

ABSTRACT

The focus of this research is ceramic companies with the status of Tbk, as one of the sectors with rapid growth due to increasing market demand. This development can be analyzed through the profit ratio. This study aims to evaluate and assess the profitability of the selected sample using the current ratio (CR), debt to equity ratio (DER), and net profit margin (NPM) as independent variables, which are related to the Return On Asset (ROA) ratio as a dependent variable. Of the three ceramic producing companies with Tbk status, PT Arwana Citra Mulia (ARNA) is the only building products and equipment industry company with the most promising profitability with an average net profit of IDR 454 billion in the 2021-2024 period, compared to two other companies, namely KIAS and CAKK with IDR15 billion and IDR5 billion respectively, so this study aims to look at the aspects that cause ARNA to be able to generate profits and maintain its performance through its financial ratios. ARNA is used as a single sample in this study, to then analyze the composition of the financial ratio whether it is proportional to the average net profit or not. It was found that all independent variables had a significant influence of 81.6% on the dependent variables based on the analysis of the determination coefficient. In addition, separately, CR and DER showed a positive influence on ROA values, respectively. Meanwhile, Meanwhile, the NPM ratio has ni influence on ROA.

Keywords: Profitability, Current Ratio, Debt to Equity Ratio, Net Profit Margin, Return On Asset