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Analysis Of The Effect Of *Inventory Turnover* (Ito), *Working Capital Turnover* (Wcto) And *Total Asset Turnover* On Profitability (Roa)

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Abstract

This study aims to examine the effect of Inventory Turnover (ITO), Working Capital Turnover, and Total Asset Turnover on Profitability (ROA) at PT Indofood Sukses Makmur Tbk during the 2015-2024 period. This study is an associative study using secondary data in the form of the company's annual financial reports obtained from the company's website, with a sample size of 10 observations determined through purposive sampling. Data were analyzed using SPSS version 27 through descriptive statistical tests, classical assumption tests, autocorrelation tests, normality tests, heteroscedasticity tests, multicollinearity tests, multiple linear regression tests, t-tests, and f-tests. The results of the study indicate that, partially, the Inventory Turnover ratio does not have a significant effect on ROA, the Working Capital Turnover ratio does not have a significant effect on ROA, and the Total Asset Turnover ratio also does not have a significant effect on ROA, and simultaneously, the three variables also do not have a significant effect on ROA, so it can be concluded that ITO, WCTO, and TATO are not able to explain changes in ROA profitability.

Keywords: Communication, conflict management, goal setting, clear vision.

INTRODUCTION

The Indonesian manufacturing industry is based on the principles of economic productivity and efficiency in carrying out its functions. The primary function of manufacturing is to process raw materials into finished goods ready for consumption by the public. Furthermore, its goal is to contribute to meeting national food needs to improve food security, economic growth, and industrial stability to improve people's living standards. In the manufacturing industry sector, many manufacturing companies sell their

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products starting from the production process, namely from purchasing raw materials, processing raw materials to becoming finished goods. In this regard, there are several factors that support the success of manufacturing companies in penetrating the realm of globalization. One of them is the consumer goods manufacturing sector, which is a major sector supporting the national economy amidst global economic uncertainty, because this sector makes a significant contribution to Indonesia's economic growth (Maulana, 2024) . It also functions to absorb raw materials from natural resources and mobilize the results of production by redistributing them to the community in the form of consumer products or investments. In the Big Indonesian Dictionary, investment is the investment of capital in a business or company with the intention of gaining profit. According to Tandelin in (Putra, 2018) investment is defined as a commitment to a certain amount of funds or other resources made at present with the aim of obtaining profits in the future.

One way to measure a company's performance is by examining its financial statements. A company's financial statements consist of several ratios, one of which is the profitability ratio. Profitability ratios are used to assess a company's ability to generate profits (Kasmir, 2019) . This is indicated by the profit generated from sales and investment income. In carrying out business activities, a company's primary goal is to achieve maximum profitability. Profitability is a company's ability to generate or obtain profits effectively and efficiently. High profitability of a company can indicate that the company's performance is generally good and can be assumed to be operating effectively and enabling business development (Alfathan & Wiliyanti, 2025) . One ratio that can be used to measure a company's profitability is *Return on Assets* (ROA). According to (Fauzi & Prasetyo, 2024), ROA is the ratio between after-tax profit and total assets derived from capital turnover and investments invested in the manufacturing industry. A higher ROA indicates to shareholders that the rate of return on investment in the industrial sector is increasing. *Return On Assets* (ROA) can be influenced by several activity ratios such as *Inventory Turnover* (ITO), *Working Capital Turnover* (WCTO), and *Total Asset Turnover* (TATO).

The efficiency of asset management can be influenced by several factors, including inventory turnover *(* ITO). Given that PT Indofood operates in the consumer goods industry, the speed at which goods are sold is crucial. As explained by Werdiningtyas (2018) , a high inventory turnover ratio indicates that capital invested in inventory is turning over quickly, thus minimizing the risk of stockpiling, which could be detrimental to the company.

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Apart from inventory, overall working capital management as measured by *Working Capital Turnover* (WCTO) also plays a crucial role. A high working capital turnover (WCTO) indicates a company's ability to efficiently manage inventory, receivables, and current liabilities. This means the company can sell products more quickly, customers repay debts more quickly, and the company can effectively manage current liabilities. This will impact cash flow and profitability (Alifia & Rismanty, 2025) .

Total Asset Turnover (TATO) is the turnover of a company's assets, measured by sales volume. The TATO calculation shows how effectively a business uses its assets to generate sales and profit. An increase in the TATO value indicates an increase in asset sales. *Total Asset Turnover* (TATO) is a metric used to measure how effectively a company manages its operations. TATO shows the relationship between a company's operating level (sales) and the assets needed to support its operations, such as property, plans, and equipment. This ratio also shows the relationship between a company's operating level (sales) and the assets needed to support its operations (Abdurrahman, 2024) .

PT Indofood Sukses Makmur Tbk is a company engaged in the food and beverage industry (food and beverages) and conducted an IPO (Initial Public Offering) on the Indonesia Stock Exchange on July 14, 1994 with the stock code INDF. This company produces various types of consumer products, ranging from instant noodles, dairy products, snacks, food seasonings, wheat flour, to cooking oil. Some of the well-known products produced include Indomie, Supermi, Sarimi, Pop Mie, Indomilk, Milkuat, Chitato, Qtela, Chiki, Indofood chili sauce and spices, Bogasari flour, and Bimoli cooking oil. Indofood products are widely marketed in Indonesia and to various countries in the world, making this company one of the largest food companies in Indonesia .

Table 1. Data on COGS, Inventory, Net Sales, Total Assets, Net Profit, Capital for the period 2015-2024
(Expressed in Millions of Rupiah)

YEAR	HPP	SUPPLY	NET SALES	TOTAL ASSETS	NET PROFIT	CAPITAL
2015	Rp46,803,889	Rp7,627,360	Rp64,061,947	Rp91,831,526	Rp3,709,501	Rp43,121,593
2016	Rp47,725,414	Rp8,469,821	Rp66,750,317	Rp82,174,515	Rp4,852,481	Rp43,941,423
2017	Rp50,318,096	Rp9,690,981	Rp70,186,618	Rp87,939,488	Rp5.145.063	Rp46.756.724
2018	Rp52.882.861	Rp11.644.154	Rp73.394.728	Rp96.537.796	Rp4.961.851	Rp49.916.800

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2019	Rp53876.594	Rp9.658.705	Rp76.592.955	Rp96.198.559	Rp5.902.729	Rp54.202.488
2020	Rp54.979.227	Rp11.150.432	Rp81.731.469	Rp163.136.516	Rp8.752.066	Rp79.138.044
2021	Rp66.871.841	Rp12.679.529	Rp99.345.618	Rp179.356.193	Rp11.203.585	Rp86.632.111
2022	Rp76.850.561	Rp16.520.443	Rp110.830.272	Rp180.443.300	Rp9.192.569	Rp93.623.038
2023	Rp74.721.368	Rp16.329.112	Rp111.703.609	Rp186.587.685	Rp11.474.349	Rp100.464.619
2024	Rp75.260.000	Rp16.651.000	Rp115.790.000	Rp201.713.000	Rp12.850.000	Rp108.990.970

Sumber data: www.indofood.com

Based on table 1 above at PT Indofood Sukses Makmur Tbk, a decrease occurred in the Cost of Goods Sold in 2023 from Rp76,850,561 to Rp74,721,368. In addition, inventory in 2019 decreased from Rp11,644,154 to Rp9,658,705 with a difference of Rp1,985,449 or amounting to, and there was a decrease in total assets in 2016 of Rp82,174,515 and again decreased in 2019 from Rp96,537,798 to Rp96,198,559 with a difference. Net profit decreased in 2018 from Rp5,145,063 to Rp4,961,851 and again decreased in 2022 by Rp2,011,016.

Based on these conditions, there appears to be a gap between theory and reality in the field. Ideally, efficient operational management is characterized by controlling the cost of goods sold and optimizing *(Inventory Turnover, Working Capital Turnover, Total Asset Turnover)* which is expected to increase company profitability (ROA). However, data from PT Indofood Sukses Makmur Tbk shows that a decrease in the cost of goods sold or a decrease in inventory value is not always followed by an increase in net profit. This indicates the existence of other factors that may affect profitability. Based on previous research, there are differences in research results.

OBJECTIVE

This article aims to

1. To find out and analyze whether there is a partial influence of Inventory Turnover (ITO) on Return on Assets at PT Indofood Sukses Makmur Tbk
2. To find out and analyze whether there is a partial influence of Working Capital Turnover (WCTO) on Return on Assets at PT Indofood Sukses Makmur Tbk
3. To find out and analyze whether there is a partial influence of Total Asset Turnover (TATO) on Return on Assets at PT Indofood Sukses Makmur Tbk

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4. To find out and analyze whether there is a simultaneous influence of Inventory Turnover (ITO), Working Capital Turnover (WCTO), and Total Asset Turnover (TATO) on Return on Assets at PT Indofood Sukses Makmur Tbk.

IDENTIFICATION OF PROBLEMS

Based on the background above, the identification of problems in this research is as follows:

1. Cost of goods sold showed a decline at PT Indofood Sukses Makmur Tbk in 2023
2. Inventories decreased at PT Indofood Sukses Makmur Tbk in 2019
3. There was a decrease in total assets at PT Indofood Sukses Makmur Tbk in 2016
4. Net profit decreased at PT Indofood Sukses Makmur Tbk in 2018 and 2022.

FORMULATION OF THE PROBLEM

The problem formulation in this research is as follows:

1. Does *Inventory Turnover* affect *Return on Assets* at PT Indofood Sukses Makmur Tbk?
2. Does *Working Capital Turnover* affect *Return on Assets* at PT Indofood Sukses Makmur?
3. Does *Total Assets Turnover* affect *Return on Assets* at PT Indofood Sukses Makmur Tbk?
4. Do *Inventory Turnover* , *Working Capital Turnover* , and *Total Asset Turnover* have a simultaneous effect on *Return on Assets* at PT Indofood Sukses Makmur ?

RESEARCH PURPOSES

The research objectives in this study are as follows:

1. To find out and analyze whether there is a partial influence *of Inventory Turnover (ITO) on Return on Assets* at PT Indofood Sukses Makmur Tbk
2. To find out and analyze whether there is a partial influence of *Working Capital Turnover (WCTO) on Return on Assets* at PT Indofood Sukses Makmur Tbk
3. To find out and analyze whether there is a partial influence of *Total Asset Turnover (TATO) on Return on Assets* at PT Indofood Sukses Makmur Tbk
4. To find out and analyze whether there is a simultaneous influence of *Inventory Turnover* (ITO), *Working Capital Turnover* (WCTO), and *Total Asset Turnover (TATO) on Return on Assets* at PT Indofood Sukses Makmur Tbk.

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LITERATURE REVIEW

THEORITICAL REVIEW

1. Financial statements

According to Daeli (2024), financial statements are the final result of an accounting process that shows a company's financial position. According to Hastiwi (2022) , financial statements are a reporting process that presents a statement of financial position, other comprehensive income statements, changes in equity, cash flow statements, as well as notes to the financial statements and other comparative information (Herawati, 2018). Financial statements include: balance sheet or financial statement position, income statement, statement of changes in equity, cash flow statement, and notes to the financial statements. The purpose of financial statements is to evaluate a company's financial statements in order to gain an understanding of the company's financial condition and performance in the future.

2. Financial statement analysis

According to Daeli (2024) Financial statement analysis is a thoughtful process to help evaluate a company's current and past financial position and operating results, with a primary focus on establishing the most likely estimates and predictions regarding the company's future condition and performance. Types of financial reports include: Balance Sheet, Profit/Loss Report, Statement of Changes in Equity, Cash Flow Report, Report on Financial Reports (CaLK)

3. Financial ratios

According to Fauzul (2023), financial ratios are analytical tools used to assess the financial condition and performance of an institution, including Islamic banking, through comparisons between items in the financial statements. The main types of financial ratios include Liquidity Ratios, Profitability Ratios, Solvency Ratios, and Activity Ratios. The financial ratios used for this research variable are the Activity ratio, which includes *Inventory Turnover (ITO), Working Capital Turnover (WCTO)* , and *Total Asset Turnover (TATO),* as well as the profitability ratio, which includes *Return on Assets (ROA).*

4. *Inventory turnover*

According to (Janrosl, 2019) *Inventory turnover* is an activity ratio that measures a company's ability to generate sales. According to Maliny Putry Widowati (2026), *inventory turnover* is an activity ratio that measures a company's ability to manage and convert its inventory into sales within a period. This ratio shows the relationship between inventory and the company's cost of goods sold, generating sales based on the inventory it owns. *Inventory turnover* is calculated using the formula:

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$$Inventory\ Turnover\ (ITO) = \frac{harga\ pokok\ penjualan}{Rata - rata\ persediaan}$$

Source: (Kasmir, 2021)

Table 2 ITO assessment standards

Standard	Information
> 20 times	Very good
10-20 times	Good
5-10 times	Enough
<5 times	Not good

Source: (Kasmir, 2021)

Working Capital Turnover

According to Desi & Arisudhana (2020) *Working capital turnover* is a ratio used to measure or assess the effectiveness of a company's working capital over a specific period. It measures how much working capital is circulating during a given period. It is used to compare sales with working capital or average working capital. Working capital turnover influences profit growth; the higher the working capital turnover, the better the profit margin, as the company has used and utilized working capital effectively and efficiently. *Working capital turnover* is calculated using the formula:

$$Working\ Capital\ Turnover\ (WCTO) = \frac{Penjualan\ Bersih}{Modal\ Kerja}$$

Source: Kasmir, 2021

Table 3 WCTO assessment standards

Standard	information
<6 times	Very good
4-6 times	Good
2-4 times	Pretty good
1-2 times	Not good
< 1 time	bad

Source: Kasmir, 2021

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Total Asset Turnover

According to Janrosl (2019) *Total Asset Turnover* is an activity ratio that measures the effectiveness of total asset utilization. A high ratio typically indicates good management, while a low ratio prompts management to evaluate its marketing strategy and capital expenditures (investments). The industry average for *Total Asset Turnover* is 2 times. *Total Asset Turnover* is calculated using the following formula:

$$Total\ Asset\ Turnover\ (TATO) = \frac{Penjualan\ bersih}{Total\ aset}$$

Source: Kasmir, 2021

Table 4 TATO Assessment Standards

Standard	Information
> 2 times	Very good
1-2 times	Good
0.5-1 times	Enough
0.5 times	Not good

Source: Kasmir, 2021

Profitability Ratio

According to Putri & Agustin (2017) Profitability is the end result of a number of policies and decisions made by a company. To be able to continue its operational activities, a company must have good profitability so that it remains in a profitable condition. There are several types of ratios within the profitability ratio. *Return on assets* is used to measure a company's effectiveness in generating profits by utilizing its assets.

Return on assets (ROA)

According to Kasmir (2021), Return on Assets is a profitability ratio used to measure a company's or bank's ability to generate profits by utilizing all of its assets. The goal is to measure a company's ability to generate profits from all of its assets, assess the efficiency of company management in managing assets, and determine the company's level of profitability over a given period. A higher ROA indicates a better performance in generating profits from its assets. Conversely, a low ROA indicates a company's profit-generating ability is still less than optimal. Factors influencing ROA

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include the company's revenue or sales, the efficiency of its operational costs, and its capital structure.

$$Return\ On\ Assets = \frac{\text{laba bersih}}{\text{total aset}}\ x\ 100\%$$

Source: (Kasmir, 2021)

Table 5 ROA Assessment Standards

Standard	Information
<1%	Bad
1-5%	Not good
5-10%	Pretty good
10-20%	Good
>20%	Very good

Source: (Kasmir, 2021)

The Effect of *Inventory Turnover* on *Return on Assets*

According to Wardiyah (2017) in (Damayanti, 2020) *Inventory Turnover* is a ratio used to measure the turnover of all owned activities against sales. The higher this ratio, the better and more indicative of efficient inventory management. The inventory turnover ratio will determine the comparison between sales and average inventory (beginning inventory plus ending inventory divided by two), so it can be seen how many times inventory turns over in one period. The higher the turnover, the better.

The Effect of *Working Capital Turnover* on *Return on Assets*

According to Kasmir (2016:182) in (Yuli & Sri, 2022), " *working capital turnover* is a ratio used to measure or assess the effectiveness of a company's working capital over a given period. This means how much working capital is circulating during a given period or within a given period." The shorter the working capital turnover period, the faster the turnover, resulting in higher working capital and a more efficient company, ultimately increasing profitability .

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The Effect of Total Asset Turnover on Return on Assets

According to Fahmi (2014) in (Damayanti, 2020) , the *Total Asset Turnover* Ratio is a ratio used to measure the turnover of all assets owned by a company and the amount of sales from each available asset. A higher *Total Asset Turnover* indicates the company's efficiency in using all company assets to generate net sales. The faster a company's asset turnover to support its net sales activities, the more it will affect the company's profit.

RESEARCH HYPOTHESIS

According to (Sa, 2025) , a hypothesis is a temporary answer to a research problem whose truth must be tested through a scientific research process.

The research hypothesis used in this research is:

1. *Inventory Turnover* has a significant effect on *Return on Assets*
2. *Working Capital Turnover* has a significant effect on *Return on Assets*
3. *Total Asset Turnover* has a significant effect on *Return on Assets*
4. *Inventory Turnover, Working Capital Turnover and Total Asset Turnover* have a significant effect on *Return on Assets.*

The statistical hypotheses proposed in this study include:

1. H0: β1 = 0: ITO does not have a significant effect on ROA at PT Indofood Sukses Makmur Tbk.
   Ha: β1 ≠ 0: ITO has a significant effect on ROA at PT Indofood Sukses Makmur Tbk.
2. H0: β2 = 0: WCTO does not have a significant effect on ROA at PT Indofood Sukses Makmur Tbk
   Ha: β2 ≠ 0: WCTO has a significant effect on ROA at PT IndofoodSukses Makmur Tbk.
3. H0: β3 = 0: TATO does not have a significant effect on ROA at PT Indofood Sukses Makmur Tbk.
   Ha: β3 ≠ 0: TATO has a significant effect on ROA at PT Indofood Sukses Makmur Tbk.
4. H0: β1-β2-β3= 0, There is no significant influence between *Inventory Turnover, Working Capital Turnover* and *Total Asset Turnover* against Return on Assets at PT Indofood Sukses Makmur Tbk.
5. Ha: β1-β2- β3 ≠ 0, There is a significant influence between *Inventory Turnover, Working Capital Turnover* and *Total Asset Turnover* Return on Assets at PT Indofood Sukses Makmur Tbk

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FRAMEWORK OF THINKING

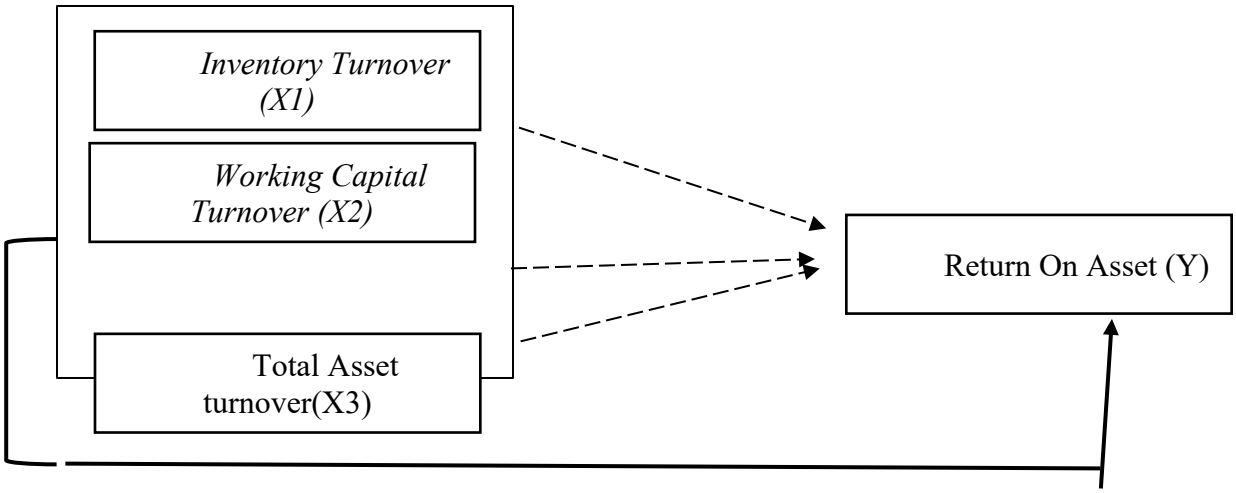


Figure 1. Framework of thinking

Note:

→ = Partial

→ = Simultan

RESEARCH METHODS

Type of research According to (Iii & Riset, 2025) associative research is one of the methods used to analyze the relationship between two or more variables without concluding cause and effect. According to (Baramuli, 2016) In this study, a quantitative approach is used because the data used are in the form of numbers, so it is possible to test the cause and effect relationship between the independent variables, namely *Inventory Turnover* , *Working Capital Turnover* and *Total Asset Turnover* , with the dependent variable, namely *Return On Assets.* The research instrument used in this study is a list of financial report tables of PT Indofood Sukses Makmur Tbk in the balance sheet section which includes average inventory, total assets, total assets, working capital. As well as profit and loss which includes Cost of goods sold, net sales and net profit for a 10-year

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period, namely from 2015-2024. The population in this study is all financial reports of PT Indofood Sukses Makmur listed on the Indonesia Stock Exchange (IDX) since the company *went public* . as many as 30 years from 1994 - 2024. The sample in this study is the financial report of PT Indofood Sukses Makmur Tbk for 10 years from 2015-2024. The research variables are determined using criteria based on the latest data and data availability. The *purposive sampling technique* is a sampling determination technique with certain considerations or criteria. This research was conducted on the official page and annual report of PT Indofood Sukses Makmur Tbk. www.indofood.com which is located at Sudirman Plaza, Indofood Tower, Floors 23-27, Jl. Jend. Sudirman Kav. 76-78, South Jakarta, DKI Jakarta 12910, Indonesia. The company's telephone number is (+62-21) 5795 8822.

1. **The influence of *Inventory Turnover* on *Return On Assets***

Based on the results of the alternative hypothesis test which states that the significant effect of Inventory Turnover (ITO) on Return on Assets (ROA) cannot be accepted because the t-count value <t-table and the significant value of Inventory Turnover is greater than alpha. From the table coefficient obtained the t-count value = -0.599 which means t-count <t-table (-0.599 <1.943) with a significant value of 0.571> 0.05, then the hypothesis H0 is accepted and Ha is rejected. So it can be concluded that Inventory Turnover has no effect and is not significant on Return on Assets.

This indicates that high or low inventory turnover does not directly affect a company's profitability, as measured by Return on Assets. Theoretically, inventory turnover is used to measure how quickly inventory turns over in a period. The higher the inventory turnover, the faster the inventory is sold, which, in theory, can increase company profits. However, in this study, increasing inventory turnover was not able to significantly increase company profitability. This condition may occur because company profits are not only influenced by inventory management, but also by other factors such as operational costs, asset management, and sales levels.

The results of this study are in line with research conducted by Rivaldy, Pratiwi, & Laksana (2022) which states that inventory turnover has no significant effect on return on assets. Furthermore, research by Cahyani & Kosasih (2020) also shows that Inventory Turnover has no effect and is not significant on Return on Assets. However, the results of this study contradict the research of Damayanti & Sitohang (2019), Sari (2025) which states that inventory turnover has a significant effect on return on assets. Theoretically, the faster the inventory turnover, the greater the company's opportunity to make a profit

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because goods are sold more quickly and the capital invested in inventory can be returned to cash.

2. The Effect of *Working Capital Turnover* on *Return on Assets*

Based on the results of the alternative hypothesis test which states that the significant effect of Working Capital Turn Over (WCTO) on Return on Assets (ROA) cannot be accepted because the t-count value <t-table and the significant value of Working Capital Turn Over is greater than alpha. Based on the table coefficient, the t-count value is obtained = -0.556 which means t-count <t-table (-0.556 <1.943) with a significance value of 0.598> 0.05, then H0 is accepted and Ha is rejected. So it can be concluded that Working Capital Turn Over has no effect and is not significant on Return on Assets.

This indicates that high or low working capital turnover does not directly affect a company's profitability, as measured by Return on Assets. Theoretically, Working Capital Turnover is used to measure the effectiveness of working capital in generating sales. The higher the Working Capital Turnover value, the more efficiently the company utilizes working capital to generate profits. However, in this study, the company's working capital has not been optimally utilized to increase profitability. This may occur because some working capital is still tied up in cash, receivables, and inventory, thus not maximizing its contribution to increasing the company's profits.

The results of this study align with those of Fara Yuli Setiawati & Sri Retnaning Sampurnaning (2023), which stated that Working Capital Turnover had no significant effect on Return on Assets. Furthermore, research by Alex Kristian Manik, Joko Nugroho, & Asep Zainudin (2021) also showed that Working Capital Turnover had no effect on Return on Assets. However, these results contradict those of Divya Reski, Herman Sjahruddin, & Ahmad Anto (2019), which stated that Working Capital Turnover had a positive and significant effect on Return on Assets.

3. **The Effect of *Total Asset Turnover* on *Return on Assets***

Based on the results of the alternative hypothesis testing which states that the significant effect of Total Asset Turn Over (TATO) on Return on Assets (ROA) cannot be accepted because the t-count value <t-table and the significant value of Total Asset Turn Over is greater than alpha. Based on the table coefficient, the t-count value is obtained = 0.192 which means t-count <t-table (0.192 <1.943) with a significance value of 0.854>

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0.05, then H0 is accepted and Ha is rejected. So it can be concluded that Total Asset Turn Over has no effect and is not significant on Return on Assets.

This indicates that high or low total asset turnover does not directly affect a company's profitability, as measured by Return on Assets. Theoretically, Total Asset Turnover is used to measure the effectiveness of all company assets in generating sales. The higher the Total Asset Turnover, the more efficiently the company utilizes its assets to generate sales and profits. However, in this study, the company's total assets have not been optimally utilized to increase profitability. This condition may occur because the increase in total assets is not accompanied by a significant increase in sales and profits, resulting in less effective asset turnover.

The results of this study align with those of Imanuel Laurens Meyer Rompas & Lawren Julio Rumokoy (2023), who stated that Total Asset Turnover had no significant effect on Return on Assets. Furthermore, research by Rita Satria, Cahyani (2020) , & Fakung Rahman (2024) also showed that Total Asset Turnover had no significant effect on Return on Assets (Capital et al., 2022).

However, the results of this study contradict those of Damayanti (2020) , who stated that Total Asset Turnover significantly impacts Return on Assets. Furthermore, research by Bella Margareta & Tri Wartono (2025) also found that Total Asset Turnover significantly impacts Return on Assets. Theoretically, the higher the asset turnover, the more effectively a company utilizes all its assets to generate sales and profits, thus increasing profitability.

4. Effect of Inventory Turnover, Working Capital Turn Over, and Total Asset Turn Over Return on Assets.

Based on the results of the alternative hypothesis test, which states that there is a significant influence of Inventory Turnover, Working Capital Turnover, and Total Asset Turnover on Return on Assets in the company, it cannot be accepted because the calculated f value < f table and the significance value is greater than the alpha value.

These results show that a company's profitability is not only determined by inventory turnover, working capital, and total assets, but there are other factors that are more dominant in influencing the company's ability to generate profits.

The results of this study are in line with research conducted by (Werdiningtyas, 2018) and Wulan Maulidia & Aria Aji Priyanto (2025) which stated that Inventory Turnover, Working Capital Turnover, and Total Asset Turnover do not have a significant effect on Return on Assets (ROA). High inventory turnover indicates that the company is able to

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manage inventory quickly, but this does not necessarily increase profits if the sales generated are not optimal. In addition, high Working Capital Turnover and Total Asset Turnover also do not necessarily increase Return on Assets if the use of working capital and company assets has not been carried out effectively and efficiently. Thus, the management of inventory, working capital, and assets must be balanced with a good company strategy to be able to increase the company's profitability optimally.

RESEARCH CONCLUSION

Based on the results of tests conducted at PT. Indofood Sukses Makmur Tbk, it can be concluded:

1. Inventory Turnover does not have a significant effect on Return on Assets.
2. Working Capital Turnover does not have a significant effect on Return on Assets.
3. Total Asset Turnover does not have a significant effect on Return of Assets.Inventory Turnover , Working Capital Turnover and Total Asset Turnover does not have a significant effect on Return on Assets.

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