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The Influence of Financial Performance Profit Growth (Case Study of Manufacturing in The Consumer Goods Industry Sector of The Food and Beverage Sub Sektor Listed on The Indonesian Stock Exchange (IDX) in 2019-2023

Dampak Rasio Keuangan Terhadap Pertumbuhan Laba (Studi Kasus Perusahaan Manufaktur Sektor Industri Barang Konsumsi Sub Sektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Tahun 2019-2023)

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ABSTRACT

This study aims to analyze the positive and significant impact of Total Asset Turnover (TATO), Debt to Equity Ratio (DER), and Quick Ratio on earnings growth, focusing on case studies of manufacturing companies in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange during the 2019-2023 period. The sample used in this study consisted of 25 companies. The data analyzed is secondary data, and the analysis method used is EViews (Econometric Views) software. EViews is a statistical software that is widely used in econometric and economic data analysis, thanks to its ability to handle complex economic models, as well as time series, cross-section, and panel data. The results showed that TATO, DER, and Quick Ratio did not have a significant influence on profit growth in the consumer goods industry sector. In addition, profit growth in this sector is influenced by independent variables by 83.877%, while the remaining 16.123% is influenced by other factors not included in this study.

Keywords: *Total Asset Turnover, Debt to Equity Ratio, Quick Ratio and Profit Growth.*

ABSTRAK

Penelitian ini bertujuan untuk menganalisis dampak positif dan signifikan dari Total Asset Turnover (TATO), Debt to Equity Ratio (DER), dan Quick Ratio terhadap pertumbuhan laba, dengan fokus pada studi kasus perusahaan manufaktur di sektor industri barang konsumsi, khususnya sub-sektor makanan dan minuman, yang terdaftar di Bursa Efek Indonesia selama periode 2019-2023. Sampel yang digunakan dalam penelitian ini terdiri dari 25 perusahaan. Data yang dianalisis adalah data sekunder, dan metode analisis yang digunakan adalah perangkat lunak EViews (Econometric Views). EViews merupakan perangkat lunak statistik yang banyak digunakan dalam analisis data ekonometrika dan ekonomi, berkat kemampuannya dalam menangani model-model ekonomi yang kompleks, serta data time series, cross-section, dan panel. Hasil penelitian menunjukkan bahwa TATO, DER, dan Quick Ratio tidak memiliki pengaruh signifikan terhadap pertumbuhan laba di sektor industri barang konsumsi tersebut. Selain itu, pertumbuhan laba di sektor ini dipengaruhi oleh variabel independen sebesar 83,877%, sementara 16,123% sisanya dipengaruhi oleh faktor lain yang tidak termasuk dalam penelitian ini.

Kata kunci: Perputaran Total Aktiva, Rasio Hutang terhadap Ekuitas , Rasio Cepat dan Pertumbuhan Laba.

1. INTRODUCTION

1.1. Background

A manufacturing company is a business entity that focuses on the production of goods by processing raw materials into finished products through the use of equipment and labor. As industries progress and market needs change, these companies play a crucial role in the global economy. Besides aiming to fulfill consumer needs, they are also one of the main drivers of economic growth in each country. The history of manufacturing companies dates back to the industrial revolution in the 18th century, when mechanization and the use of machines began to shift the role of human labor in the production process. This change not only increased production efficiency and capacity, but also lowered costs. At that time, manufacturing companies generally focused on making consumer goods, such as textiles, clothing, and household appliances.

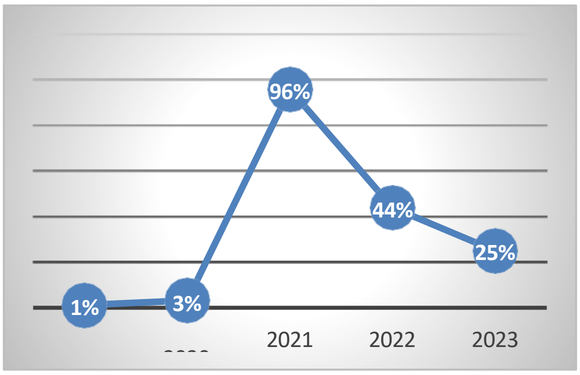
Today, the manufacturing industry is experiencing rapid growth in sectors ranging from automotive, electronics, food and beverage, to energy and building materials. Technological advancements, particularly in automation, robotics, and digitalization, have revolutionized the way manufacturing companies operate. Production processes are now more integrated and efficient, with reduced costs, time, and more optimized use of resources. However, manufacturing companies also face various challenges, such as fluctuating raw material prices, intense market competition, and the need to keep up with rapid technological developments. To stay competitive, many companies are applying principles such as lean manufacturing, strict quality control, and product innovation.

Total Assets Turnover is a ratio that compares net sales to the company's total assets. A higher ratio indicates a more optimal level of efficiency, which means that the company's assets rotate faster in generating profits. By increasing Total Assets Turnover, companies can increase sales volume without having to increase the number of assets (Faudila Alhumaira et al., 2024)

Leverage ratio is an indicator used to assess the company's performance in paying off all its debts in a certain period (Kusoy, n.d.) The Debt to Equity Ratio describes the ratio of total debt, both short-term debt (current liabilities) and long-term debt, to the company's equity. The greater the Debt to Equity Ratio, the more the company's capital structure relies on debt compared to equity. An increase in this ratio indicates a higher proportion of debt compared to capital, which in turn reflects the relatively high risk of the company. As a result, the risk faced by investors also increases (Kurniawan, 2021)

The quick ratio, also known as the Quick Ratio, is the ratio between current assets and short-term debt from operating activities. In the calculation of this ratio, the inventory element is not included. This is done to ensure that the company can pay off its short-term debt without relying on inventory, which is the least liquid asset. (Mirana Lavenia et al., 2024)

Profit growth is one of the factors that has an important role in the sustainability of Retail Companies. Earnings growth is an increase or decrease in company profits over a certain period of time expressed in percentage form. Earnings growth can explain the company's growth prospects in the future. In addition, earnings growth can also be used to evaluate the financial performance of a company. This is because if the profit level of a company continues to grow consistently, the financial statements will be reported positively. This can encourage investors to invest in the company because they expect maximum returns. Companies with good profit growth can strengthen the relationship between company size and profitability. The greater the total assets, sales, and capital of the company, the greater the prospects for the company in the long term. This indicates that the company is relatively stable and can achieve higher profitability. Operating profit is the difference between the revenue realized from transactions during a period and the costs associated with that revenue.



Source: Data processed by the author (2024)

Picture 1. Profit Growth

In 2019, the company experienced very low profit growth of only 1%. This figure shows that the profit earned hardly experienced any significant change compared to the previous year; if anything, the growth was very limited. However, in 2020, there was a slight improvement, with profit growth reaching 3%. Despite the improvement, this figure is still relatively low, possibly due to external factors that limit profit potential, such as the global economic situation or internal challenges faced by the company. The year 2021 brought a significant spike in profit growth, reaching 96%. This reflected an excellent performance and almost doubled from the previous year. The surge may have been triggered by effective strategies, new product launches, or post- pandemic market recovery. However, in 2022, while still showing a significant positive figure, profit growth experienced a drastic decline compared to 2021. This decline may reflect challenges faced by the company, such as declining market demand, rising operating costs, or unpredictable external factors. Although profit growth remains positive, the rate of growth is slowing down. This indicates that the company may start to face limits in terms of growth, or that the market has started to stabilize after the previous large surge.

Many studies have been conducted on earnings growth, and the results show significant variation and uncertainty between studies.Through the literature review approach, the researcher concluded that there are studies that are comparable to the current research. Some previous studies include:

1. Research conducted by(Nur et al., 2024)The title "The Effect of Solvency, Liquidity and Activity Ratios on the Financial Performance of Pharmaceutical Subsector Manufacturing Companies Listed on the Indonesia Stock Exchange for the Period 2017-2021". Partial test results show that solvency has a negative and significant effect on financial performance. On the other hand, liquidity has a positive and significant effect on financial performance. Meanwhile, activity shows no effect on financial performance. Simultaneous test results also indicate that solvency, liquidity, and activity jointly affect financial performance.
2. Research conducted (Darminto & Fuadati, n.d.-a) The title of this study is "The Effect of Current Ratio (CR), Debt to Equity Ratio (DER), and Total Asset Turnover (TATO) on Return on Assets (ROA) in cigarette companies listed on the Indonesia Stock Exchange (IDX). The study results show that CR has a negative and insignificant effect on ROA. In contrast, DER and TATO have a positive and significant effect on ROA. This finding indicates that a high level of DER can increase the company's ability to maximize equity for debt repayment, while effective TATO can help companies maximize profits through more efficient use of assets.
3. Research conducted by (Tambun et al., 2022). The results of this study indicate partially, it is obtained that Current Ratio (CR) has a negative and insignificant effect on Price to Book Value (PBV), Debt to Equity Ratio (DER) has a positive and significant effect on Price to Book Value (PBV), while Return On Assets (ROA) has a negative and insignificant effect on Price to Book Value (PBV). Based on the results of simultaneous testing, Current Ratio, Debt to Equity Ratio and Return On Assets (ROA) have a positive and significant effect on Price to Book Value (PBV).
4. Research conducted by (Oktapiani & Kantari, 2021) "The Effect of Financial Ratios on Financial Performance" examines case studies on manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange during the period 2015 to 2019. The analysis results show that the current ratio (X1) has a positive and significant effect on return on assets (Y) in manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange during the 2015-2019 period. Meanwhile, the debt-to- equity ratio (X2) shows a positive, but insignificant effect on return on assets (Y) in the same context. Similarly, the turnover of total assets (X3), which also contributed positively but not significantly to the return on assets (Y) of these companies in the period under study.
5. Research conducted by (Profitabilitas et al., 2022). The title "The Effect of Profitability, Solvency, Liquidity and Activity on Firm Value in Food and Beverage Sub-Sector Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2016-2020 Period. The results of this study have shown that profitability has a positive and significant effect on the value of the company, while solvency, liquidity and activity have no effect on the value of the company.
6. Research conducted by (Jurnal et al., n.d.) . The title "The effect of financial ratios on earnings growth with company size as a moderating variable in pharmaceutical sub-sector companies listed on the Indonesia Stock Exchange. he results of this study state that ROA and DAR have a positive effect on profit growth.In contrast, the CR and TATO variables do not affect profit growth because profit growth occurs when the assets owned by a company can be put to good use to generate profits.

1.2. Problem Formulation

To describe or to solve the problem between activity Ratio Leverage and Liquity Ratiobon Profit Growth.

2. LITERATURE REVIEW AND HYPOTHESIS FORMULATION

2.1. Signaling Theory

Signalling theory explains how important the information generated by a company is for external parties. This information serves as a basis for making investment decisions (Aisyah Margie & Melinda, n.d.) Introduced by Michael Spence in his research entitled "Job Market Signaling" in 1973, this theory suggests that signals function as signs or symbols used by the sender of information to convey important messages to the recipient (Anessya Anggia Savitri & Rahman Amrullah Suwaidi, 2024)

2.2.Total Asset Turnover

Research conducted by (Khoer et al., 2024) Total Asset Turnover Ratio (TATO) is the Company's Asset Turnover Ratio as measured by sales revenue. The TATO calculation shows how effectively a company uses its assets to generate sales and profits Total Asset Turnover can be formulated as follows:

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$$\text{TATO} = \frac{\text{Sales}}{\text{Total Asset}}$$

2.3. Debt to Equity Ratio

Research conducted by (Zendrato et al., 2023) DER states that the ratio determines how much the company's debt is compared to its equity. It can also be used to estimate the amount of capital that will be used as collateral for the debt. To find out the value of this ratio, compare the company's total debt and total equity. The following is the formula for calculating the Debt to Equity Ratio as follows:

$$Debt\ to\ Equity = \frac{Total\ Liabilities}{Total\ Equity}$$

2.4. Quick Ratio

Research conducted by (Hung & Viriany, 2023) Quick Ratio is the most liquid ratio. This ratio is calculated by subtracting inventory from current assets and dividing it by current liabilities. The following is the calculation of the Quick Ratio as follows:

$$\text{QR} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilites}}$$

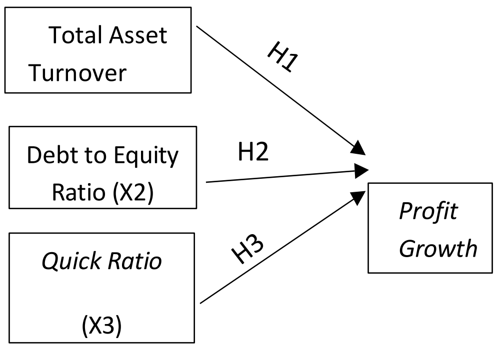
2.5. Profit Growth

The type of profit used to find profit growth is Net Income. The use of net income is done to obtain the actual profit condition after deducting debt and tax payments (Likuiditas et al., n.d.) The following is the calculation of the Profit Growth as follows:

$$\text{Profit Growth} = \frac{\text{Net Income}_t - \text{Net Income}_{t-1}}{\text{Net Income}_{t-1}}$$

2.6. Research Hypothesis

Based on this description, the hypotheses in this study are:



Source: Data processed by the author (2024)

Picture 2. Research Model

H_1 = Total Asset Turnover has a positive effect on Profit Growth

H_2 = Debt to Equity Ratio has a significant positive effect on Profit Growth

H_3 = Quick Ratio has a significant positive effect on Profit Growth

2.7. The Effect of Total Asset Turnover on Profit Growth

Total Asset Turnover (TATO) is an activity level. The total asset turnover ratio represents the extent to which a company can measure the level of efficiency of using company resources in carrying out its daily operations. This is supported by research (Endri et al., 2020a) (Indahsari et al., 2022) states that total asset turnover has a positive impact on profit growth.

$\boldsymbol{H_1}$ = Total Asset Turnover has a positive effect on Profit Growth.

2.8. Effect of Debt to Equity Ratio on Profit Growth

The debt to equity ratio is one of the solvency ratios. The debt-to-equity ratio measures the company's total debt compared to its equity. The debt-to-equity ratio is used to determine the total cost paid by creditors to business owners. In other words, the Debt- to Equity Ratio recognizes that every dollar in the company's equity serves as collateral for debt. The solvency ratio or also known as the leverage ratio is used to measure the ratio of funds borrowed from a company's creditors (Horijah & Fuadati, n.d.) This is supported by research (Abas et al., n.d.) , (Indahsari et al., 2022) The debt-to-equity ratio is said to have a positive impact on earnings growth.

***H₂** = Debt to Equity Ratio has a significant positive effect on Profit Growth.*

2.9. Effect of Quick Ratio on Profit Growth

The quick ratio is also one of the factors expected to increase firm value. The quick ratio shows the level of liquidity needed by the company to fulfill its obligations. High liquidity indicates that a company has no problem repaying loans and costs required by the company, thereby increasing investors' desire to invest, so that a high quick ratio shows the value of a company (Ratmanasuci et al., 2024) . This is supported by research (Devi & Rimawan, 2022) shows that the quick ratio affects the value of the Company

H3= Quick Ratio berpengaruh positif signifikan terhadap Pertumbuhan Laba.

3. METODOLOGI PENELITIAN

3.1. Population and Sample

The population are all manufacturing companies registered in the Indonesia Stock Exchange from 2019-2023 Purposive sampling is used as the sample selection technique with criteria determined by the researcher namely: a) Manufacturing companies registered in the Indonesia Stock Exchange in 2019-2023. b) Companies with complete annual financial reports as of December 31 during 2019-2023, c) Companies with no losses during 2019- 2023, d) Companies that experienced successive profit growth during 2019-2023. Based on these criteria paresearcher obtained 24 companies as samples with five year research period from 2019-2023, 25 research data were obtained.

3.2. Operasional Variabel Penelitian

The variables in this study are Total Asset Turnover (X1), Debt to Equity Ratio (X2), and Quick Ratio (X3) as dependent variables and Profit Growth as Dependent.

3.3. Data Collection Technique

The data were cquired by researchers from the companies' financial statement through various sources, such as the company's website, the Indonesia Stock Exchange website and others. Data that has been obtained is then tested using the Eviews 12 software.

4. RESULT AND DISCUSSION

4.1. *Descriptive Statistical Analysis*

Descriptive statistics is a stage in data analysis that serves to explain the basic values of a variable, such as minimum value, maximum value, average (mean), and standard deviation or data distribution. In this study, sample data processing was carried out for the independent variables, namely the liquidity ratio (X1), profitability ratio (X2), and solvency ratio (X3), as well as the dependent variable, namely the stock price (Y). The following are the results of the data processing (Kartiko Aji & Mauludi, 2024).

Table 1. Descriptive Statistical Analysis Test Result

	Profit Growth	**TATO**	**DER**	**Quick Ratio**
Mean	-0.200800	1.190800	0.576400	3.156000
Median	0.050000	0.890000	0.290000	0.700000
Maximum	1.330000	3.580000	2.040000	11.40000
Minimum	-3.990000	0.290000	-2.130000	-0.100000
Std.Dev	1.166969	0.949574	0.897477	3.779780
Skewness	-1.539670	1.511764	-0.494761	0.986577
Kurtosis	5.764998	3.998377	4.740347	2.577541
Jarque-Bera	17.84119	10.56091	4.174960	4.241470
Probability	0.000134	0.005090	0.123999	0.119943
Sum	-5.020000	29.77000	14.41000	78.90000
Sum Sig. Dev	32.68358	21.64058	19.33118	342.8816
Observations	25	25	25	25

Source: Data yang diolah menggunakan Eviews 12 output (2024)

From table 1, it can be concluded that Profit Growth has mean value of -0.200800 , a maximum value of 1.330000, a minimum -3.990000 , and a Standard deviation of 1.166969

Total Asset Turnover has mean value of 1.190800, a maximum value of 3.580000, a minimum 0.290000, and a Standard deviation of 0.949574

Debt to Equity Ratio has mean value of 0.576400 , a maximum value of 2.040000, a minimum

-2.130000, and a Standard deviation of 0.897477

Quick Ratio has mean value of 3.156000 a maximum value of 11.40000, a minimum -0.100000, and a Standard deviation of 3.779780.

4.2. Classical Assumption Test

4.2.1. Normality Test

The normality test aims to determine whether the dependent variables and independent variables in the regression model are normally distributed (Darminto & Fuadati, n.d.-b)

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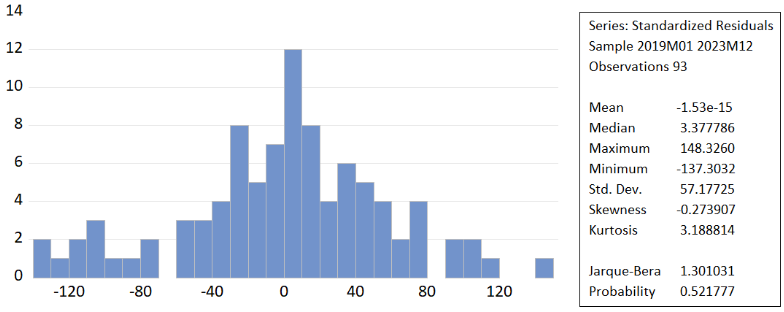
Grafik 1. Normality Test Results



Source: Eviews 12 output (2024)

Based on the test results above, it can be seen that the probability of 0.521777 is greater than 0.05, it can be concluded that the data from the variables of this study are normally distributed.

4.2.2. Multicollinearity Test

The existence of multicollinearity in the regression model can be analyzed through the tolerance value and variance inflation factor (VIF). If the tolerance value is greater than 0.10 (Singaperbangsa Karawang et al., 2023)

Table 2. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	81.11597	14.69993	NA
TATO	0.005451	9.607964	3.359366
DER	0.002265	4.899224	2.211327
Quick Ratio	0.022047	4.296641	4.289753

Source: Data yang diolah menggunakan Eviews 12 output (2024)

It is known that the VIF value, the Independent Variable entered into the model is 3.359366 (<10.00), so it can be concluded that the data does not occur multicollinearity symptoms.

4.2.3 Heteroskedasticity Test

Heteroscedasticity refers to a situation where the residuals in a regression model show differences in variance. Residual variances that are not constant may indicate unexpected patterns in the data distribution, which in turn may affect the efficiency and validity of the regression analysis results (Maurice et al., 2024)

Table 3. Heteroskedasticity Test Results

Heteroskedasticity Test Breush-Pagan-Godfrey Null hypothesis : Homoskedasticity			
F-statistic	42.68250	Prob. F (3.16)	0.0000
Obs*R-squared	17.77851	Prob.Chi-Squared (3)	0.0005
Scaled explaned SS	74482.75	Prob.Chi-Squared(3)	0.0000

Source: Data yang diolah menggunakan Eviews 12 output (2024)

From the observed probability value of Obs R-squared which is 0.0005 (greater than 0.05), we can conclude that there are symptoms of heteroscedasticity in the data.

4.2.4. Autokorelasi Test

The autocorrelation test is performed using the Durbin-Watson test. If the Durbin-Watson value is greater than 0.05, then we accept the null hypothesis (H0), which indicates that there is no autocorrelation. Conversely, if the Durbin-Watson value (Elva Dona et al., 2022)

Table 4. Autokorelasi Test Results

Dependent Variable : PROFIT GROWTH				
Method Least Squares				
Date : 01/17/25 Time: 14.10				
Sample: 2019Q12023Q4				
Included Observations: 20				
Variable	Coefficient	Std.Eror	t-Statistic	Prob.
C	-31.24587	9.044823	-3.454558	0.0033
TATO	0.390712	0.074161	5.368430	0.0001
DER	0.150352	0.047826	3.143706	0.0063
Quick Ratio	-1.436954	0.149355	-9.621074	0.0000
R-squared	0.902620	Mean dependent var		10.10000
Adjusted R-squared	0.884362	S.D dependent var		31.09222
S.E of regression	10.57311	Akalke info criterion		7.731361
Sum squared resid	1788.650	Schwarz criterion		7.930508
Log likelihood	-73.31361	Hannan-Quinn criter		7.770237
F-statictic	49.43511	Durbin-Watson stat		1.620177
Prob (F-statistic)	0.000000			

Source: Data yang diolah menggunakan Eviews 12 output (2024)

Basis For Decision Making:

1. If d < dl or d > 4-dl then the null hypothesis is rejected, meaning there is autocorrelation
2. if du < d < 4-dU then the null hypothesis is accepted, meaning there is no autocorrelation
3. If dl < d < du or 4-dU < d < 4-dL, it means there is no conclusion.

Conclusion:

The Durbin-Watson value (d = 1.620177) is less than dU (1.6763), so the null hypothesis is rejected. This indicates that there is autocorrelation in the analyzed data. Thus, based on this test, we can conclude that the model being analyzed exhibits autocorrelation.

4.3. Linear Data Regression Analysis

There is a relationship between the independent and dependent variables which is analyzed through linear regression analysis using the REM model. The following is the linear data analysis equation:

$$LNY = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + e$$

Deskripsi

Y = Profit Growth

X1 = Total Asset Turnover

X2 = Debt to Equity Ratio

X3 = Quick Ratio

LN = Natural Logarithm

A = Constant Regression Coefficient of the Independent Variable

I = Cross Section data

t = Time Series Data

e= Other factors outside the model.

Table 5. Linear Data Regression Analysis Result

Dependent Variable : PROFIT GROWTH				
Method Least Squares				
Date : 01/17/25 Time: 14.10				
Sample: 2019Q12023Q4				
Included Observations: 20				
Variable	Coefficient	Std.Eror	t-Statistic	Prob.
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R-squared	0.902620	Mean dependent var	10.10000
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Log likelihood	-73.31361	Hannan-Quinn criter	7.770237
F-statictic	49.43511	Durbin-Watson stat	1.620177
Prob (F-statistic)	0.000000		

Source: Eviews 12 output (2024)

Then the Linear Data analysis equation:

***LNY*= -31.24587 + 0.390712 TATO + 0.150352 DER – 1.436954 Quick Ratio**

The following is an explanation of the variables based on the formulation mentioned above:

1. The constant of 31.24587 indicates that variable Y (Profit Growth) will decrease by -31.24587 if the four independent variables (TATO, DER, and Quick Ratio) are 0 or constant.
2. The Total Asset Turnover coefficient indicates that every 1 unit increase in Total Asset Turnover will cause a decrease in profit growth of 0. 0134660.
3. The coefficient value of Debt to Equity Ratio (DER) of 1.212300 means that each 1 unit increase in Debt to Equity Ratio (DER) will also result in a decrease in profit growth of 0.150352
4. The Quick Ratio regression coefficient of – 1.436954 indicates that each 1 unit increase in Quick Ratio will cause an increase in profit growth of – 1.436954

4.4. Regression Model Feasibility Test (Goodness Of Fit)

4.4.1. T Test

According to (Taufik, n.d.-a) the t test is basically used to show the extent of the influence of each independent variable individually in explaining the dependent variable. This study aims to find out the relationship between the independent variables, namely Total Asset Turnover and Current Ratio, on the dependent variable, namely Debt to Equity Ratio.

Table 6. T Test Result

Variable	Coefficient	Std.Eror	t-Statistic	Prob.
C	-31.24587	9.044823	-3.454558	0.0033
TATO	0.390712	0.074161	5.368430	0.0001
DER	0.150352	0.047826	3.143706	0.0063
Quick Ratio	-1.436954	0.149355	-9.621074	0.0000
R-squared	0.902620	Mean dependent var		10.10000
Adjusted R-squared	0.884362	S.D dependent var		31.09222
S.E of regression	10.57311	Akalke info criterion		7.731361
Sum squared resid	1788.650	Schwarz criterion		7.930508
Log likelihood	-73.31361	Hannan-Quinn criter		7.770237
F-statictic	49.43511	Durbin-Watson stat		1.620177
Prob (F-statistic)	0.000000			

Source: Data yang diolah menggunakan Eviews 12 output (2024)

The effect of the independent variables on the dependent variable partially can be explained as follows:

1. The test results show that Total Asset Turnover (TATO) has a significance of 0.0001 < 0.05 and the t-count value is 5.268 > t-table 1.746. Therefore, it can be concluded that Total Asset Turnover (TATO) has a significant effect on profit growth in manufacturing companies classified in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange in 2019-2023.
2. The test results show that Debt to Equity Ratio (DER) has a significance of 0.0063 < 0.05 and the t-count value is 3.143 > t table 1.746. Therefore, it can be concluded that Debt to Equity Ratio (DER) has a significant effect on profit growth in manufacturing companies classified in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange in 2019-2023.
3. The test results show that Quick Ratio has a significance of 0.0063 < 0.05 and the t-count value is 3.143 > t table 1.746. Therefore, it can

be concluded that Debt to Equity Ratio (DER) has a significant effect on profit growth in manufacturing companies classified in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange in 2019-2023.

4.4.2. F Test

Simultaneous hypothesis testing, which is often referred to as the F test or global significant test, is used to analyze the effect of independent variables on the dependent variable simultaneously (Taufik, n.d.-b)

Table 7. F Test Result

R-squared	0.902620	Mean dependent var	10.10000
Adjusted R-squared	0.884362	S.D dependent var	31.09222
S.E of regression	10.57311	Akalke info criterion	7.731361
Sum squared resid	1788.650	Schwarz criterion	7.930508
Log likelihood	-73.31361	Hannan-Quinn criter	7.770237
F-statictic	49.43511	Durbin-Watson stat	1.620177
Prob (F-statistic)	0.000000		

Source: Data yang diolah menggunakan Eviews 12 output (2024)

Based on the above calculations, the calculated f value of 49.435 with a Prob (F-Statictic) value of 0.000000 (<0.05), so the conclusion shows that the three independents (TATO, DER, and Quick Ratio) have an influence on Profit Growth.

4.4.3. Coefficient of Determination (R^2)

The purpose of this test is to estimate the extent to which the independent variable can describe the dependent variable, either partially or simultaneously. The coefficient of determination is used as an indicator of the quality of the regression model with values ranging from zero to one (Wahyoedi et al., 2022)

Table 8. Coefficient of Determination Result (R^2)

R-squared	0.902620	Mean dependent var	10.10000
Adjusted R-squared	0.884362	S.D dependent var	31.09222
S.E of regression	10.57311	Akalke info criterion	7.731361
Sum squared resid	1788.650	Schwarz criterion	7.930508
Log likelihood	-73.31361	Hannan-Quinn criter	7.770237
F-statictic	49.43511	Durbin-Watson stat	1.620177
Prob (F-statistic)	0.000000		

Source: Data yang diolah menggunakan Eviews 12 output (2024)

The adjusted R square value reaches 0.884362, or equivalent to 88.43%. Meanwhile, the remaining 11.57% is influenced by other variables not included in this study.

4.5. Total Asset Turnover on Profit Growth

Total Asset Turnover (TATO) has a significance of 0.0001 < 0.05 and the t-count value is 5.268 > t-table 1.746. Therefore, it can be concluded that Total Asset Turnover (TATO) has a significant effect on profit growth in manufacturing companies classified in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange in 2019-2023.This is supported by research (Eliza Afriyanti et al., n.d.),(Rustianawati et al., 2023),(Endri et al., 2020b)

4.6. Effect of Debt to Equity Ratio on Profit

Debt to Equity Ratio (DER) has a significance of 0.0063 < 0.05 and the t-count value is 3.143 > t table 1.746. Therefore, it can be concluded that Debt to Equity Ratio (DER) has a significant effect on profit growth in manufacturing companies classified in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange in 2019-2023.. This is supported by research (Hung & Viriany, 2023), (Dillak & Siburian, 2021), (Abas et al., n.d.)

4.7. Effect of Quick Ratio on Profit

Quick Ratio has a significance of 0.0063 < 0.05 and the t-count value is 3.143 > t table 1.746. Therefore, it can be concluded that Debt to Equity Ratio (DER) has a significant effect on profit growth in manufacturing companies classified in the consumer goods industry sector, especially the food and beverage sub-sector, which are listed on the Indonesia Stock Exchange in 2019-2023. This is supported by (Abas et al., n.d.),(Fakhruddin et al., (2021)),(Dini et al. (2021)

5. CONCLUSIONS AND SUGGESTIONS

5.1. Conclusion

Based on the results of the research analysis, it can be concluded as follows:

This study aims to analyze the positive and significant effect of Total Asset Turnover (TATO), Debt to Equity Ratio (DER), and Quick Ratio on profit growth in the Case Study of Manufacturing Companies in the Consumer Goods Industry Sector, especially the Food and Beverage Sub-Sector, which are listed on the Indonesia Stock Exchange during period the 2019-2023.

Based on data from the Indonesia Stock Exchange for the period 2020-2022, it was found that TATO, DER, and Quick Ratio did not have a significant effect on profit growth in the consumer goods industry sector. Earnings growth in this sector is influenced by independent variables by 88.43%. while the remaining 11.57% is influenced by other variables not included in this study.

5.2. Suggestion

For future researchers is to expand the sample by increasing the duration of observation. Thus, researchers can collect a larger number of samples and obtain more realistic conditions. In addition, it is recommended to consider other factors that are more focused on earnings growth, such as profitability ratios.

5.3. Limitations

This study has several limitations, including a period span that only covers five years, namely from 2019 to 2023. The data used is secondary and limited to Case Studies of Manufacturing Companies in the Consumer Goods Industry Sector, especially the Food and Beverage Sub-Sector, which are listed on the Indonesia Stock Exchange during the 2019-2023 period. There are several companies that have not published complete Annual Reports for three consecutive years, from 2019 to 2023. In addition, the low coefficient of determination test results, only 11.57% indicate that there are still many other factors outside the scope of this study that affect.

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