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Analysis of Financial Ratio in Palm Companies on The Indonesia Stock Exchange at PT. Agra Agro Lestari Tbk Over Period 2015-2022

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Abstract
This research aims to analyse the influence of the Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) on Earning Per Share (EPS) at the palm oil company PT. Astra Agro Lestari Tbk is listed on the Indonesia Stock Exchange. The data used in this research comes from the annual financial report of the palm oil company PT. Astra Agro Lestari Tbk during the period 2015 - 2022. The research method used is multiple regression analysis to analyse financial reports in terms of Liquidity Ratio, Coverage Ratio, Solvency Ratio, Profitability Ratio, Market Ratio and Efficiency Ratio. It is hoped that the results of this research will provide a deeper understanding of the factors that influence EPS at the palm oil company PT. Astra Agro Lestari Tbk on the Indonesian Stock Exchange. The practical implication of this research is to guide financial managers of palm oil companies PT. Astra Agro Lestari Tbk in managing financial ratios such as Liquidity Ratio, Coverage Ratio, Solvency Ratio, Profitability Ratio, Market Ratio and Efficiency Ratio.

Keywords: Current Ratio, Debt to Equity Ratio, Return on Equity, Earning Per Share

1. Introduction

The oil palm plantation industry in Indonesia has an important role in the country's economy, both in terms of production and contribution to national income. In this context, evaluating the financial performance of palm oil companies is a crucial aspect of understanding competitiveness and business sustainability. One method for measuring a company's financial performance is to analyse factors such as Liquidity Ratio, which consists of measurements in terms of current Ratio, Quick Ratio and Cash Ratio; the second

Coverage Ratio, which consists of measurements in terms of Interest Coverage ratio, Debt Service Coverage Ratio and Asset Coverage Ratio, the third Solvency Ratio which consists of measurements in terms of Debt to Equity Ratio, Debt to Assets Ratio and Long Term Debt to Equity Ratio, the fourth Profitability Ratio which consists of measurements in terms of Gross Profit Margin, Net Profit Margin, ROA, Return on Equity (ROE), ROI and Earning Per Share (EPS), the five Market Ratios which consist of measurements in terms of Price to Sales Ratio, Price to Book Ratio, Dividend Yield and Earning Yield, and the sixth Efficiency Ratio which consists of measurements in terms of Asset Turnover ratio and Net Profit Margin. The background of this research is the palm oil company PT. Astra Agro Lestari Tbk faces various challenges in collecting data on the Indonesia Stock Exchange (BEI), including commodity price fluctuations, market risks, and dependence on external factors. Therefore, effective financial management is very important. Current Ratio (CR) can provide an overview of the company's ability to meet short-term obligations. Debt to Equity Ratio (DER) reflects the company's debt level, and Return on Equity (ROE) reflects the company's equity use efficiency. Earning Per Share (EPS) is an indicator of financial performance and liquidity Ratio per share, which provides information to shareholders. Formulation of the research problem: In this context, the research question is to what extent the Current Ratio, Debt to Equity Ratio, and Return on Equity influence earnings per Share in the palm oil company PT. Astra Agro Lestari Tbk on the Indonesian Stock Exchange? This research aims to analyse these 6 ratios in the financial reports of the palm oil company PT. Astra Agro Lestari Tbk on the Indonesian Stock Exchange. Benefits of Research The research results are expected to provide a more comprehensive view for stakeholders, including company management, investors and regulators at the palm oil company PT. Astra Agro Lestari Tbk. This analysis can be the basis for making better decisions in managing palm oil company finances and increasing company value. Scope of research This research will focus on the palm oil company PT. Astra Agro Lestari Tbk, listed on the Indonesia Stock Exchange during the 2015-2022 period, uses annual financial data as a basis for analysis. Research Methodology The multiple regression analysis method will test the relationship between Current Ratio, Debt to Equity Ratio, Return on Equity, and Earning Per Share. The data used comes from the annual financial report of the palm oil company PT. Astra Agro Lestari Tbk is listed on the Indonesia Stock Exchange. The systematic writing of this research consists of several parts, including an introduction, literature review, conceptual framework, research methods, analysis results, discussion, conclusions and suggestions. Each section will describe certain aspects to provide a complete picture of the influence of the Current Ratio, Debt to Equity Ratio, and Return on Equity on earnings per Share in the palm oil company PT. Astra Agro Lestari Tbk on the Indonesian Stock Exchange.

2. Research Methods

Liquidity Ratio is a matrix used to measure a company's ability to pay off its debt and short-term obligations. If a company can pay its obligations, the company is called liquid. On the other hand, a company that cannot fulfil its obligations is called illiquid. The purpose of the liquidity ratio is to measure the company's ability to pay obligations due immediately or when they are billed. The higher the value of the liquidity ratio, the better a company's ability to pay its short-term debt, aka the debt is current. Types of liquidity ratios, namely:

Current Ratio (CR) is a financial ratio that measures a company's ability to meet short-term obligations using current assets. Previous research shows that a high Current Ratio can indicate good liquidity, which can positively impact Earning Per Share (EPS). However, keep in mind that a Current Ratio that is too high can also reflect the underutilisation of company assets.

Quick Ratio is a ratio used to determine a company's ability to pay off its current liabilities with quick assets or the most liquid assets. For your information, quick assets are current assets that can be converted into cash within 90 days.

Quick Ratio Formula:

Quick ratio = (Cash + receivables + marketable securities) / current liabilities

Or

(Current assets - inventory - prepaid expenses) / current liabilities = quick ratio

Cash Ratio is a financial ratio that measures a company's ability to pay its short-term obligations using cash and cash equivalents. This ratio illustrates the extent to which the company has high liquidity to meet its short-term obligations. The formula for calculating the Cash Ratio is as follows:

Cash Ratio= Cash and Cash Equivalents / Total Short-Term Liabilities

"Cash and Cash Equivalents" includes cash (cash) and highly liquid investments that can be quickly converted into cash, such as securities with short maturities.

"Total Short-Term Liabilities" includes all obligations paid in less than one year.

The Cash Ratio provides a more stringent view than other liquidity ratios (such as the current ratio) because it only considers the most liquid assets. This ratio helps assess the extent to which a company can meet its short-term obligations without relying on selling assets or obtaining additional financing.

The optimal value for the Cash Ratio can vary depending on the industry and company characteristics. Some companies may require higher levels of liquidity to address financial uncertainty or risk, while others may have lower liquidity needs. Further analysis and comparison with similar companies or industries can provide a better context for evaluating the Cash Ratio.

Coverage Ratio is a financial indicator that measures the ability of a company or entity to cover certain obligations using certain income or resources. This ratio shows how well an entity can meet certain obligations or expenses with its resources. The following are several types of Coverage Ratio that are commonly used:

Interest Coverage Ratio is a financial metric used to measure a company's ability to pay interest on its debt using operating profit. This ratio indicates how much the company can bear interest expenses from its operating income.

The formula for the Interest Coverage Ratio is:

$$\text{Interest Coverage Ratio} = \frac{\text{Laba Sebelum Bunga dan Pajak}}{\text{Bunga yang dibayar}}$$

This ratio provides an overview of the financial risks associated with the company's debt level. The higher this ratio, the better the company can pay its debt interest with operating income. Conversely, a low ratio may indicate a higher risk regarding the company's ability to pay interest.

Debt Service Coverage Ratio (DSCR) measures the ability of a company or project to pay its debt burden, including interest and principal payments. A ratio above 1 indicates the ability to repay debt, while below 1 indicates the risk of inability to repay debt.

DSCR= Net Operating Income/Debt Service Expense

Asset Coverage Ratio measures how much a company's assets can cover long-term liabilities. A value above 1 indicates good protection against creditors.

Asset Coverage Ratio= Total Assets - Total Long-Term Liabilities
Number of shares outstanding

Solvency Ratio is a group of financial ratios that provide an overview of a company's ability to meet its long-term financial obligations. These ratios help analysts and investors evaluate a company's level of financial risk and the extent to which it can meet its long-term obligations.

Debt to Equity Ratio (DER) reflects the company's debt level compared to equity. Previous research indicates that low DER can contribute positively to EPS because it reduces interest expenses and financial risk. On the other hand, a high DER can increase financial risk and have a negative impact on EPS.

$$\text{Debt-to-Equity Ratio} = \frac{\text{Total Utang}}{\text{Total Equitas}}$$

Debt to Assets Ratio, or debt to asset ratio, is a financial metric that measures how much a company finances its assets through debt. This ratio indicates how large a proportion of company assets are funded by debt.

The formula for the Debt to Assets Ratio is:

$$\text{Debt-to-Assets Ratio} = \frac{\text{Total Utang}}{\text{Total Asset}}$$

This ratio states the percentage of total assets financed through debt. The higher this ratio, the more significant the proportion of assets funded by debt, and this may indicate a higher level of financial risk. Conversely, a lower ratio indicates that a company has a smaller proportion of its assets funded by debt, which can be considered a sign of better solvency.

Long-term debt-to-equity Ratio, or long-term debt-to-equity ratio, is a financial metric that measures the proportion of a company's long-term debt to its equity. This ratio provides an overview of a company's long-term capital structure, showing how much it relies on long-term debt to fund its operational or investment activities.

The formula for the Long-Term Debt-to-Equity Ratio is:

$$\text{Long-Term Debt-to-Equity Ratio} = \frac{\text{Utang jangka Panjang}}{\text{Equitas}}$$

This ratio helps analysts and investors evaluate a company's level of long-term financial risk. The higher this ratio, the more significant the proportion of the company's capital that comes from long-term debt, which can increase the level of risk. Conversely, a lower ratio indicates that the company relies more on equity to fund its operations or investments.

Profitability Ratio is a series of financial metrics used to measure a company's profit and financial performance. These ratios show how much the company can generate profits from its operations and its effectiveness in using resources to achieve profits.

Gross Profit Margin is a ratio that measures gross profit percentage from total gross income. This provides an overview of the company's efficiency in managing production costs.

The Gross Profit Margin formula is:

$$\text{Gross Profit Margin} = \frac{\text{Laba Kotor}}{\text{Pendapatan Kotor}}$$

Net Profit Margin (Net Profit Margin) is a ratio that measures the percentage of net profit from total net income. This shows that the company efficiently manages all costs, including operational costs and interest.

The Net Profit Margin formula is:

$$\text{Net Profit Margin} = \frac{\text{Laba Bersih}}{\text{Pendapatan Bersih}}$$

According to Kasmir (2016), an excellent net profit margin is above 20%

Return on Assets (ROA) This ratio shows how efficiently the company uses its assets to generate profits. The higher the ROA, the better the company profits from its assets.

The formula for Return on Assets is:

$$\text{Return on Assets} = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

In general, a good return on assets (ROA) is 5% or more, and above 20% is very good (Zinn, 2021; Birken, 2021)

Return on Equity (ROE) measures the efficiency of a company's use of equity to generate profits. A high ROE can increase EPS because it shows management efficiency in generating profits. Several studies also note that a high ROE can increase a company's attractiveness on the stock market.

The Return on Equity formula is:

$$\text{Return on Equity} = \frac{\text{Laba Bersih}}{\text{Equitas Pemegang Saham}}$$

According to BI standards, a good return on equity can reach 12%.

Return on Investment (ROI), or Rate of Return on Investment, is a financial metric used to measure how well an investment produces profits relative to investment costs. ROI measures the efficiency or productivity of an investment by comparing the net profit obtained from an investment with the amount of money invested.

The Return on Investment formula is:

$$\text{Return on Investment} = \text{x } 100\% \frac{\text{Keuangan Bersih}}{\text{Biaya Investasi}}$$

Earning Per Share (EPS) indicates a company's financial performance that informs shareholders about profitability per share. Increased EPS can increase investor confidence and company value in the capital market.

The Earning Per Share formula is:

$$\text{Earnings Per Share} = \frac{\text{Laba Bersih}}{\text{Jumlah saham yang beredar}}$$

Market Ratios are a group of financial metrics that provide an overview of how investors and the market value a company's shares. Market ratios help understand stock valuation and performance from a capital market perspective.

Price-to-Earnings Ratio: This ratio measures how expensive or cheap a stock is based on comparing share price and earnings per share. The P/E ratio helps investors understand how often the net earnings per share are paid to buy one share.

The Price-to-Earnings Ratio formula is:

$$\text{Price-to-Earnings Ratio} = \frac{\text{Harga Saham}}{\text{Laba per Saham (EPS)}}$$

The price-to-sales ratio is a financial metric used to assess a company's stock valuation by comparing the share price with earnings per share. This ratio gives an idea of how expensive or cheap the shares are when compared to the income generated by the company.

The Price-to-Sales Ratio formula is:

$$\text{Price-to-Sales Ratio} = \frac{\text{Harga Saham}}{\text{Pendapatan per Saham}}$$

Price-to-Book Ratio is the ratio that compares the market price of shares with the book value per share. The P/B ratio indicates the extent to which share prices reflect the company's net asset value.

The Price-to-Sales Ratio formula is:

$$\text{Price-to-Sales Ratio} = \frac{\text{Harga Saham}}{\text{Nilai Buku Saham}}$$

The dividend yield is this ratio that shows the percentage of dividends the company gives compared to its share price. Dividend Yield provides an overview of the dividend income that shareholders can obtain.

The Dividend Yield formula is:

$$\text{Dividend Yield} = \frac{\text{Dividen per Saham}}{\text{Harga Saham}}$$

Earnings Yield is a financial metric that measures the potential return on investment from a company's shares. This is the opposite of the Price-to-Earnings Ratio (P/E Ratio). While the P/E ratio measures how expensive a stock is in earnings per share, the earnings yield measures how much earnings per share are in terms of the share price.

The formula for calculating Earnings Yield is:

$$\text{Earnings Yield} = \frac{\text{Laba per Saham}}{\text{Harga Saham}}$$

Efficiency Ratio is a group of financial metrics used to measure how well a company utilises its resources and operations to achieve its business goals. These ratios provide insight into a company's operational efficiency, asset management, and productivity.

The interconnection and relationship between these financial ratios are essential to provide a complete view of a company's performance and financial health. Comprehensive ratio analysis can help management and investors make more informed and contextual decisions.

Asset Turnover Ratio (Asset Turnover Ratio) Measures how well a company uses its assets to generate sales.

Asset Turnover Ratio= Total Sales / Total Assets

The Receivables Turnover Ratio (Accounts Receivable Turnover Ratio) Measures how quickly a company collects money from credit sales.

Accounts Receivable Turnover Ratio = Credit Sales / average trade receivables

Inventory Turnover Ratio measures how quickly a company sells its inventory.

Inventory Turnover Ratio = Cost of Goods Sold / average inventory

Expense to Income Ratio (Expense Ratio) Measures how efficiently the company manages operational costs relative to income.

Expense Ratio = Operational costs / Total Revenue

Net Profit to Sales Ratio (Net Profit Margin) Measures how much net profit is generated from sales.

Net Profit Margin = Net profit / Total Sales

3. Results and Discussion

The data collection method used in this research is documentation to obtain information by looking at the data contained in the business premises documentation obtained from the internet and financial report data on the IDX and the financial report website at the company PT. Agra Agro Lestari Tbkdi. Then, the literature is used to obtain secondary data, such as by reviewing reference books, results of previous research, and other literature related to the current research. The scope of this research was carried out at PT. Agra Agro Lestari Tbk on the Indonesia Stock Exchange is devoted to issues related to the performance of its financial reports in terms of financial ratios consisting of liquidity ratios, solvency ratios, activity ratios, profitability ratios, and assessments for 2015 to 2022. Details of the data provided It is necessary to obtain a clear picture of the problem and solution and facilitate discussion, so the data needed to complete the purpose of this writing is the condition or general description of PT. Agra Agro Lestari Tbk, organisational structure of financial reports in the form of a profit and loss report for 2015-2022 and balance sheet as of December 31 for 2015-2022. The analytical tools used to measure financial reports are as follows:

3.1. Liquidity ratio

Quick ratio

According to Sutrisno (2012), it is "a ratio that compares the current assets after deducting inventory with the company's current liabilities". According to Sutrisno (2012), the cash ratio is "a ratio that compares cash and current assets which can immediately become cash with current liabilities".

Liquidity ratio

Table 1. Industry-standard liquidity ratios

No	Company	Year	Liquidity Ratio		
			Current Ratio	Quick Ratio	Cash Ratio
1	AALI	2015	0.7990	0.3187	8.36%
		2016	1.0275	0.4957	13.48%
		2017	1.8384	0.9646	11.36%
		2018	1.4629	0.6931	1.60%
		2019	2.8543	1.5944	24.47%
		2020	3.3126	2.1045	54.61%
		2021	1.5795	1.0722	65.37%
		2022	3,6000	2.0054	78.89%

For the AALI company, the best year will be 2022, namely showing a current ratio figure above 1, 3.6, where this figure is the ideal figure because it is above 2. This means the company has twice as many current assets as current liabilities. This provides sufficient security reserves to overcome uncertainty and business risks, and the AALI company's Quick Ratio shows a number above 1, namely 2.0054, where this number indicates that the company is relatively healthy. The company has enough liquidity to pay its short-term obligations. Still, it does not have significant advantages, nor does it have a cash ratio of 78%, indicating that the company's short-term liabilities can be paid immediately using cash

and cash equivalents. Because the figure is above 50%, it can be said that the company's financial position is more liquid and secure.

Table 2. Industry-standard average liquidity ratio

No	Ratio Type	Industry Standards
1	Current Ratio (Current Ratio)	2,059
2	Cash Ratio (Quick Ratio)	1,156
3	Cash Ratio (Cash Ratio)	32 %

Solvency ratio Total debt to equity ratio According to Sutrisno (2012), this ratio is used to "measure the percentage of total debt a company has with its capital".

The AALI company's current ratio for 8 years shows a number above 1, namely 2.059, where this number is the ideal number because it is above 2. This means the company has twice as many current assets as current liabilities. It provides sufficient safety reserves to overcome business uncertainties and risks.

The AALI company's Quick Ratio in 8 years is above 1 1.156. This figure shows that this company is relatively healthy. The company has enough liquidity to pay its short-term obligations but has slight excess.

A cash ratio of 32% indicates that the company's short-term liabilities can be paid immediately using cash and cash equivalents. However, if the cash ratio is above 50%, the company's financial position will be more liquid and secure.

solvency ratio

Table 3. Industrial standard solvency ratio

No	Company	Year	Solvency Ratio		
			Debt-to-Equity Ratio	Debt-to-Assets Ratio	Long-Term Debt-to-Equity Ratio
1	AALI	2015	83.89%	45.62%	0.00000054
		2016	37.70%	27.38%	0.00000015
		2017	34.52%	25.66%	0.00000022
		2018	37.91%	27.49%	0.00000022
		2019	42.13%	29.64%	0.00000034
		2020	44.33%	30.72%	0.00000035
		2021	43.59%	30.36%	0.00000015
		2022	31.50%	23.95%	0.00000022

In the AALI company in 2015, it shows that if the Debt-to-Equity Ratio (D/E Ratio) is the highest, namely 83.89%, it means that 83.89% of the company's total capital is funded through debt, while 16.11% is funded through debt. Through equity. This shows that the company has a relatively low level of debt compared to its equity. Then, the Debt-to-Assets Ratio is 45.62%, which means 45.62% of the company's total assets are financed through debt. Meanwhile, the Long-Term Debt-to-Equity Ratio figure. This value indicates that most or all of the company's capital comes from equity or own capital, and long-term debt is minimal at 0.00000054%.

Table 4. Industry-standard average solvency ratio

No	Ratio Type	Industry Standards
1	Debt-to-Equity Ratio	44.45%
2	Debt-to-Assets Ratio	30.10%

3	Long-Term Debt-to-Equity Ratio	0.00000054%

A coverage ratio is a ratio that measures the ability of a company's operations to cover financial burdens or interest expenses due to interest-bearing loans from external parties. The interest coverage ratio calculation is operating profit or EBITDA divided by financial or interest expenses. The interest coverage ratio is expressed in units of times or percentage (%).

If the average Debt-to-Equity Ratio (D/E Ratio) in 8 years is 44.45%, 44.45% of the company's total capital is funded through debt, while 55.55% is funded through equity. This shows that the company has a relatively low level of debt compared to its equity.

The average Debt-to-Assets Ratio in 8 years is 30.10%, which means 30.10% of the company's total assets are financed through debt.

Long-Term Debt-to-Equity Ratio Figure This value indicates that most or all of the company's capital comes from equity or own capital, and the use of long-term debt is very minimal.

Coverage ratio

Table 5. Industry-standard Coverage ratio

No	Company	Year	Coverage Ratio		
			Interest Coverage Ratio	Debt Service Coverage Ratio	Asset Coverage Ratio
1	AALI	2015	59.0680	45.62%	3,419
		2016	166.2610	27.38%	9,006
		2017	44.7329	25.66%	6,097
		2018	34.4173	27.49%	6,237
		2019	8.2764	29.64%	4,196
		2020	18.8596	30.72%	4,121
		2021	38.7086	30.36%	9,301
		2022	103.9265	23.95%	5,905

The company's Interest Coverage Ratio was highest in 2016, namely 166.26. This ratio shows how much a company can pay interest with its operating profit. The higher the value, the better the company.

Debt Service Coverage Ratio in 2020 shows that the company or project has sufficient income to pay all its financial obligations. In this case, with a DSCR of 30.72%, the company has revenues that cover around 30.72% of debt payments. This indicates that the financial risk associated with debt repayment is lower. This can provide confidence to lenders or investors.

The Asset Coverage Ratio is 9.301 in 2021; this means the company's assets are more significant than its total debt by around 9.301 times. An Asset Coverage Ratio greater than 1 is positive because it shows the company has sufficient assets to cover its debts.

Table 6. Industry-standard Average coverage ratio

No	Ratio Type	Industry Standards
1	Interest Coverage Ratio	59.28
2	Debt Service Coverage Ratio	30.10%
3	Asset Coverage Ratio	6.04

3.2. Profitability ratio

Net profit margin

According to Sutrisno (2012), it is "the company's ability to generate profits after tax compared to the sales achieved".

Return on investment

According to Sutrisno (2012), it measures "a company's ability to generate profits with all the assets owned by the company".

The company's average Interest Coverage Ratio in 8 years is 59.28%, meaning that the company's operating profit covers around 59.28% of the interest that must be paid. This ratio shows how much the company can pay interest with its operating profit, which marks an interest coverage ratio above 100%. It is considered good because it shows that operating profit is more than enough to cover interest payments. With an Interest Coverage Ratio of 59.28%, the company still has sufficient operating profit to pay interest. However, remember that the higher the value, the greater the company's financial security.

Debt Service Coverage Ratio in 8 years shows that the company or project has sufficient income to pay all its financial obligations. In this case, with a DSCR of 30.10%, the company has earnings that cover approximately 30.10% of debt payments. This indicates that the financial risk associated with debt repayment is lower. This can provide confidence to lenders or investors.

The Asset Coverage Ratio is 6.04, which means that the company's assets are more significant than its total debts by around 6.04 times. An Asset Coverage Ratio greater than 1 is positive because it shows the company has sufficient assets to cover its debts.

Profitability Ratio

Table 7. Industry-standard profitability ratios

No	Perusahaan	Tahun	Ratio Profibilitas					
			Gross Profit Margin	Net Profit Margin	ROA	ROE	ROI	EPS
			12	13	14	15	16	17
1	AALI	2015	23,60%	5,28%	3,23%	5,89%	3,20%	361,45
		2016	26,03%	15,44%	8,73%	12,39%	9,00%	1.098,51
		2017	23,95%	11,93%	8,48%	11,13%	8,28%	1.098,17
		2018	18,55%	8,76%	5,66%	8,59%	6,23%	790,11
		2019	12,29%	2,99%	0,90%	2,75%	1,94%	126,58
		2020	15,75%	2,48%	3,22%	2,43%	1,68%	464,38
		2021	19,86%	10,09%	6,80%	11,59%	8,07%	1.074,13
		2022	17,51%	9,10%	6,13%	8,93%	6,79%	931,09
			19,69%	8,26%	5,39%	7,96%	5,65%	743,05

The best company position was in 2016, namely with the record that:

This company's annual Gross Profit Margin is 26.03%, meaning 26.03% of the company's revenue becomes gross profit after deducting direct production costs. This figure shows that the company managing production costs still needs to be more efficient in generating profits. Because it is still below 50%, however, this figure is the highest in the last 8 years.

Then, the Net Profit Margin (NPM) of 15.44% means that the company generated a net profit of around 15.44% of the highest total revenue or sales in the last 8 years. In other words, this means that the company can retain around 15.44% of its revenue as net profit after deducting all costs, including production, operational costs, interest and taxes. However, suppose you remember the theory from (Kasmir, 2016) that a good net profit margin is above 20%. In that case, the company must manage costs more efficiently and generate net profits.

An ROA of 5.39% means the company generates a net profit of around 8.73% of its average total assets. The higher the ROA value, the more efficiently the company profits from its assets. So this company's ROA is quite good because it is above 5% according to the theory above.

A return on equity (ROE) of 12.39% indicates that the company generates a net profit of around 12.39% from capital invested by shareholders. In this case, the ROE value reflects the company's efficiency in using its capital to generate profits. However, if you look at the provisions for a good ROE value according to BI, this company could be more efficient in using its capital to generate profits.

Return on Investment (ROI) of 9.00% indicates the percentage of profit obtained from an investment relative to the initial investment cost. With an ROI value of 9.00%, this means that for each unit of currency invested, there is a return of around 9.00%. The level of ROI that is considered good or bad depends largely on the context of the investment and the standards applicable in the industry or market in question. This company's positive 8-year average EPS value is a good indication because it generated a profit of 1098.51 per share.

Table 8. The industry-standard average profitability ratio

No	Ratio Type	Industry Standards
1	Gross Profit Margin	19.69%
2	Net Profit Margin	8.29%
3	ROA	5.39%
4	ROE	7.96%
5	ROI	5.64%
6	EPS	743.05

The average Gross Profit Margin for this company for 8 years is 19.69%, meaning 19.69% of the company's revenue becomes gross profit after deducting direct production costs. This figure shows that the company managing production costs needs to be more efficient in generating profits because it's still below 50%.

Net Profit Margin (NPM) of 8.29% means that the company generates a net profit of around 8.29% of total revenue or sales. In other words, this means that the company can retain around 8.29% of its revenue as net profit after deducting all costs, including production, operational costs, interest and taxes. However, if you remember the theory from Asmir (2016), an excellent net profit margin is above 20%, the company still needs to be more efficient in managing costs and generating net profits.

An ROA of 5.39% means the company generates a net profit of around 5.39% of its average total assets. The higher the ROA value, the more efficiently the company profits from its assets. So this company's ROA is quite good because it is above 5% according to the theory above.

A return on equity (ROE) of 7.96% indicates that the company generates a net profit of around 7.96% from capital invested by shareholders. In this case, the ROE value reflects the company's efficiency in using its capital to generate profits. However, if you look at the provisions for a good ROE value according to BI, this company could be more efficient in using its capital to generate profits.

Return on Investment (ROI) of 5.64% indicates the percentage of profit obtained from an investment relative to the initial investment cost. With an ROI value of 5.64%, this means that for every unit of currency invested, there is a return of around 5.64%. The level of ROI that is considered good or bad depends very much on the context of the investment and the standards that apply in the industry or market in question.

This company's positive 8-year average EPS value is a good indication because it generated a profit of 743.05 per share.

Market Ratio

According to Darmadji and Fakhruddin (2012:91), "Market ratio or stock ratio is the ratio used to measure the value of shares. Market ratios include earnings per Share (EPS), dividends per share, and book value per share (PBV).

Table 9. Standard industry market ratio

No	Company	Year	Market Ratio			
			Price-to-Earnings Ratio	Price-to-Sales Ratio	Price-to-Book Ratio	Earnings Yield
1	AALI	2015	40.32	2.34	2.61	2.28%
		2016	14.77	2.29	1.84	6.55%
		2017	12.59	1.46	1.37	8.35%
		2018	15.82	1.19	1.17	6.68%
		2019	132.87	1.61	1.48	0.87%
		2020	28.47	1.26	1.23	3.77%
		2021	9.28	0.75	0.86	11.31%
		2022	8.95	0.71	0.69	11.60%

In 2019, it was 132.87, indicating that investors were willing to pay 132.87 times earnings per share (EPS) to buy one company share. This is the company's highest value in the last 8 years until 2022.

However, in 2015, investors were willing to pay 2.34 times earnings per share or total company earnings for each share, and investors were willing to pay 2.61 times book value per share or total company book value for each share. The lower this ratio, the cheaper the shares are considered by the market.

However, in 2022, a company's net profit per share will reach 11.60% of its share market price; this is the highest figure in the last 8 years until 2022.

Table 10. Standard industry average market ratio

No	Ratio Type	Industry Standards
1	Price-to-Earnings Ratio	32.88
2	Price-to-Sales Ratio	1.45
3	Price-to-Book Ratio	1.41
4	Earnings Yield	6.43%

The Price-to-Earnings Ratio (P/E Ratio) of 32.88 indicates how much investors are willing to pay for every dollar of net income per share (Earnings Per Share or EPS). So, an eight-year average P/E Ratio of 32.88 indicates that the market is willing to pay approximately $32.88 for every dollar of earnings per share the company generates.

The 8-year average Price-to-Sales Ratio (P/S Ratio) of 1.45 indicates that investors are willing to pay 1.45 times earnings per share or total company earnings for each share. ForPrice-to-BookAn average ratio of 1.41 indicates that investors are willing to pay 1.41 times the book value per share or the company's total book value for each share. The P/B Ratio shows how expensive or cheap a stock is compared to the company's book value. This ratio gives an idea of how expensive or cheap a stock is compared to the income generated by the company. The higher the value, the better it can be said. The 8-year average Earnings Yield indicates that a company's net profit per share reaches 6.43% of its share market price.

Efficiency Ratio

According to Halim in Helly Aroza Siregar (2016: 143), the efficiency ratio is a ratio that describes the comparison between the amount of expenditure incurred by the regional government compared to the realisation of income (revenue) received

Table 11. Standard industry market ratio

No	Company	Year	Efficiency Ratio	
			Asset Turnover Ratio	Net Profit Margin
			22	26
1	AALI	2015	0.6071	0.0528
		2016	0.5829	0.1544
		2017	0.6940	0.1193
		2018	0.7106	0.0876
		2019	0.6470	0.0299
		2020	0.6770	0.0248
		2021	0.8001	0.1009
		2022	0.7463	0.0910
			0.68	0.083

2021 is the best year for the AALI company in terms of its efficiency ratio, which is marked by an asset turnover ratio of 0.8001, which means there was a turnover of total assets of 0.8001 times, which means that every 1 rupiah of total assets in 2021 will generate sales of 0.8001 rupiah. The net profit margin figure of 0.1009 means that the company generates a net profit of 10.09 cents for every dollar of revenue generated. So, a positive Net Profit Margin shows that the company generates net profit from its operations. The Net Profit Margin percentage of 10.09% indicates that the company retains around 10.09% of revenue as net profit.

Table 11. Standard industry average market ratio

No	Ratio Type	Industry Standards
1	Asset Turnover Ratio	0.68
2	Net Profit Margin	0.083

From the 8-year average of the AALI company, its efficiency ratio is marked by an asset turnover ratio of 0.68, which means there is a turnover of total assets of 0.68 times, which means that every 1 rupiah of total assets in 2021 will produce sales of 0.68 rupiahs and the

figure Net Profit Margin of 0.083 or 8.3% indicates that the company generates a net profit of 8.3 cents for every dollar of revenue generated. This financial ratio measures a company's profitability as a percentage of total revenue.

4. Conclusion

By looking at this data, we can analyse the Financial Report of PT. Astra Agra Lestari Tbk by looking at the liquidity ratio, coverage ratio, solvency ratio, profitability ratio, market ratio and efficiency ratio. The company is relatively healthy because revenues are stable yearly from 2015 to 2023. PT. Astra Agra Lestari Tbk can pay the company's obligations using its income or resources, as seen from the coverage ratio. The existence of deforestation regulations by the European Union does not affect the company's indicators.

The average Gross Profit Margin data for 8 years for this company is 19.69%, and the Net Profit Margin (NPM) is 8.29%; this is a reasonably significant imbalance, namely 11.4%, so the company must pay attention. Astra Agra Lestari Tbk is a company experiencing profits, but there are still relatively high operational costs associated with managing these assets. In this case, it is necessary to pay close attention to operational expenditure by companies in budget management for plant medicines, production distribution processes, human resources and environmental concerns.

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