



THE EFFECT OF WORKING CAPITAL TURNOVER, COMPANY SIZE AND DEBT TO EQUITY RATIO ON THE PROFITABILITY OF FOOD AND BEVERAGE SUB-SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN THE 2019-2023 PERIOD

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Abstract

This study aims to analyze the effect of Working Capital Turnover, Company Size, and Debt to Equity Ratio on Profitability in eight food and beverage sub-sector companies for the period 2019-2023. Using quantitative methods with panel data regression and analysis using Eviews12, this study tests data through Descriptive Statistical Analysis, Classical Assumption Test, and T-Test and F-Test. The results of the study indicate that partially, Working Capital Turnover, Company Size, and Debt to Equity Ratio do not have a significant effect on Profitability. However, simultaneously, the three variables affect Profitability with $F_{count} 15.97120 > F_{table} 2.866$. The coefficient of determination shows that the research variables explain 84.63% of Profitability, while 15.37% is influenced by other factors.

Keywords: *Working Capital Turnover, Company Size, Debt to Equity Ratio, Profitability.*

INTRODUCTION

In recent years, the Indonesian economy has been able to record economic growth at a less stable level. The Indonesian economy in 2023 grew positively amidst a slowing and uncertain global economic situation. Although Indonesia is facing this external situation, the economy in 2023 will continue to grow above 5%, due to maintained domestic demand, government consumption, and investment (Ministry of Finance, 2024). Companies that choose the right strategy will be able to maintain and compete in growth and profit and be able to survive in the business life cycle for a fairly long period of time.

Indonesia's economic growth remains resilient amid increasing global uncertainty. Data from the Statistics Agency (BPS) shows that economic growth in the first quarter of 2024 was 5.11%, an increase compared to the previous 5.04%. Economic growth increased in the first quarter of 2024 supported by several higher domestic demands. One of them is household consumption which grew by 4.91% (BPS, 2024).

The research phenomenon used is one of the companies engaged in the consumption sector, namely the food and beverage sub-sector which is considered a sector that can still grow. Food and beverage companies are also known to be resistant to crises, although their performance and stock movements have also fallen but not so significantly that they can recover so quickly. This is evidenced by the increasing number of food and beverage companies listed on the Indonesia Stock Exchange (IDX). The company's financial condition is one of the important factors in the assessment for investors. This is because it includes assets and the level of profit ability obtained by the Company.

According to Sudana (2015:25) "profitability is a comparison to measure a company's ability to gain profit by utilizing the company's resources such as assets, capital, or company sales". According to Fahmi (2017:135) Profitability measures the overall effectiveness of management which is indicated by the size of the level of profit obtained in relation to sales or investment. The better the profitability ratio, the better it describes the company's high profit-making ability.

Based on the results of research conducted by Maming (2019) that Working capital turnover affects profitability. While the results of research conducted by Nurhasanah and Sopian (2024) Working capital turnover does not affect profitability. Research results from Nasir (2021) show that Company Size affects profitability. While research conducted by Nurdiana (2018) Company Size does not affect Profitability. The results of research from Putri and Kusumawati (2020) Debt to

Equity Ratio show that it affects Profitability. While research conducted by Aristiani, et al. (2021) Debt to Equity Ratio (DER) does not affect profitability.

According to Kasmir (2014:202) Return on Asset (ROA) "is a ratio that shows the results (return) on the amount of assets used in the company. Return on Asset is also a measure of the effectiveness of management in managing its investment. In addition, the return on investment shows the productivity of all company funds, both loan capital and equity". Return on Asset (ROA) measures how efficient a company is in using its assets to generate profits. The higher the Return on Asset (ROA), the more effective the company is in managing its assets to make a profit. In financial analysis, Return on Asset (ROA) is also used to compare performance between companies in the same industry, as well as to assess the extent to which a company can generate profits from each unit of assets owned.

According to Kasmir (2019:182) Working capital turnover is one of the ratios used to measure and assess the effectiveness of a company's working capital during a certain period. This means how much working capital rotates during a period.

According to Hery (2017: 11) "Company Size is a scale that can be classified into various ways, including total assets, stock market value, and so on". This shows that company size can be seen from various aspects, which affect how the company operates and competes in the market. In the context of this study, company size will be measured based on the total assets owned by the company as an indicator of the size of their operational scale.

According to Harahap (2018:303) "Debt to Equity Ratio (DER) describes the extent to which a company's capital can cover debts to external parties. The smaller the ratio, the better, because it indicates a lower financial risk for the company." A high Debt to Equity Ratio (DER) indicates a company's dependence on debt to finance its operations, which can increase interest expenses and reduce the company's financial flexibility. Conversely, a lower ratio reflects greater use of equity, so that the company is safer from debt repayment pressures and better able to face market uncertainty.'

This study uses development data from 8 (eight) food and beverage sub-sector companies listed on the IDX during the 2019-2023 period as follows:

Table1. Development of Working Capital Turnover, Company Size, DER, and Profitability (ROA)

Company Code	Year	Working Capital Turnover (Unit)	Company Size (Unit)	DER (%)	ROA (%)
PT Delta Djakarta Tbk	2019	0.73	27.99	17.50	22.29
	2020	0.57	27.83	20.17	10.07
	2021	0.73	27.90	29.55	14.36
	2022	0.86	27.90	30.62	17.60
	2023	0.87	27.82	29.28	16.52
PT. Indofood CBP Success Prosperous Tbk	2019	4.20	31.29	45.14	13.85
	2020	4.04	32.27	105.87	7.16
	2021	3.76	32.40	115.75	6.69
	2022	3.08	32.38	100.63	4.96
	2023	2.58	32.41	92.04	7.10
PT. Indofood Sukses Makmur Tbk	2019	11.40	32.20	77.48	6.14
	2020	7.83	32.73	106.14	5.36
	2021	7.21	32.82	107.03	6.25
	2022	4.59	32.83	92.72	5.09
	2023	3.70	32.86	85.72	6.16
PT.	2019	2.77	30.58	92.30	10.71
	2020	2.61	30.62	75.47	10.61
	2021	3.77	30.62	75.33	6.08
	2022	3.36	30.73	73.56	8.84

Company Code	Year	Working Capital	Company Size	DER (%)	ROA (%)
PT Nippon Indosari Corpindo Tbk	2023	2.94	30.80	56.20	13.59
	2019	4.35	29.17	51.40	5.05
	2020	2.81	29.12	37.94	3.79
	2021	4.12	29.06	47.09	6.77
	2022	5.85	29.05	54.05	10.47
	2023	7.71	29.00	64.76	8.45
PT.	2019	9.53	28.23	75.74	0.05
	2020	12.52	28.20	83.86	0.31
	2021	14.00	28.31	98.53	1.51
	2022	9.81	28.35	90.16	4.24
	2023	7.32	28.24	72.37	0.13
PT Siantar Top Tbk	2019	4.64	28.69	34.15	16.75
	2020	4.37	28.87	29.02	18.23
	2021	2.82	29.00	18.73	15.76
	2022	2.41	29.16	16.86	13.60
	2023	1.59	29.33	13.09	16.74
PT. Ultra Jaya Milk Industry Tbk	2019	2.17	29.52	16.86	15.67
	2020	1.83	29.80	83.07	12.68
	2021	2.01	29.63	44.15	17.24
	2022	2.42	29.63	26.68	13.09
	2023	2.25	29.65	12.52	15.77

Source: www.idx.co.id (processed data)

Table 1. above shows the financial performance of 8 (eight) food and beverage sub-sector companies during the period 2019 to 2023 which were unstable or experienced a decline and increase (fluctuation). At PT Delta Djakarta Tbk, working capital turnover decreased from 0.73 in 2019 to 0.57 in 2020, which means that the company is less efficient in using its working capital to generate revenue. The size of the company remains stable, there is no increase in assets comparable to the increase in profit, which indicates that the company's assets have not been managed effectively. Meanwhile, the debt to equity ratio (DER) increased from 17.50% in 2019 to 20.17% in 2020 and peaked at 30.62% in 2022. This shows that the company is increasingly dependent on debt, which increases interest expenses and reduces net income. Overall, decreased efficiency in working capital management, lack of optimal asset utilization, and higher dependence on debt contribute to the decline in the company's profitability.

At PT. Indofood CBP Sukses Makmur Tbk, the Company experienced a decline in working capital turnover in 2020 to 2023, indicating that the use of working capital to generate income is less efficient. The size of the Company increases every year, but the increase in assets is not directly proportional to the increase in return on assets, this indicates that the process of assets is not managed optimally. Meanwhile, in the debt to equity ratio (DER), there was a significant increase in 2020 to 2022, reaching 115.75% in 2021, indicating a greater dependence on debt. This dependence worsens the financial condition with increasing interest expenses which depress net income and reduce Profitability (ROA).

At PT Indofood Sukses Makmur Tbk Working Capital Turnover decreased from 11.40 in 2019 to 3.70 in 2023, this indicates a decrease in the efficiency of working capital use in generating revenue. This decline was most significant in 2020 to 2022, indicating difficulties in managing short-term assets and short-term liabilities. In Company Size it increased annually from 32.20 in 2019 to 32.86 in 2023, this increase in assets was not comparable to the profitability generated, indicating a lack of efficiency in the use of assets to increase profits. Meanwhile, the debt to equity ratio (DER) increased significantly in 2020 and peaked at 107.03% in 2021, indicating that the company is increasingly dependent on debt,

At PT Mayora Indah Tbk, the company experienced a significant decline in working capital turnover since 2019, from 11.40 in 2019 to 7.83 in 2020, and continued to decline to 7.21 in 2021, 4.59

in 2022, and reaching 3.70 in 2023. This decline indicates that the company is increasingly inefficient in using working capital to generate revenue. In Company Size, although there was an increase from 30.58 in 2019 to 30.73 in 2022, this increase in assets was not accompanied by an increase in Return on Assets (ROA). This can be seen from the ROA which reached its lowest point of 6.08% in 2021, indicating that the company's assets have not been optimally managed to generate profit. Meanwhile, the debt to equity ratio (DER) decreased from 92.30% in 2019 to 56.20% in 2023, indicating problems in debt management. While this can be seen as an effort to reduce reliance on debt, it also reflects the company's difficulty in obtaining additional funds and the existence of financial pressures that prevent the company from growing or running operations optimally.

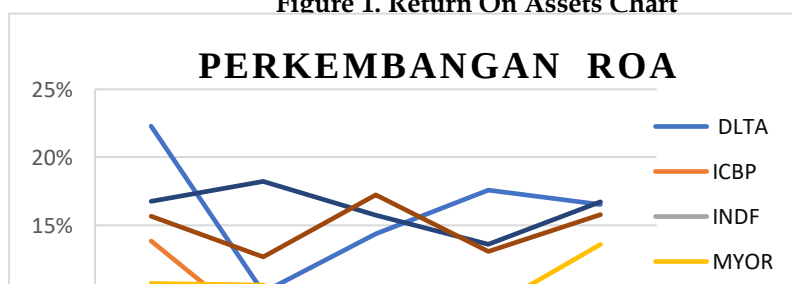
At PT. Nippon Indosari Corpindo Tbk, the company experienced a decline in working capital turnover from 4.35 in 2019 to 2.81 in 2020, indicating inefficiency in the use of working capital to generate revenue. Although there was a slight recovery in 2021 and 2022, the decline occurred again in 2023, indicating problems in managing available cash and obligations to be paid. In Company Size, although it remained stable every year, the increase in assets was not followed by a significant increase in profitability, indicating a lack of efficiency in managing assets to generate profit. Meanwhile, the debt to equity ratio (DER) continued to increase from 37.94% in 2020 to 64.76% in 2023, indicating an increasing dependence on debt, which can increase interest expenses and reduce the company's profitability. , as measured by return on assets (ROA).

PT Sekar Bumi Tbk experienced a decrease in working capital turnover from 9.53 in 2019 to 7.32 in 2023, indicating a decrease in efficiency in the use of working capital. Although there was an increase in 2020 and 2021, the decline occurred again in 2022 and 2023, indicating problems in the management of the company's capital and liabilities. The company's size remained stable throughout this period, but the increase in assets was not followed by a significant increase in profits, indicating a lack of efficiency in managing assets to generate profits. Meanwhile, the debt to equity ratio (DER) increased from 75.74% in 2019 to 98.53% in 2021, indicating an increasing dependence on debt. Although DER decreased in 2023 to 72.37%, high debt still increased interest expenses and depressed net income, which reduced the company's profitability, as measured by return on assets (ROA).

At PT Siantar Top Tbk, working capital turnover decreased in 2019 by 4.64 to 1.59 in 2023, indicating a lack of efficiency in managing working capital to generate revenue. The size of the company continues to increase every year, but this increase is not followed by an increase in profitability (ROA), which means that the company has not managed to manage its assets optimally. Meanwhile, the debt to equity ratio (DER) decreased significantly from 34.15% in 2019 to 13.09% in 2023, indicating that the company is reducing its dependence on debt, but although it shows a reduction in debt risk, it also shows that the company has difficulty in obtaining additional funds from outside, which makes it difficult for the company to grow and run its operations properly.

At PT Ultra Jaya Milk Industry Tbk, the company experienced a decline in working capital turnover from 2.17 in 2019 to 1.83 in 2020. This indicates that the company is less efficient in using working capital to generate revenue. Although there was a slight improvement in 2021 and 2022, the decline that occurred indicates problems in the management of short-term assets and liabilities. The size of the Company is stable every year, but the increase in assets does not generate greater profits, indicating that asset management is less than optimal. Meanwhile, the debt to equity ratio (DER) which was initially 16.86% in 2019, increased in 2020 to 83.07%, before finally falling to 12.52% in 2023, this decline actually indicates the company's difficulty in obtaining external financing. This limits the company's ability to fund operational activities and expansion. All of these factors, including decreased efficiency in the use of working capital, less than optimal asset management, and decreased debt ratio, affect the company's profitability, especially during 2020 to 2022.

Figure 1. Return On Assets Chart



From the graph in Figure 1 above, it shows the development of Return On Asset of 8 (eight) Food and Beverage sub-sector companies for the period 2019-2023. Generally, the higher the Return On Asset (ROA) value, the company is able to use its assets efficiently to generate large profits. From the graph above, it can be seen that the lowest Return On Asset (ROA) occurred in 2019, which was SKBM at 0.05%. This was due to a decrease in net profit to IDR 4.19 billion compared to the previous year, which was IDR 13.83 billion in 2018 (britama.com 2020).

In 2019, it was also the highest Return On Asset value, namely DLTG of 22.29%. This is because the company has high efficiency in generating profits compared to its assets, this Return On Asset figure is far above the average for the food and beverage industry in Indonesia. This is also supported by the consolidated financial report posted in 2019 which recorded a net profit of IDR 317.81 billion (indopremier.com, 2019). However, in 2020, DLTG experienced a decrease in the Return On Asset value due to the impact of the COVID-19 pandemic which caused a decrease in the consumption of alcoholic beverages, especially due to social restrictions and restaurant or bar operations. And in 2021, the Return On Asset value increased by 14.36% due to the recovery of post-pandemic consumption accompanied by the company's operational efficiency.

METHOD

This study uses an associative quantitative approach to analyze the relationship between independent variables, namely Working Capital Turnover, Company Size, and Debt to Equity Ratio, to the dependent variable, namely Profitability (ROA). The data used are secondary data obtained from the annual financial reports of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019-2023 period. The analysis methods applied in this study include Descriptive Statistical Analysis, Classical Assumption Test, Panel Data Regression Model Test, and Hypothesis Testing using the T Test and F Test with the help of Eviews 12 software. This study was conducted for eight months, from May 2024 to January 2025, with a scope of eight companies that met the purposive sampling criteria. Data collection techniques include literature studies and analysis of company financial report documentation.

RESEARCH RESULT

1. Chow Test

The Chow test is a test to compare models. *common effect* with fixed effect. To determine the Chow Test is carried out in panel data testing by selecting the fixed effect and cross section panel option, which is most appropriate for estimating panel data. The hypothesis formed in this Chow Test is as follows:

H0: Common effect Model

H1: Fixed effect Model

If the probability value > 0.05 then H0 accepted and H1 is rejected, which means that the more appropriate model to use is the common effect, but if the probability < 0.05 then H0 is rejected and H1 is accepted, which means that the more appropriate model to use is the fixed effect. If the test results determine that the common effect model is used, then there is no need to retest with the

Hausman test. However, if the results of the Chow test determine that the fixed effect model is used, then there must be a further test, namely the Hausman test, to select the fixed effect or random effect method used to estimate panel data regression.

Table 2 Chow Test

Redundant Fixed Effects Tests

Equation: Untitled

Cross-section fixed effects test

Effects Test	Statistics	df	Prob.
Cross-section F	5.046117	(7.29)	0.0008
Cross-section Chi-square	31.864744	7	0.0000

Source: Eviews Output 12, 2024 (processed by researchers)

The results above show that the value *probability* Chi-square is 0.0000 where this value is smaller than the significant value that has been determined at the beginning, which is 0.05, in short it can be written as $0.0000 < 0.05$, then H1 is accepted. So the fixed effect model is more appropriate than the common effect model.

2. Hausman test

The Hausman test is a statistical test to determine whether *Fixed Effect Model* or the most appropriate Random Effect to use. This Hausman test is based on the idea that Least Square Dummy Variables (LSDV) in Fixed Effect methods and Generalized Least Squares in Random Effect methods are efficient while Ordinary Least Squares (OLS) in Common Effect methods are not efficient. In this test the hypothesis is:

H0: Random Effect Model

H1: Fixed effect Model

The criteria for testing the hypothesis are, if the value *probability* < 0.05 then H0 is rejected and H1 is accepted, which means that the more appropriate model to use is Fixed Effect, but if probability > 0.05 then H0 is accepted and H1 is rejected, which means that the more appropriate model to use is Random Effect.

Table 3 Hausman Test

Correlated Random Effects - Hausman Test

Equation: Untitled

Cross-section random effects test

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross section	21.948381	3	0.0001

Source: Eviews Output 12, 2024 (processed by researchers)

Table 3 shows that the probability value (Prob) of Crosssection Random is 0.0001 where this value is smaller than the significant value that has been determined at the beginning, which is 0.05, in short it can be written as $0.0095 < 0.05$, then H1 is accepted. So the Fixed Effect Model is more appropriate than the Random Effect Model.

Table 4 Results of Panel Data Regression Model Selection

	Chow Test	Hausman test
Probability	0.0000	0.0001
Results	$0.0000 < 0.05$ so that the Fixed Effect Model (FEM)	$0.0001 < 0.05$ so that the Fixed Effect Model (FEM)

From the table4. It can be seen that from the 2 tests that have been carried out, the final result of selecting the panel regression model is to use the Fixed Effect Model (FEM), there is no need to continue to the Langrange Multiplier test, Fixed Effect Model (FEM), therefore to carry out the regression analysis, you can use the Fixed Effect Model (FEM).

3. Hypothesis Testing

Hypothesis testing in this study was carried out using the R-Squared Determination Coefficient, T Test and F Test. This hypothesis test was carried out using EvIEWS 12 and the data processing results were as follows:

Table 5 Estimation Results with Fixed Effect Method

Dependent Variable: Profitability

Method: Panel Least Squares

Date: 11/15/24 Time: 21:32

Sample: 2019 2023

Periods included: 5

Cross-sections included: 8

Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	74.65121	84.84212	0.879884	0.3862
Working_Capital_Turnover	0.211468	0.345805	0.611524	0.5456
Company_Size	-2.130927	2.845693	-0.748825	0.4600
Debt_To_Equity_Ratio	-0.032034	0.034584	-0.926262	0.3620
Effects Specification				
Cross-section fixed (dummy variables)				
Root MSE	2.207568	R-squared		0.846327
Mean dependent variable	9.893250	Adjusted R-squared		0.793336
SD dependent var	5.703119	SE of regression		2.592657
Akaike information criterion	4.971660	Sum squared residual		194.9342
Black criterion	5.436102	Log likelihood		-88.43320
Hannan-Quinn critter.	5.139587	F-statistic		15.97120
Durbin-Watson stat	2.402262	Prob(F-statistic)		0.000000

Source: EvIEWS Output 12.2024

a. Panel Data Regression Results Analysis

The panel data regression equation obtained from the analysis results is:

$$Y_{it} = a + \beta X1_{it} + \beta X2_{it} + \beta X3_{it} + \epsilon_{it}$$

$$Y_{it} = 74.6512118562 + 0.21146823265 - 2.13092670437 - 0.0320339475673X1_{it}X2_{it}X3_{it}$$

a) Working Capital Turnover Variable (WCTO)

The regression coefficient value of variable X1 is positive (+) at 0.21146823265, which means that if variable X1 increases by one unit, profitability will increase by 0.21146823265.

b) Firm Size Variable The regression coefficient value of variable X2 is negative (-) at 2.13092670437, which means that if variable X2 increases by one unit, profitability will not increase by 2.13092670437.

c) Debt to Equity Ratio Variable

The regression coefficient value of variable X3 is negative (-) at 0.0320339475673, which means that if variable X3 increases by one unit, profitability will not increase by 0.0320339475673.

b. T Statistic Test

a) The effect of working capital turnover (WCTO) on profitability

The number of observations in this study was 40 with 4 variables (free and bound) and alpha 0.05. to obtain t_{tabel} then the formula used is as follows:

$$df = n - f$$

$$df = 40 - 4 = 36 \text{ with alpha level } 0.05$$

From the formula above we get t_{tabel} of 1.68830, and t_{hitung} is 0.611524, from which figure it can be stated t_{hitung} smaller than t_{tabel} ($0.611524 < 1.68830$). The significance probability value of 0.5456 indicates a value greater than the predetermined significance level value of 0.05 ($0.5456 > 0.05$), thus it can be concluded that the Working Capital Turnover (WCTO) variable partially does not have a significant effect on the profitability variable in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2023 period.

b) The Influence of Company Size (Firm Size) on Profitability

The number of observations in this study was 40 with 4 variables (free and bound) and alpha 0.05. to obtain t_{tabel} then the formula used is as follows:

$$df = n - f$$

$$df = 40 - 4 = 36 \text{ with alpha level } 0.05$$

From the formula above we get t_{tabel} of 1.68830, and t_{hitung} of -0.748825, from which figure it can be stated t_{hitung} smaller than t_{tabel} ($-0.748825 < 1.68830$). The significance probability value of 0.4600 indicates a value that is greater than the predetermined significance level value of 0.05 ($0.4600 > 0.05$), thus it can be concluded that the Firm Size Variable partially does not have a significant effect on the profitability variable in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2023 period.

c) The Influence of Debt to Equity Ratio on Profitability

The number of observations in this study was 40 with 4 variables (free and bound) and alpha 0.05. to obtain t_{tabel} then the formula used is as follows:

$$df = n - f$$

$$df = 40 - 4 = 36 \text{ with alpha level } 0.05$$

From the formula above we get t_{tabel} of 1.68830, and t_{hitung} of -0.926262, where from this figure it can be stated t_{hitung} smaller than t_{tabel} ($-0.926262 < 1.68830$). The significance probability value of 0.3620 indicates a value greater than the predetermined significance level value of 0.05 ($0.3620 > 0.05$), thus it can be concluded that the Debt to Equity Ratio variable partially has no significant effect on the profitability variable in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2023 period.

c. F Statistic Test

From table 4.13 it can be seen that the F count value is 15.97120 with a probability value of 0.000000. Meanwhile, the F count value is 15.97120 with a probability value of 0.000000. F_{tabel} with a significance of 0.05, $df (n1) = k - 1 = 4 - 1 = 3$, and $df (n2) = nk - 4 = 36$, F_{tabel} is 2.866. So $F_{count} > F_{tabel}$ ($15.17766 > 2.866$) then H_0 is rejected and H_1 is accepted.

This simultaneous hypothesis testing produces an F_{hitung} value of 15.97120 with a probability value of 0.000000 which shows a probability result $<$ significant level ($\alpha = 0.05$).

Therefore, it can be concluded that the independent variables Working Capital Turnover (WCTO), Firm Size, and Debt to Equity Ratio (DER) jointly have a significant influence on the dependent variable (Profitability).

d. Coefficient of Determination Test

This coefficient will prove how much total variation in the dependent variable can be explained by the independent variable in the observation regression model. The coefficient of determination can be seen from the R-squared value, the value of the coefficient of determination is between 0 and 1. The R^2 value is equal to or close to 1 (one) then it shows that the variables in the model formed can explain the actual data. The value of the coefficient

of determination will tend to be greater if the number of independent variables and the amount of data observed increases.

In table 4.13, it can be seen that the R-squared value of the model obtained is 0.846327, which shows that the ability of the independent variables Working Capital Turnover (WCTO), Firm Size, and Debt to Equity Ratio (DER) in explaining the dependent variable (Profitability) is 84.63% and the remaining 15.37% is explained by other variables outside this study.

Data Analysis of Each Company

1. PT Delta Djakarta Tbk

Table 6 Statistical Test Results of PT Delta Djakarta Tbk

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-933.2682	154.9739	-6.022100	0.1048
Working_Capital_Turnover	34.22737	3.948746	8.667909	0.0731
Company_Size	33.51002	5.560752	6.026166	0.1047
Debt_To_Equity_Ratio	-0.425982	0.085736	-4.968530	0.1264
R-squared	0.995207	Mean dependent variable	16.16800	

Source: Eviews 12 output (data processed by researchers)

From table 6 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is 0.0731 > 0.05. This means that PT Delta Djakarta Tbk on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Company Size Variable Coefficient statistically not significantly influential on Profitability (ROA), with its probability value (p-value) 0.1047 > 0.05, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value of (p-value) 0.1264 > 0.05, which means that Debt to Equity Ratio also does not have a significant effect on profitability (ROA) at PT Delta Djakarta Tbk. The value of the determinant coefficient is 0.995207 shows that working capital turnover, company size, and Debt to Equity Ratio together has an effect of 99.52% on Profitability (ROA).

2. PT Indofood CBP Sukses Makmur Tbk

Table 7 Statistical Test Results of PT Indofood Cbp Sukses Makmur Tbk

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	110.4697	856.4816	0.128981	0.9183
Working_Capital_Turnover	0.871867	7.016183	0.124265	0.9213
Company_Size	-3.126512	27.00692	-0.115767	0.9266
Debt_To_Equity_Ratio	-0.055284	0.394762	-0.140044	0.9114
R-squared	0.935624	Mean dependent variable	7.952000	

Source: Eviews 12 output (data processed by researchers)

From table 7 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is 0.9213 > 0.05. This means that PT Indofood CBP Sukses Makmur Tbk on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Coefficient of the Company Size variable statistically not significantly influential on Profitability (ROA), with its probability value (p-value) 0.9266 > 0.05, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability

value of(p-value) 0.9114> 0.05, which means that *Debt to Equity Ratio* also does not have a significant effect on profitability(ROA) at PT Indofood CBP Sukses Makmur Tbk. The value of the determinant coefficient is 0.935624 shows that working capital turnover, company size, and Debt to Equity Ratio together have an influence of 93.56% on Profitability(ROA).

3. PT Indofood Sukses Makmur Tbk.

Table 8 Statistical Test Results of PT Indofood Sukses Makmur Tbk.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-908.4368	81.02589	-11.21168	0.0566
Working_Capital_Turnover	2.123732	0.185133	11.47137	0.0554
Company_Size	28.34641	2.510662	11.29042	0.0562
Debt_To_Equity_Ratio	-0.288881	0.025032	-11.54036	0.0550
R-squared	0.993136	Mean dependent variable		5.800000

Source: Eviews 12 output (data processed by researchers)

From table 8 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is 0.0554 > 0.05. This means that PT Indofood Sukses Makmur Tbk on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Coefficient of the Company Size variable statistically not significantly influential on Profitability (ROA), with its probability value (p-value) 0.0562 > 0.05, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value of (p-value) 0.0550 > 0.05, which means that *Debt to Equity Ratio* also does not have a significant effect on profitability(ROA) at PT Indofood Sukses Makmur Tbk. The value of the determinant coefficient is 0.993136 shows that working capital turnover, company size, and Debt to Equity Ratio together have an influence of 99.31% on Profitability(ROA).

4. PT.

Table 9 Statistical Test Results of PT Mayora Indah Tbk

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-520.6307	561.7517	-0.926799	0.5242
Working_Capital_Turnover	-4.822521	1.675018	-2.879086	0.2128
Company_Size	17.77210	18.02840	0.985783	0.5046
Debt_To_Equity_Ratio	0.005741	0.129760	0.044239	0.9719
R-squared	0.919557	Mean dependent variable		9.966000

Source: Eviews 12 output (data processed by researchers)

From table 9 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is 0.2128 > 0.05. This means that . PT Mayora Indah Tbk on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Company Size variable coefficient statistically not significantly influential on Profitability (ROA), with its probability value (p-value) 0.5046 > 0.05, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value (p-value) 0.9719 > 0.05, which means that *Debt to Equity Ratio* also does not have a significant effect on profitability(ROA) at PT Mayora Indah Tbk. The value of the determinant coefficient is 0.919557 shows that working capital turnover, company size, and Debt to Equity Ratio together have an influence of 91.95% on Profitability(ROA).

5. PT Nippon Indosari Corpindo Tbk.

Table 10 Statistical Test Results of PT Nippon Indosari Corpindo Tbk

Variable	Coefficient	Std. Error	t-Statistic	Prob.
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C	250.1066	1568.821	0.159423	0.8994
Working_Capital_Turnover	1.757366	6.744591	0.260559	0.8377
Company_Size	-8.358829	54.42949	-0.153572	0.9030
Debt_To_Equity_Ratio	-0.173493	1.085737	-0.159792	0.8991
R-squared	0.663362	Mean dependent variable	6.906000	

Source: EvIEWS 12 output (data processed by researchers)

From table 10 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is $0.8377 > 0.05$. This means that PT Nippon Indosari Corpindo Tbk. on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Company Size variable coefficient statistically not significantly influential on Profitability (ROA), with its probability value (p-value) $0.9030 > 0.05$, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value (p-value) $0.8991 > 0.05$, which means that Debt to Equity Ratio also does not have a significant effect on profitability (ROA) at PT Nippon Indosari Corpindo Tbk. The value of the determinant coefficient is 0.663362 shows that working capital turnover, company size, and Debt to Equity Ratio together have an influence of 66.33% on Profitability (ROA).

6. PT.

Table 11 Statistical Test Results of PT Sekar Bumi Tbk

Variable	Coefficient	Std. Error	T-Statistic	Prob.
C	-114.2436	2255.789	-0.050645	0.9678
Working_Capital_Turnover	-0.686730	2.437455	-0.281741	0.8252
Company_Size	3.677129	81.28455	0.045238	0.9712
Debt_To_Equity_Ratio	0.224147	0.807816	0.277472	0.8277
R-Squared	0.830765	Mean Dependent Var	1.248000	

Source: EvIEWS 12 output (data processed by researchers)

From table 11 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is $0.8252 > 0.05$. This means that PT Sekar Bumi Tbk on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Company Size variable coefficient statistically not significantly influential on Profitability (ROA), with its probability value (p-value) $0.9712 > 0.05$, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value (p-value) $0.8277 > 0.05$, which means that Debt to Equity Ratio also does not have a significant effect on profitability (ROA) at PT Sekar Bumi Tbk. The value of the determinant coefficient is 0.830765 shows that working capital turnover, company size, and Debt to Equity Ratio together have an effect of 83.07% on Profitability (ROA).

7. PT.

Table 12 Statistical Test Results of PT Siantar Top Tbk.

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-320.0710	630.5277	-0.507624	0.7010
Working_Capital_Turnover	1.619243	6.405879	0.252775	0.8424
Company_Size	11.28514	21.29802	0.529868	0.6898
Debt_To_Equity_Ratio	0.168917	0.872817	0.193531	0.8783
R-squared	0.423866	Mean dependent variable	16.21600	

Source: EvIEWS 12 output (data processed by researchers)

From table 12 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is $0.8424 > 0.05$. This means that PT Siantar Top Tbk. on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Company Size variable coefficient statistically not significantly influential on Profitability (ROA), with its probability value (p-value) $0.6898 > 0.05$, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value (p-value) $0.8783 > 0.05$, which means that *Debt to Equity Ratio* also does not have a significant effect on profitability (ROA) at PT Siantar Top Tbk. The value of the determinant coefficient is 0.423866 shows that working capital turnover, company size and Debt to Equity Ratio together have an influence of 42.38% on Profitability (ROA).

8. PT Ultra Jaya Milk Industry Tbk

Table 13 Statistical Test Results of PT Ultra Jaya Milk Industry Tbk

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	166.9462	588.5991	0.283633	0.8241
Working_Capital_Turnover	-9.891275	8.717756	-1.134613	0.4599
Company_Size	-4.313218	20.13952	-0.214167	0.8657
Debt_To_Equity_Ratio	-0.083445	0.100836	-0.827530	0.5599
R-squared	0.705844	Mean dependent variable	14.89000	

Source: EvIEWS 12 output (data processed by researchers)

From table 13 above, it shows that the results of the regression model test show that the coefficient of the Working Capital Turnover variable statistically has no significant effect because the probability value (p-value) is $0.4599 > 0.05$. This means that PT Ultra Jaya Milk Industry Tbk on the Working Capital Turnover variable does not have a significant effect on Profitability (ROA). Company Size variable coefficient statistically not significantly influential on Profitability (ROA), with its probability value (p-value) $0.8657 > 0.05$, whereas Debt to Equity Ratio variable coefficient statistically also has no significant effect, with a probability value (p-value) $0.5599 > 0.05$. which means that *Debt to Equity Ratio* also does not have a significant effect on profitability (ROA) at PT Ultra Jaya Milk Industry Tbk. The value of the determinant coefficient is 0.705844 shows that together working capital turnover, company size, and Debt to Equity Ratio do not have an effect of 70.58% on Profitability (ROA).

Table 14 Comparison Table of Statistical Tests Between Companies

No	Company	Coefficient			R2
		Working Capital Turnover	Company Size	DER	
1	DLTA	34.22737	33.51002	-0.42598	0.995207
		SIGNIFICANT	SIGNIFICANT	NOT SIGNIFICANT	
2	ICBP	0.871867	-3.126512	34.17209	0.935624
		SIGNIFICANT	SIGNIFICANT	SIGNIFICANT	
3	INDF	2.123732	28.34641	-0.28888	0.993136
		SIGNIFICANT	SIGNIFICANT	NOT SIGNIFICANT	
4	MYOR	-4.822521	17.7721	0.005741	0.919557
		NOT SIGNIFICANT	SIGNIFICANT	SIGNIFICANT	
5	BREAD	1.757366	-8.358829	-0.17349	0.663362

No	Company	Coefficient			R2
		SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT	
6	STTP	1.619243	11.28514	0.168917	0.423866
		SIGNIFICANT	SIGNIFICANT	SIGNIFICANT	
7	ULTJ	-9.891275	-4.313218	-0.08345	0.705844
		NOT SIGNIFICANT	NOT SIGNIFICANT	NOT SIGNIFICANT	
8	SKBM	-0.68673	3.677129	0.224147	0.830765
		NOT SIGNIFICANT	NOT SIGNIFICANT	SIGNIFICANT	

The results of the study indicate that the variables Working Capital Turnover, Company Size, and Debt to Equity Ratio (DER) have the highest influence on Return On Assets (ROA) in DLTA companies with an R-squared (R^2) value of 99.52%, while the lowest influence was found in STTP companies with an R^2 value of 42.38%. Specifically, Working Capital Turnover affects ROA in DLTA, ICBP, INDF, ROTI, and STTP companies, but does not affect MYOR, UL TJ, and SKBM. Company Size affects ROA in DLTA, ICBP, INDF, MYOR, and STTP, but does not affect ICBP, ROTI, and UL TJ. Meanwhile, DER affects ROA in ICBP, MYOR, STTP, and SKBM, but does not affect DLTA, INDF, ROTI, and UL TJ. This shows that the influence of these variables on ROA varies depending on the characteristics of each company.

DISCUSSION

1. The Effect of Working Capital Turnover (WCTO) on Profitability

In partial research, namely t_{tabel} of 1.68830, and t_{hitung} is 0.611524, from which figure it can be stated t_{hitung} smaller than t_{tabel} ($0.611524 < 1.68830$). The significance probability value of 0.5456 indicates a value greater than the significance value that was determined at the beginning, namely 0.05 ($0.5456 > 0.05$). Thus, it can be concluded that the Working Capital Turnover (WCTO) variable partially does not have a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. This is in line with research conducted by (Ai Nova Nurhasanah and Yepi Sopian, 2024) which explains that Working Capital Turnover (WCTO) has no effect on Profitability, while research conducted by (Rian Maming, 2019) states that Working Capital Turnover (WCTO) has an effect on profitability. The Working Capital Turnover (WCTO) variable in this study does not have a significant effect on the Profitability of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX). This shows that even though there is a change in Working Capital Turnover, either an increase or a decrease, it does not affect the company's Profitability in the period studied. In this case, the food and beverage sub-sector companies are quite efficient in managing their working capital, so that small changes in working capital turnover do not have a significant impact on the recorded level of profitability. Other factors, such as operating costs, sales volume, and the company's capital structure, may have a greater influence on profitability than changes in working capital turnover.

2. The Influence of Firm Size on Profitability

In partial research, namely t_{tabel} of 1.68830, and t_{hitung} of -0.748825, from which figure it can be stated t_{hitung} smaller than t_{tabel} ($-0.748825 < 1.68830$). The significance probability value of 0.4600 indicates a value that is greater than the significance level value that was determined at the beginning, namely 0.05 ($0.4600 > 0.05$). Thus, it can be concluded that the Company Size Variable partially does not affect Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. This is in line with research conducted by (Diah Nurdiana, 2018) which explains that Company Size has no significant effect on Profitability, while research conducted by (M. Jamal Abdul Nasir, 2021) states that company size has an effect on profitability. The Company Size variable in this study does not have a significant effect on Profitability. This shows that even though Company Size has changed,

either an increase or a decrease, it does not have a significant impact on the level of Profitability of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX). This shows that Company Size, which is usually measured by total assets, revenue, or number of employees, is not the main factor affecting the Company's Profitability. Other factors such as management efficiency, operational costs, marketing strategies, and capital structure have a greater influence on the company's financial performance.

3. The Influence of Debt to Equity Ratio on Profitability

In partial research, namely t_{tabel} of 1.68830, and t_{hitung} of -0.926262, where from this figure it can be stated t_{hitung} smaller than t_{tabel} (-0.926262 < 1.68830). The significance probability value of 0.3620 indicates a value that is smaller than the predetermined significance level value of 0.05 (0.3620 > 0.05). Thus, it can be concluded that the Debt to Equity Ratio variable partially does not have a significant effect on Profitability in food and beverage sub-sector companies on the Indonesia Stock Exchange for the 2019-2023 period. This is in line with research conducted by (A Ni Komang Putri Aristiani, I Wayan Sukadana, and I Wayan Widnyana, 2021) Debt to Equity Ratio (DER) has no effect on profitability, while research conducted by (Henny Wahyu Andika Putri and Yulia Tri Kusumawati, 2020) states that Debt to Equity Ratio (DER) has an effect on profitability (ROA). The Debt to Equity Ratio (DER) variable in this study does not affect the Profitability of food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX). This shows that even though the Debt to Equity Ratio (DER) value increases or decreases, the change does not have a significant impact on the company's Profitability in the period studied. This shows that if a company uses debt to finance long-term investments, changes in the debt to equity ratio do not have a direct effect on the level of profitability recorded in this study. Other factors, such as operational efficiency, working capital management, and the company's cost structure, have a greater influence on profitability than changes in the Debt to Equity Ratio.

CONCLUSION

Based on the results of the study, it can be concluded that partially, Working Capital Turnover, Company Size, and Debt to Equity Ratio (DER) do not have a significant effect on Profitability in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period. This is evidenced by the t-value of each variable which is smaller than t-table and the significance value is greater than 0.05, indicating that individually, the three variables do not significantly affect the company's profitability. However, simultaneously, Working Capital Turnover, Company Size, and DER together have a significant effect on Profitability with an F-value of 15.97120 greater than F-table 2.866 and a significance value of 0.000 < 0.05. This study also has limitations, including the number of samples which only includes eight companies in a five-year period, as well as the existence of other factors that affect profitability by 15.37% which are not included in this study. Therefore, for investors, it is advisable to conduct a more in-depth fundamental analysis before investing in the food and beverage sector. For companies, this study can be a reference in optimizing working capital turnover, company size, and capital structure in order to increase profitability. Meanwhile, for further research, it is advisable to add other independent variables that can provide a more comprehensive understanding of the factors that affect company profitability.

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