit relative to assets remains below industry benchmarks. This suggests opportunities for more aggressive asset optimization strategies, potential divestment of underperforming assets, or redeployment of capital to higher-yielding initiatives.

5.2. Return on Equity (ROE)

The ROE metric follows a similar positive progression, starting from 9.50% in 2020 and steadily climbing to 11.86% in 2021, 16.58% in 2022, and reaching 17.77% in 2023. This pattern reflects increasing effectiveness in generating returns for shareholders from their invested capital. The doubling of net profit over this period (139.6% increase) outpaced the more modest growth in equity (28.1% increase), demonstrating improved profitability relative to shareholder investment.

Nevertheless, the four-year average ROE of 13.92% falls below the industry benchmark of 25% for satisfactory performance. This performance gap indicates that PT Astra International is not generating returns for shareholders at levels commensurate with industry expectations. The company's capital structure and investment allocation strategies may warrant reassessment to enhance shareholder returns. Additionally, this may reflect strategic decisions to maintain higher equity levels for financial stability, particularly during the volatile economic conditions of the post-pandemic period.

The ROE trajectory should be considered alongside broader economic conditions. The early pandemic period (2020) saw heightened economic uncertainty, potentially affecting risk appetite and return expectations. The subsequent improvement through 2023 indicates resilience and adaptability in business operations, though further enhancement is needed to reach industry-competitive returns on shareholder investment.

5.3. Gross Profit Margin (GPM)

The GPM analysis reveals a relatively stable pattern with minor fluctuations: 22.15% in 2020, a slight decrease to 21.85% in 2021, followed by an increase to 23.25% in 2022, and a marginal decline to 23.15% in 2023. This stability suggests consistent pricing strategies and

cost of goods sold management across the four-year period. The slight improvements in later years might indicate gradual enhancements in procurement efficiency, production optimization, or pricing power.

The four-year average GPM of 22.6% falls below the industry standard of 28% for satisfactory performance. This gap highlights potential challenges in achieving optimal gross profitability compared to industry peers. Factors contributing to this performance gap might include intense price competition in the automotive sector, limited pricing power, high production costs, or suboptimal economies of scale in procurement and manufacturing.

Given that GPM is a fundamental indicator of a company's core operational efficiency, this underperformance may require targeted initiatives to enhance manufacturing efficiency, renegotiate supplier contracts, optimize product mix toward higher-margin offerings, or reevaluate pricing strategies across business segments.

5.4. Net Profit Margin (NPM)

The NPM demonstrates clear positive momentum, starting at 10.60% in 2020, increasing to 10.95% in 2021, then rising more substantially to 13.41% in 2022, and reaching 14.05% in 2023. This upward trend indicates improving overall profitability relative to revenue, suggesting effective management of operating expenses, financing costs, and tax planning.

Most notably, despite the NPM falling below the excellent benchmark of 20%, it remains significantly above the problematic threshold of lower performance. This puts PT Astra International in a relatively favorable position regarding its ability to convert revenue into bottom-line profit. The improvement over the four-year period is particularly impressive given the challenging economic environment during and following the pandemic.

The NPM improvements may reflect successful cost control initiatives, economies of scale as revenue expanded, operational streamlining, or strategic shifts toward higher-margin business segments. The consistent improvement trend suggests sustainable enhancements rather than one-time cost-cutting measures or accounting adjustments.

5.5. Operating Profit Margin (OPM)

The OPM follows a strongly positive trajectory, starting from 12.42% in 2020, rising to 13.85% in 2021, then increasing more substantially to 16.71% in 2022, and reaching 17.28% in 2023. This pattern demonstrates consistently improving operational efficiency before accounting for financing costs and taxation.

The four-year average OPM of 15.06% positions the company between the excellent benchmark of 23% and the problematic threshold of 10%. While not reaching excellent performance levels, PT Astra International maintains operational profitability well above concerning levels. This indicates effective management of operating expenses relative to revenue, though further optimization potential exists.

The improving OPM suggests successful implementation of operational efficiency initiatives, administrative cost controls, or scale economies as the business expanded post-pandemic. The steady improvement trend across all four years indicates structural operational enhancements rather than temporary cost reductions.

5.6. Comparative Analysis and Strategic Implications

When viewed collectively, these profitability metrics reveal important insights and strategic implications:

1. **Post-Pandemic Recovery and Resilience:** All profitability metrics show improvement from 2020 to 2023, demonstrating PT Astra International's resilience and recovery capabilities following pandemic-related disruptions. The acceleration of improvement in 2022-2023 suggests a robust post-pandemic strategy.
2. **Operational Efficiency vs. Capital Efficiency Gap:** The company performs better in operational metrics (NPM and OPM) than in capital deployment metrics (ROA and ROE). This suggests effectiveness in day-to-day operations and cost management, but relative underperformance in optimizing capital structure and asset deployment.
3. **Revenue Growth Quality:** The consistent improvement in profitability ratios alongside revenue growth (80.8% increase from 2020 to 2023) indicates high-quality growth. The company is expanding while simultaneously improving profitability, rather than sacrificing margins for volume.
4. **Sustainable Improvement Trajectory:** The consistent upward trend across multiple metrics suggests structural improvements rather than one-time adjustments or cyclical factors. This points to effective strategic initiatives and systemic enhancements in business operations.
5. **Industry Benchmark Gaps:** Despite improvements, the persistent gaps between actual performance and industry benchmarks (particularly for ROA, ROE, and GPM) highlight opportunities for further strategic initiatives to enhance competitiveness and financial performance.
6. **Differential Performance Across Metrics:** The variance in performance relative to industry standards across different metrics suggests the need for targeted approaches rather than blanket strategies. Operational efficiency appears stronger than asset utilization and gross margin management.

These findings suggest strategic priorities including:

- Reassessing the asset portfolio to identify and address underperforming segments
- Optimizing capital structure to enhance returns on equity without compromising financial stability
- Exploring opportunities to improve gross margins through procurement optimization, product mix shifts, or selective pricing adjustments
- Building on operational efficiency strengths to further enhance NPM and OPM
- Balancing growth initiatives with profitability considerations to maintain the positive trajectory of financial performance

Conclusion

The comprehensive profitability ratio analysis of PT Astra International Tbk from 2020 to 2023 reveals a nuanced financial performance picture with distinct patterns across different metrics. The Return on Assets (ROA) demonstrated consistent improvement, rising from 5.49% in 2020 to 9.98% in 2023, with an average of 8.05% over the four-year period. Despite this positive trajectory, the average remains below the industry standard threshold of 20%, indicating suboptimal asset utilization efficiency relative to sector benchmarks.

Similarly, Return on Equity (ROE) showed progressive enhancement, increasing from 9.50% in 2020 to 17.77% in 2023, averaging 13.92% across the timeframe. This metric

also falls short of the industry standard minimum of 25% for satisfactory performance, suggesting opportunities for improving returns on shareholder investment through more effective capital deployment strategies.

Gross Profit Margin (GPM) exhibited relative stability with slight fluctuations between 21.85% and 23.25%, averaging 22.6% over the period. This performance falls below the 28% industry standard threshold, indicating challenges in optimizing the relationship between revenue and cost of goods sold compared to industry expectations.

In contrast, Net Profit Margin (NPM) showed more favorable results, rising steadily from 10.60% in 2020 to 14.05% in 2023. While below the excellent benchmark of 20%, this performance is considerably above problematic thresholds, suggesting effective management of overall profitability relative to revenue. Similarly, Operating Profit Margin (OPM) demonstrated strong improvement from 12.42% in 2020 to 17.28% in 2023, with the 15.06% average positioned well above the 10% minimum standard, indicating effective operational expense management.

To enhance its financial performance, PT Astra International would benefit from implementing several strategic initiatives. Investment in human capital development through targeted training programs would strengthen employee competencies, potentially driving innovation and operational excellence that could positively impact both NPM and GPM. Operational optimization through waste reduction initiatives and productivity enhancement via technological integration and organizational streamlining would contribute to improved OPM and GPM metrics. Additionally, more rigorous cost management practices would boost net profit realization, while production cost optimization alongside revenue growth maintenance would enhance gross margin percentages, strengthening the company's competitive position relative to industry peers.

For researchers conducting future studies in this domain, comparative analysis across multiple companies within the automotive sector would provide richer contextual understanding of Astra International's competitive positioning. Such comparative frameworks would illuminate industry-specific factors affecting profitability patterns and better isolate company-specific performance drivers from broader sectoral trends.

Conflicts of Interest

The author declares that there is no conflict of interest.

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