

Profitability Ratio Analysis to Measure Financial Performance at PT Telkom Indonesia (Persero) Tbk for the Period 2019–2024

Nurfitri Zulaika¹, Maria Meisien², Meilin³, Natalie Ernantonio⁴

^{1,2,3,4}Sekolah Tinggi Ilmu Ekonomi (STIE) Pembangunan Tanjungpinang, Indonesia

Email : nurfitrizulaika@gmail.com¹, mariameisi123@gmail.com², meilinmei291@gmail.com³, sgnataaa@gmail.com⁴

* correspondence author : nurfitrizulaika@gmail.com

ARTICLE INFO

ABSTRACT

Article history

Received, February 2026

Revised, April 2026

Accepted, June 2026

Keywords

Profitability Ratio, Financial Performance, GPM, NPM, ROA, ROE

This study aims to analyze the profitability ratios of PT Telkom Indonesia (Persero) Tbk for the period 2019-2024 in order to assess the company's financial performance. The profitability ratios used include Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). The research method employed is quantitative descriptive with secondary data sourced from the company's annual financial reports published on the Indonesia Stock Exchange (IDX). The results show that PT Telkom Indonesia's profitability performance experienced a fluctuating trend throughout the study period. GPM values remained relatively stable around 29-32%, still meeting the ideal standard of >30%. NPM showed a significant decline in 2022 at 27%, though it recovered in subsequent years. ROA and ROE demonstrated a consistent downward trend from 2020 to 2024, indicating a decline in asset and equity utilization efficiency in generating profits. Overall, despite a declining trend, PT Telkom Indonesia's profitability ratios are still above the standard ideal for most indicators, suggesting the company remains profitable and capable of maintaining financial stability in the telecommunications sector.

This is an open access article under the [CC-BY-SA](#) license.



Introduction

Financial performance assessment is an inseparable part of the decision-making process in business, both for internal and external stakeholders. One of the most frequently used tools for this purpose is financial ratio analysis. Financial ratios provide a concise yet meaningful overview of a company's financial condition within a given period, thereby assisting management in evaluating achievements and formulating future strategies (R. W. Ardyansyah et al., 2022).

Among the various types of financial ratios, profitability ratios occupy a central position because they are directly related to a company's ability to generate profit. A company is considered to have good performance if it can consistently record profits from its operational activities. Profitability ratios are also a key consideration for investors before making investment decisions, as they reflect how efficiently a company manages its resources to create added value (P. N. Sari et al., 2023).

PT Telkom Indonesia (Persero) Tbk is one of the largest telecommunications companies in Indonesia, listed on the Indonesia Stock Exchange. As a state-owned enterprise operating in a

strategic sector, Telkom is required to maintain and improve its performance not only in terms of customer service but also in financial aspects. Between 2019 and 2024, the company faced various dynamics affecting its financial performance, ranging from the impact of the COVID-19 pandemic in 2020, changes in industry competition, to digital transformation initiatives implemented by management (Telkom Indonesia, 2025).

Previous studies have shown that the financial performance of telecommunications companies tends to be influenced by large investments in infrastructure and technology, which may not immediately translate into short-term profit growth. Lahallo et al. (2024), in their study of Telkom during 2014–2023, found that although the company’s revenue continued to increase, certain profitability ratios experienced declines in specific periods—for example, Net Profit Margin (NPM) fell to 27% in 2022 due to rising expenses (F. F. Lahallo et al., 2024). This condition is worth further investigation, particularly by extending the analysis period to 2024 to determine whether the downward trend continued or reversed.

Based on this background, the present study aims to analyze the profitability ratios of PT Telkom Indonesia (Persero) Tbk for the period 2019–2024, including Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE). The results of this analysis will serve as a benchmark for evaluating the company’s financial performance. This research is expected to provide useful references for investors, management, and academics seeking a deeper understanding of Telkom’s financial condition.

Method

This study employs a quantitative descriptive method, which is a research approach that systematically and objectively describes and explains the phenomena under investigation based on numerical data (Sugiyono, 2020). This approach was chosen because it aligns with the research objective, namely to describe the financial performance of PT Telkom Indonesia (Persero) Tbk based on profitability ratio calculations during the specified period.

The data used in this study are secondary data, specifically the annual financial reports of PT Telkom Indonesia (Persero) Tbk for the period 2019–2024. These reports were obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) and Telkom’s investor relations portal. The data include audited consolidated income statements and balance sheets, covering components such as gross profit, net profit, net sales, total assets, and total equity.

The data analysis technique applied is profitability ratio analysis, using four indicators as defined by Fahmi Irham (2020):

1. Gross Profit Margin (GPM) – measures the company’s ability to generate gross profit from net sales.

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

2. Net Profit Margin (NPM) – shows the percentage of net profit generated from each rupiah of sales.

$$NPM = \frac{\text{Net Profit}}{\text{Net Sales}} \times 100\%$$

3. Return on Assets (ROA) – measures the company’s ability to generate profit from its total assets.

$$ROA = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

-
4. Return on Equity (ROE) – measures the rate of return on shareholders' equity.

$$ROE = \frac{\text{Net Profit}}{\text{Total Equity}} \times 100\%$$

Result and Discussion

Gross Profit Margin (GPM)

Based on the audited annual financial statements of PT Telkom Indonesia (Persero) Tbk for the period 2019–2024, the Gross Profit Margin (GPM) was calculated to measure the company's ability to generate gross profit from its net sales. GPM reflects how efficiently the company manages its production costs relative to its revenue.

The formula used is:

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

The results of the calculation show variations in GPM across the six-year period, influenced by changes in revenue growth, cost of goods sold, and external factors such as the COVID-19 pandemic and industry competition. A higher GPM indicates that Telkom was able to maintain strong control over its production and service delivery costs, while a lower GPM reflects increased operational expenses or rising input costs.

Table 1. Calculation of Gross Profit Margin (GPM) of PT Telkom Indonesia (Persero) Tbk, 2019–2024

Year	Gross Profit (IDR Billion)	Net Sales (IDR Billion)	GPM (%)
2019	41,654	135,567	31%
2020	43,188	136,462	32%
2021	43,907	143,210	31%
2022	45,737	147,306	31%
2023	44,916	149,216	30%
2024	44,208	152,740	29%

Source: PT Telkom Indonesia (Persero) Tbk Financial Statements, processed (2026)

When compared to the ideal benchmark of GPM > 30%, Telkom's performance during this period can be evaluated to determine whether the company consistently met profitability standards or faced challenges in maintaining efficiency. The analysis of GPM thus provides an important indicator of Telkom's financial health and operational effectiveness in the telecommunications sector.

Based on Table 1, the Gross Profit Margin (GPM) of PT Telkom Indonesia during the 2019–2024 period ranged between 29% and 32%. In 2019 and 2020, GPM stood at 31% and 32%, respectively, which met the ideal benchmark of >30%. This condition reflects the company's ability to control its cost of revenue relatively efficiently compared to its net sales.

However, a downward trend was observed from 2021 to 2024. In 2023, GPM declined to 30%, exactly at the threshold of the ideal standard, and in 2024 it fell further to 29%, below the benchmark. This decline indicates that the cost of revenue increased at a faster pace than sales growth.

Overall, the average GPM of 30.7% across the six-year period still demonstrates Telkom's ability to maintain a fairly good level of gross profitability. Nevertheless, the results highlight the need for greater efficiency improvements in cost management to ensure that profitability remains consistently above the ideal standard (F. F. Lahallo et al., 2024).

Net Profit Margin (NPM)

Table 2. Calculation of Net Profit Margin (NPM) of PT Telkom Indonesia (Persero) Tbk, 2019–2024

Year	Net Profit (IDR Billion)	Net Sales (IDR Billion)	NPM (%)
2019	42,394	135,567	31%
2020	43,505	136,462	32%
2021	47,563	143,210	33%
2022	39,581	147,306	27%
2023	44,384	149,216	30%
2024	43,156	152,740	28%

Source: PT Telkom Indonesia (Persero) Tbk Financial Statements, processed (2026)

Table 2 illustrates the movement of Net Profit Margin (NPM) for PT Telkom Indonesia during the period 2019–2024. From 2019 to 2021, the company's NPM remained relatively stable in the range of 31%–33%, well above the ideal benchmark of >15%. This means that for every IDR 100 of revenue earned, the company was able to record net profit between IDR 31 and IDR 33. Such performance reflects relatively efficient management of both operational and non-operational expenses (Syaharman, 2021).

A significant decline occurred in 2022, when NPM dropped to 27%. This decrease was consistent with the decline in net profit during that period, driven by higher operating expenses and unrealized losses from changes in the fair value of investments. Nevertheless, NPM rebounded to 30% in 2023, before slightly correcting to 28% in 2024.

Overall, the average NPM of 30.2% during 2019–2024 remained far above the ideal standard, indicating that PT Telkom Indonesia consistently generated substantial net profit from its sales despite facing fluctuations in certain years.

Return on Assets (ROA)

Table 3. Calculation of Return on Assets (ROA) of PT Telkom Indonesia (Persero) Tbk, 2019–2024

Year	Net Profit (IDR Billion)	Total Assets (IDR Billion)	ROA (%)
2019	42,394	221,208	19%
2020	43,505	246,943	18%
2021	47,563	277,184	17%
2022	39,581	275,192	14%
2023	44,384	287,042	15%
2024	43,156	325,510	13%

Source: PT Telkom Indonesia (Persero) Tbk Financial Statements, processed (2026)

The Return on Assets (ROA) of PT Telkom Indonesia shows a fairly consistent downward trend throughout the 2019–2024 period. In 2019, ROA was still at 19%, but it gradually declined

to 13% by 2024. Despite this decline, all ROA values during the study period remained well above the ideal benchmark of >5%, meaning the company can still be categorized as efficient in utilizing its assets to generate profit (Kasmir, 2019).

The decline in ROA was primarily driven by the rapid increase in total assets, which was not always matched by proportional growth in net profit. This reflects the impact of Telkom's aggressive infrastructure expansion strategy in recent years, particularly in building fiber optic networks and supporting national digital transformation. Such large-scale investments are necessary for long-term business sustainability, even though in the short term they reduce asset efficiency (Telkom Indonesia, 2025).

Return On Equity (ROE)

Table 4. Calculation of Return on Equity (ROE) of PT Telkom Indonesia (Persero) Tbk, 2019–2024

Year	Net Profit (IDR Billion)	Total Equity (IDR Billion)	ROE (%)
2019	42,394	117,250	36%
2020	43,505	120,889	36%
2021	47,563	145,399	33%
2022	39,581	149,262	26%
2023	44,384	156,562	28%
2024	43,156	172,884	25%

Source: PT Telkom Indonesia (Persero) Tbk Financial Statements, processed (2025)

Return on Equity (ROE) of PT Telkom Indonesia experienced a downward trend throughout the study period. From 36% in 2019 and 2020, the ratio declined to 33% in 2021, dropped sharply to 26% in 2022, slightly recovered to 28% in 2023, and fell again to 25% in 2024.

All ROE values remained above the ideal benchmark of >15%, indicating that the company continued to deliver a good level of return to shareholders.

The profitability ratios of PT Telkom Indonesia during the 2019–2024 period reveal several important patterns. The Gross Profit Margin (GPM) remained relatively stable in the range of 29–32%, indicating that the company was able to maintain control over its cost of revenue. In contrast, the Net Profit Margin (NPM) showed greater volatility, fluctuating between 27% and 33%. This variation reflects pressures from non-operational expenses such as taxes, financing costs, and adjustments in the fair value of investments.

The Return on Assets (ROA) consistently declined from 19% in 2019 to 13% in 2024. This downward trend was largely driven by rapid asset growth resulting from infrastructure investments, which were not immediately matched by proportional increases in net profit. Similarly, the Return on Equity (ROE) decreased from 36% in 2019–2020 to 25% in 2024, a consequence of equity growth outpacing net profit growth.

A sharp decline in profitability ratios occurred in 2022, when NPM, ROA, and ROE all fell significantly. This coincided with a drop in net profit from IDR 47.6 trillion in 2021 to IDR 39.6 trillion in 2022, largely due to unrealized losses from changes in investment fair value.

During the same period, total assets expanded from IDR 221.2 trillion in 2019 to IDR 325.5 trillion in 2024, representing a 47% increase. This growth reflects Telkom's aggressive expansion strategy in fiber optic networks, data centers, 5G infrastructure, and acquisitions. Equity also grew

rapidly, driven by retained earnings and financing policies, which expanded the capital base. While this strengthened the company's financial foundation, it mathematically reduced ROE despite relatively stable net profit levels.

Conclusion

Based on the profitability ratio analysis of PT Telkom Indonesia (Persero) Tbk for the period 2019–2024, several conclusions can be drawn. The Gross Profit Margin (GPM) remained relatively stable in the range of 29–32%, with an average of 30.7%. For most of the period, this figure met the ideal benchmark of >30%, although in 2024 it fell slightly below the threshold. The Net Profit Margin (NPM) consistently exceeded the ideal standard of >15%, averaging 30.2%, which reflects Telkom's strong ability to generate net profit from its sales, despite a temporary correction in 2022. The Return on Assets (ROA) declined steadily from 19% to 13%, yet remained above the ideal benchmark of >5%, indicating that asset utilization efficiency was still considered good, even though it showed a weakening trend. Similarly, the Return on Equity (ROE) decreased from 36% to 25% but continued to surpass the ideal benchmark of >15%, suggesting that the company was still able to provide adequate returns to shareholders.

The comparative indicators highlight that GPM stability reflects controlled cost of revenue, while NPM volatility points to pressures from non-operational expenses such as taxes, financing costs, and fair value adjustments. ROA and ROE both declined due to rapid asset and equity growth, which outpaced net profit increases. A sharp decline in 2022 across NPM, ROA, and ROE coincided with a drop in net profit from IDR 47.6 trillion in 2021 to IDR 39.6 trillion in 2022, largely caused by unrealized losses from changes in investment fair value. Meanwhile, asset growth from IDR 221.2 trillion in 2019 to IDR 325.5 trillion in 2024 (+47%) reflects Telkom's aggressive expansion in fiber optic networks, data centers, 5G infrastructure, and acquisitions. Equity growth, driven by retained earnings and financing policies, expanded the capital base, which mathematically reduced ROE despite stable net profit levels.

Overall, PT Telkom Indonesia remained in a relatively healthy profitability condition during 2019–2024, although the downward trend in ratios signals structural pressures that require attention. To sustain performance, the company should strengthen operational efficiency to prevent further weakening of profitability ratios amid ongoing infrastructure expansion. In addition, management is advised to optimize revenue from emerging segments such as cloud services, cybersecurity, and digital business, while maintaining strict cost control. Continuous monitoring of profitability indicators will be essential to ensure that long-term investment strategies align with sustainable financial performance.

References

- Alfredo, M., Aziz, M., & Saidah. (2025). Analisis rasio keuangan dalam mengukur kinerja keuangan PT Telkom Indonesia per 31 Desember 2020–2024. *Prosiding Seminar Nasional Manajemen*, 4(2). Universitas Pamulang.
- Ardyansyah, R. W., et al. (2022). Financial ratio analysis as a tool for evaluating company performance: Evidence from Indonesian telecommunications. *Journal of Business and Economics Review*, 10(1), 45–58.
- Fahmi, I. (2020). *Manajemen keuangan*. Bandung: Alfabeta.
- Kasmir. (2019). *Analisis laporan keuangan*. Jakarta: Rajawali Pers.
- Lahallo, F. F., et al. (2024). Profitability performance of PT Telkom Indonesia: An analysis of financial ratios 2014–2023. *Asian Journal of Business and Management*, 12(4), 233–245.

-
- Nashia, K. N. A., & Pratiwi, L. N. (2025). Analisis kinerja keuangan PT. Telekomunikasi Indonesia Tbk tahun 2020–2024 menggunakan rasio likuiditas, rasio profitabilitas, dan rasio solvabilitas. *Journal of Fundamental Management*, 5(2).
- Sari, P. N., et al. (2023). Profitability ratios and investment decision-making: A study on Indonesian state-owned enterprises. *International Journal of Finance and Accounting Studies*, 7(2), 112–124.
- Septian, A., Putri, W., Zahrani, A., Iory, M., & Rakhman, A. (2025). Analysis of the financial performance of PT Telkom Indonesia Tbk: Study of profitability ratio, liquidity ratio and solvency for the period 2022–2024. *International Journal of Education, Information Technology, and Others*, 8(3.A), 140–145.