TRANSPUBLIKA
Precise. Resilience. Felicitous.

Journal of Management, Accounting, General Finance and International Economic Issues
https://ojs.transpublika.com/index.php/MARGINAL
Online ISSN 2809-8013 | Print ISSN 2809-9222

https://doi.org/10.55047/marginal.v5i3.2282

Original Article

Determinants of Financial Performance on Profit Growth with Company Size as a Moderating Variable (Case Study of a Food and Beverage Sub-Sector Company)

Achmad Ludvy[1*], Rizka Wahyuni Amelia[2], Lina Nofiana[3]

[1-3]Faculty of Economics and Business, Universitas Pamulang, Indonesia
Email: [1)] dosen02586@unpam.ac.id, [2)] dosen02465@unpam.ac.id, [3)] dosen02608@unpam.ac.id

Received : 14 May - 2026
Accepted : 27 June - 2026
Published online : 29 June - 2026

Abstract

Employing a quantitative framework and panel data regression, this study explores how profit growth is affected by the Quick Ratio, Debt to Equity Ratio, and Net Profit Margin, while company size acts as a moderating variable. The research is confined to food and beverage subsector entities listed on the Indonesia Stock Exchange across the 2019-2024 timeframe. A balanced panel of 102 observations, drawn from a sample of 17 companies, underpins the analysis over the six complete fiscal years. Based on the results of the Chow and Hausman tests, the Fixed Effect Model (FEM) is identified as the most appropriate framework. Moderated Regression Analysis (MRA) is used to test for moderation effects. Partial coefficient estimates indicate a negative and significant relationship between the Debt to Equity Ratio and profit growth. In contrast, the Net Profit Margin exhibits a positive and significant relationship with profit growth. The Quick Ratio, however, does not significantly influence profit growth. Findings from the moderation test suggest that company size cannot moderate the effects of QR, DER, or NPM on profit growth. With an R^2 value of 42.68 percent, the independent variables in this study explain 42.68 percent of the variability in profit growth, while other factors not included in the model account for the remaining 57.32 percent. The findings provide practical implications for managers by emphasizing that improving profitability and maintaining an optimal capital structure are more important for enhancing profit growth than simply increasing company size.

Keywords: Company Size, Debt to Equity Ratio, Profit Growth, Net Profit Margin, Quick Ratio.

1. Introduction

The global economy is currently transitioning into the era of the Fourth Industrial Revolution, often termed Industry 4.0. Indonesia has demonstrated its commitment to this transformation through the implementation of the Making Indonesia 4.0 program, which commenced in 2018. This initiative prioritizes five manufacturing sectors, with the food and beverage (F&B) industry occupying a prominent position. According to the Ministry of Industry (2019), this sector is prioritized owing to its substantial contributions to gross domestic product (GDP), export performance, investment flows, and employment generation.

The food and beverage industry continues to demonstrate positive performance and remains a relatively stable sector despite being impacted by the Covid-19 pandemic. Ministry of Industry data shows that the sector's export value reached USD 21.3 billion in the first half of 2022, employing over one million workers (Tempo, 2022). Furthermore, investment in this subsector continues to increase, reaching IDR 30.23 trillion in the third quarter of 2024

(Bisnis.com, 2024). This growth demonstrates the resilience and attractiveness of the F&B sector to investors.

Although the food and beverage (F&B) sub-sector shows promising growth prospects, not all companies are able to maintain stable profit growth from year to year. Based on data from the Indonesia Stock Exchange (IDX), the average profit growth of F&B sub-sector companies during the 2019-2024 period experienced quite sharp fluctuations. In 2019, profit growth was recorded at -70%, then increased to 320% in 2022, declined again to -36% in 2023, and surged to 324% in 2024. In this study, profit growth is defined as the percentage change in net profit from one year to the next (year-over-year/YoY). This pattern indicates that company profit performance continues to fluctuate, suggesting the existence of challenges in managing company financial performance.

These fluctuations in profit growth raise questions regarding the factors that influence them. Although profit growth is influenced by various factors, such as market conditions, operational efficiency, supply chain effectiveness, company strategy, and macroeconomic conditions, financial ratios remain one of the most widely used approaches as they provide objective quantitative measures of a company's financial condition. Financial ratios have also been widely used in previous research to explain variations in profit growth in manufacturing companies and the food and beverage sub-sector, thereby providing a strong empirical basis for financial performance analysis.

As operationalized in the present research, the Quick Ratio assesses whether current liquid assets suffice to discharge short-term claims against the enterprise. The Debt to Equity Ratio, by contrast, reveals the comparative magnitude of borrowed funds relative to shareholder equity, and the Net Profit Margin discloses the net return generated from each sale transacted. These three constructs were selected not arbitrarily but for their recognized capacity to embody liquidity, capital structure, and profitability respectively; each dimension carries both theoretical justification and empirical precedent for its role in shaping the trajectory of profit growth across firms.

Previous research still shows a gap. Some studies indicate that QR, DER, and NPM influence profit growth (Mariam & Munandar, 2023; Panjaitan, 2018; Rustianawati et al., 2023), while other studies have found different results (Nasution & Sitorus, 2022; Simatupang, 2022). These differing results indicate that the relationship between financial ratios and profit growth is not entirely consistent, necessitating further study that considers other factors which could strengthen or weaken the relationship. Research by Dianitha et al. (2020) found that Quick Ratio (QR), Debt to Equity Ratio (DER), Net Profit Margin (NPM), and Return on Investment (ROI) simultaneously affect profit growth, but partially only ROI has a significant effect. Conversely, research by Hung and Viriany (2023) shows that Quick Ratio has a negative effect on profit growth, while DER and NPM have no significant effect. Vensca et al. (2024) also show that the effect of financial ratios on profit growth differs when using different proxies of liquidity, solvability, and profitability. More recent research by Maharani and Rosdiana (2026) again shows that the effect of each financial ratio on profit growth has not yet produced consistent conclusions in Food and Beverage sub-sector companies.

A novel contribution of this research lies in the inclusion of company size as a moderating variable. Company size is presumed to potentially alter the associations linking financial ratios to profit growth. Larger companies generally have better resources and land access, as well as more mature managerial capabilities in managing liquidity, debt, and operational efficiency. Therefore, company size has the ability to enhance or reduce the effects of QR, DER, and NPM on profit growth. Year over year, the mean size of companies operating

in the food and beverage sub sector on the Indonesia Stock Exchange follows a clearly increasing pattern. This trend suggests an expansion of business scale and implies a potential enhancement of financial capacity. Therefore, this study accords particular significance to Moderated Regression Analysis, which serves as the essential analytical instrument for ascertaining whether and to what extent company size exerts a moderating influence upon the linkages connecting financial indicators to profit growth.

In addition to the inconsistency of empirical results, most previous studies used observation periods before or immediately after the COVID-19 pandemic. Yet the Food and Beverage industry experienced significant changes due to economic recovery, shifts in consumer behavior, inflation, and supply chain disruptions during the post-pandemic period. Thus, a research gap remains with respect to the consistency of the effects of Quick Ratio, Debt to Equity Ratio, and Net Profit Margin on profit growth during the 2019-2024 period, making research using more recent data necessary to obtain more current empirical evidence.

2. Literature Review

2.1. Quick Ratio

Sujarweni (2017) defines the Quick Ratio as a means of assessing whether an enterprise can meet its short-term liabilities through the utilization of more liquid asset classes. In a complementary formulation, Kasmir (2015) characterizes the ratio as reflecting the power to pay current debts using existing current assets, while deliberately omitting inventory from the calculation. Consequently, inventory is ignored and subtracted from the aggregate of current assets. Ardiansyah and Anabas (2023) explain that this approach is adopted because inventory is considered to take a comparatively longer duration to convert to cash when a company urgently needs funds to meet its liabilities, unlike other current assets.

2.2. Debt to Equity Ratio

Hery (2023) describes the Debt to Equity Ratio as a metric for measuring the proportion of debt relative to capital. Kasmir (2015) adds that this ratio evaluates debt against equity. The calculation involves comparing total debt, which encompasses current liabilities, to total equity. This ratio assists in determining the amount of funds supplied by creditors (borrowers) and by the company's owners. These definitions support the inference that the Debt to Equity Ratio is a financial gauge used to appraise the balance between a company's outstanding debt and its capital stock. Consequently, this measure reflects the firm's relative reliance on creditor-provided resources versus capital furnished by its owners, thereby revealing the fundamental structure of its financing.

2.3. Net Profit Margin

As a profitability metric, the Net Profit Margin (NPM) evaluates how effectively a company generates net profit from every sale. This ratio indicates the degree of efficiency in controlling operating expenditures, financial costs, tax obligations, and other expenses relative to sales revenue. An elevated NPM suggests better company performance, given that it implies a large share of revenue is converted into net profit. In the context of financial research, NPM is often associated with profit growth, company value, and management's ability to generate long-term profits. Companies with stable margins tend to have a healthy cost structure and strong competitiveness. Conversely, a low NPM indicates cost pressures, declining efficiency, or low price competitiveness.

2.4. Company Size

Hartono (2022) describes company size as the magnitude of an enterprise, measured by total assets or the value of assets held by the company, employing the logarithm of total assets as the metric. This size represents a scale classifiable through multiple indicators, such as total assets, log size, and equity market value. In addition, Rudangga and Sudiarta (2016) note that alternative characterizations of company size include total assets, sales volume, average sales per asset, and average total assets. Enterprises may be classified into three distinct categories: large, small, and medium-sized. Large firms, in particular, are presumed to possess superior capacity for the prudent administration of both financial resources and outstanding obligations. This can attract investors, making it easier for large companies to obtain external funding to expand their businesses (Sifkhiana in Nioko & Hendrani, 2024).

2.5. Research Hypothesis

From the foregoing theoretical framework and empirical review, the following hypotheses are proposed to examine the effects of financial ratios and company size on profit growth:

H1: Quick Ratio (QR) has a significant effect on profit growth.
H2: Debt to Equity Ratio (DER) has a significant effect on profit growth.
H3: Net Profit Margin (NPM) has a significant effect on profit growth.
H4: Company size moderates the effect of Quick Ratio (QR) on profit growth.
H5: Company size moderates the effect of Debt to Equity Ratio (DER) on profit growth.
H6: Company size moderates the effect of Net Profit Margin (NPM) on profit growth.

3. Methods

The present study applies a quantitative strategy within the context of an associative design. As defined by Sugiyono (2018), associative research seeks to establish the interconnections and patterns of association between multiple variables. This study examines a causal relationship, specifically one in which the independent variables operate as exerting forces and the dependent variable stands as the recipient of their effects.

This research defines its population as all Food and Beverage subsector entities registered with the Indonesia Stock Exchange during the six-year span from 2019 through 2024. A purposive sampling strategy governs the selection process, requiring adherence to several specified conditions. Eligible companies must demonstrate consecutive listing status over the entire period, furnish comprehensive annual reports without omission, maintain complete records for all study variables, and report their financials in Rupiah currency. These filters produce a sample comprising 17 firms, which collectively generate 102 observational units at the firm-year level.

This research draws upon secondary data derived from annual report disclosures, which were accessed through two primary channels: the Indonesia Stock Exchange's official online repository and the individual corporate websites maintained by each enterprise. Selection of the 2019-2024 timeframe reflects an intention to portray firm financial performance against the backdrop of economic transformations that unfolded both during and following the pandemic period. The study designates profit growth as its criterion variable, with the Quick Ratio, Debt to Equity Ratio, and Net Profit Margin occupying the roles of predictor variables. A moderating role is assigned to company size, which is quantified through the logarithmic transformation of total assets.

The analytical workflow, conducted within the EViews 12 environment, encompasses descriptive statistics, classical assumption checks, panel data regression, and a tripartite

selection process involving the Chow, Hausman, and Lagrange Multiplier tests to determine the optimal model among CEM, FEM, and REM. Application of these diagnostic criteria confirms the Fixed Effect Model as the most suitable. Hypothesis testing proceeds via individual coefficient t-tests. For moderation assessment, the study adopts Moderated Regression Analysis, which integrates multiplicative interaction variables pairing company size with each financial ratio, namely QR×SIZE, DER×SIZE, and NPM×SIZE. Additionally, the R-squared statistic is employed to gauge the proportion of profit growth variance attributable to the explanatory variables.

4. Results and Discussion

This investigation utilized EViews 12 as the statistical tool for data processing. Panel data regression together with Moderated Regression Analysis (MRA) served as the methods for testing the hypotheses. The aim was to obtain a thorough perspective on the effects exerted by the independent variables upon the dependent variable, incorporating the role of moderating variables. Before conducting the regression analysis, the values of each independent variable were calculated: Quick Ratio, Debt to Equity Ratio, and Net Profit Margin; the dependent variable was Profit Growth; and the moderating variable was Company Size; for each of the 17 Food & Beverage companies within the 2019-2024 study period.

4.1. Results Analysis

Table 1. Descriptive Statistical Test Results

	Profit Growth _Y	Quick Ratio_X1	Debt to Equity Ratio_X2	Net Profit Margin_X3	Company Size _Z
Mean	0.647059	2.027451	1.000686	0.120588	30.10745
Median	0.075000	1.105000	0.830000	0.095000	30.15500
Maximum	47.08000	9.580000	6.350000	0.380000	32.94000
Minimum	-0.960000	0.390000	0.070000	0.000000	27.74000
Std. Dev.	4.682531	1.847983	0.988373	0.087199	1.334230
Skewness	9.699226	1.894107	2.734964	1.029268	0.145358
Kurtosis	96.68230	6.506851	13.13492	3.296084	2.409874
Jarque-Bera	38898.86	113.2564	563.7062	18.38225	1.839247
Probability	0.000000	0.000000	0.000000	0.000102	0.398669
Sum	66.00000	206.8000	102.0700	12.30000	3070.960
Sum Sq. Dev.	2214.536	344.9191	98.66505	0.767965	179.7971
Observations	102	102	102	102	102

Source: EViews 12 output (data processed by researchers, 2025)

Based on descriptive statistics of 102 observations, Profit Growth (Y) shows a mean of 0.647 and a median of 0.075, indicating a highly right-skewed distribution with large variability (max 47.08; min -0.96; SD 4.682). Quick Ratio (X1) has an average of 2.027, suggesting generally good liquidity, although the wide range (0.39-9.58) indicates considerable variation among companies. Debt to Equity Ratio (X2) records a mean of 1.001, reflecting a relatively balanced capital structure, but with substantial differences in leverage levels (0.07-6.35). Net Profit Margin (X3) has a mean of 0.121, indicating moderate profitability with relatively stable variation. Meanwhile, Company Size (Z) shows a mean of 30.107 with low variability and a distribution close to normal. The Jarque-Bera test indicates that most variables are not normally distributed, except Company Size, and the high skewness

and kurtosis values in several variables suggest the presence of extreme observations that should be considered in further regression analysis.

From the panel data regression estimation procedure, three models were evaluated: the Common Effect Model (CEM), the Fixed Effect Model (FEM), and the Random Effect Model (REM). The estimation outputs from CEM and REM reveal that all independent variables, namely the Quick Ratio, Debt to Equity Ratio (DER), Net Profit Margin (NPM), and Company Size, exhibit positive but statistically insignificant effects on profit growth. By contrast, the FEM estimation demonstrates that DER exerts a negative and significant influence on profit growth, whereas NPM shows a positive and significant influence. The Quick Ratio and Company Size remain insignificant under FEM. To select the best fitting panel regression specification, a series of model selection tests was conducted. With a probability of 0.0000 registered by the Chow test, the null hypothesis favoring the Common Effect Model is decisively rejected, indicating that the Fixed Effect Model offers a superior fit. The Hausman test corroborates this conclusion, also producing a p-value of 0.0000 and thereby dismissing the Random Effect Model in favor of FEM. Despite the Lagrange Multiplier test indicating a preference for CEM over REM, the aggregated outcomes of the Chow and Hausman tests provide compelling support for the Fixed Effect Model as the most robust analytical framework for examining the relationships between the Quick Ratio, Debt to Equity Ratio, Net Profit Margin, and Company Size with respect to profit growth.

Table 2. Partial Test Results (t-Test) of Panel Data Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.519524	1.628399	2.161340	0.0336
Quick Ratio_X1	-0.611688	0.552964	-1.106200	0.2719
Debt to Equity Ratio_X2	-5.828740	0.963371	-6.050357	0.0000
Net Profit Margin_X3	34.83294	10.81053	3.222130	0.0018

Source: EViews 12 output (data processed by researchers, 2025)

To assess the distinct contribution of each independent variable to the dependent variable, partial t-tests were conducted at the 5 percent significance level. The Quick Ratio yields a coefficient of negative 0.611688 with a probability of 0.2719, which surpasses the 0.05 criterion and consequently indicates no meaningful effect. The Debt to Equity Ratio, by contrast, registers a coefficient of negative 5.828740 and a probability of 0.0000, firmly below the established threshold, thereby demonstrating a negative and statistically reliable influence; this suggests that higher leverage exerts a substantial dampening effect. The Net Profit Margin presents a coefficient of positive 34.83294 with a probability of 0.0018, also falling beneath 0.05, which reveals a positive and significant relationship. Within this analytical framework, only the Debt to Equity Ratio and the Net Profit Margin emerge as statistically meaningful predictors, while the Quick Ratio fails to attain significance.

Table 3. MRA Partial Test Results (t-Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	72.13357	104.7655	0.688524	0.4932
Quick Ratio_X1	-5.573755	14.19457	-0.392668	0.6956
Debt to Equity Ratio_X2	-80.34257	63.24270	-1.270385	0.2077
Net Profit Margin_X3	-40.08361	143.6155	-0.279104	0.7809
Company Size_Z	-2.276811	3.495644	-0.651328	0.5167
X1Z	0.161905	0.477330	0.339189	0.7354
X2Z	2.466469	2.094747	1.177454	0.2426
X3Z	2.549541	4.829274	0.527935	0.5990

Source: EViews 12 output (data processed by researchers, 2025)

The Moderated Regression Analysis (MRA) was performed to evaluate the partial effects of the independent variables, the moderating variable (Company Size), and the interaction terms on the dependent variable, using a 5 percent significance threshold. The results show that the Quick Ratio, Debt to Equity Ratio, and Net Profit Margin each lack significant effects on the dependent variable, as their respective probability values exceed 0.05. Additionally, Company Size, serving as the moderating variable, does not exhibit a statistically significant direct effect. Moreover, the interaction terms between Company Size and each independent variable (X1Z, X2Z, and X3Z) are also insignificant from a statistical standpoint. Consequently, Company Size does not moderate the connections linking the Quick Ratio, Debt to Equity Ratio, and Net Profit Margin to the dependent variable. When considered together, these outcomes indicate that, under the MRA specification, the independent variables, the moderating variable, and the interaction terms each lack a significant partial effect on the dependent variable.

4.2. Discussion

4.2.1. The Effect of Quick Ratio on Profit Growth

Findings from the analysis demonstrate an absence of significant effect from the Quick Ratio on profit growth, thereby warranting rejection of H1. Such a result implies that the ability to cover short-term obligations with highly liquid current resources fails to translate directly into enhanced profit performance. A high level of liquidity can even reflect the existence of current assets that have not been productively utilized (idle assets), so that the available funds do not make an optimal contribution to profit creation. Thus, liquidity is not the main factor determining profit growth in food and beverage sub-sector companies.

The present findings corroborate those of Amaroh et al. (2022) and Herianti & Anggrainie (2025), who likewise detected no meaningful contribution of the Quick Ratio to profit growth. Such consistency suggests that enhanced liquidity alone cannot be assumed to elevate firm performance, given that profitability gains depend more critically on how effectively current assets are utilized in support of operational processes and revenue generation.

4.2.2. The Effect of Debt to Equity Ratio on Profit Growth

The results of the study indicate that Debt to Equity Ratio (DER) has a negative and significant effect on profit growth, so H2 is accepted. This finding indicates that the higher the proportion of debt relative to equity, the lower the company's profit growth. This condition shows that increased use of debt is accompanied by rising interest expenses and financial risk, thereby reducing the net profit that the company can generate.

In food and beverage sub-sector companies, the need for debt financing must be managed carefully because this industry faces intense competition as well as fluctuations in raw material and operational costs. Under these conditions, high financing burdens can reduce a company's financial flexibility and limit its ability to generate profit growth. A more equitable composition of debt and equity thus assumes considerable importance in safeguarding the steadiness of financial outcomes. This conclusion finds reinforcement in the work of Juwari & Mustika Zulviani (2020) and Herianti and Anggrainie (2025), both of whom documented a significant adverse effect of the Debt to Equity Ratio upon profit growth.

4.2.3. The Effect of Net Profit Margin on Profit Growth

Findings from the analysis demonstrate a positive and significant effect of Net Profit Margin on profit growth, leading to acceptance of H3. Such a result suggests that enhanced proficiency in converting sales into net income is directly associated with accelerated profit

expansion. Elevated NPM values reflect effective cost control across operating, administrative, and other expenditure categories, thereby enabling a greater proportion of revenue to translate into net earnings.

In food and beverage sub-sector companies, cost management efficiency is an important factor because this industry faces relatively high production costs, distribution pressures, and market competition. Companies that are able to maintain operational efficiency tend to have a better ability to improve profitability sustainably, thereby driving profit growth. This finding supports profitability theory, which emphasizes that operational efficiency is the main factor in improving company financial performance. The present results align with those documented by Juwari & Mustika Zulviani (2020), wherein Net Profit Margin likewise emerged as a positive and significant predictor of profit growth.

4.2.4. Company Size Moderates the Effect of Quick Ratio on Profit Growth

Results from the Moderated Regression Analysis indicate that firm size does not function as a moderating factor in the Quick Ratio's effect on profit growth, and accordingly H4 is not supported. The interaction terms demonstrate that the impact of liquidity on profit growth does not vary meaningfully between enterprises with larger versus smaller asset bases. Company size therefore exerts no moderating influence, whether to enhance or to attenuate the linkage between the Quick Ratio and profit growth.

One factor that may explain this finding is the low variation in company size within the research sample. Based on descriptive statistics, company size falls within the range of 27.74-32.94 (log total assets) with a standard deviation of 1.334, indicating that most companies have relatively homogeneous asset scales. This homogeneity causes company size to have limited capacity to form a moderation effect, because differences in company characteristics based on total assets are not large enough to produce variation in the relationship between Quick Ratio and profit growth.

By its very nature, the Quick Ratio merely gauges the capacity to cover short-term obligations with highly liquid assets and does not, in itself, offer a direct measure of profitability potential. In the food and beverage industry, assets like cash and accounts receivable require active and efficient management to support operational continuity and enhance revenue. Should such assets remain underutilized, a high Quick Ratio could indicate dormant resources that do not advance profit growth. Such a scenario suggests that the proficiency with which working capital is administered carries greater weight than the absolute liquidity position.

On the other hand, the use of log total assets as a proxy for company size may not fully represent the competitive advantage of companies in the food and beverage sub-sector. Company performance in this industry is more influenced by operational efficiency, effectiveness of working capital management, inventory turnover speed, brand strength, distribution networks, and product innovation than by the size of assets owned. Therefore, companies with larger assets are not necessarily able to utilize liquidity more effectively than smaller companies. As a result, company size does not alter the relationship between Quick Ratio and profit growth.

This outcome suggests that the influence of liquidity upon profit growth depends more heavily upon the efficacy of current asset utilization than upon the magnitude of the enterprise. Consequently, firm scale does not operate as a factor capable of intensifying or attenuating this particular association. The present findings align with those reported by Mumpuni and Hapsari (2025) as well as Putri and Wicaksari (2026), both of whom observed that company size does not consistently moderate the liquidity-performance relationship,

given that the caliber of working capital stewardship exerts a more decisive role than asset size.

4.2.5. Company Size Moderates the Effect of Debt to Equity Ratio on Profit Growth

Findings from the study demonstrate that company size does not serve as a moderating factor in the DER-profit growth relationship, and accordingly H5 is not supported. Despite the main regression establishing a negative and significant influence of the Debt to Equity Ratio on profit growth, the MRA interaction coefficient yields a p-value of 0.2426, indicating no significant moderation. This result implies that the detrimental effect of leverage on profit growth holds consistently for both large-scale and small-scale firms. Thus, asset size exerts no appreciable influence on the linkage between DER and profit growth.

Theoretically, large companies have advantages in the form of broader financing access, better credit reputation, and relatively lower cost of capital, so they are expected to be able to manage debt more efficiently. Despite these potential benefits, the findings reveal that they have not succeeded in attenuating the negative influence of leverage on profit growth. Such an outcome implies that the proficiency with which debt is administered depends to a greater extent on the quality of financial governance than on the scale of corporate assets.

The non-significance of the moderation effect may also be influenced by the characteristics of the research sample. Based on the results of descriptive statistics, company size falls within the range of 27.74-32.94 (log total assets) with a standard deviation of 1.334, indicating that the variation in company size is relatively low. This homogeneity causes the differences in asset scale among samples to be insufficient to form a moderation effect, so that changes in leverage levels produce relatively similar consequences for profit growth.

Furthermore, the characteristics of the food and beverage sub-sector also explain this finding. This industry has high working capital needs to support raw material procurement, inventory management, production processes, and distribution. As a result, debt use is more directed toward financing operational activities rather than productive investments that can increase profit in the short term. Increased leverage continues to raise interest expenses and debt payment obligations, thereby suppressing net profit regardless of the size of company assets.

The use of log-transformed total assets as an indicator of firm size may offer an incomplete representation of an organization's proficiency in capital structure management. Asset size alone fails to consistently signal the capacity to produce cash flows, preserve profit margins, or contain leverage risk. In the food and beverage industry, factors including operational effectiveness, cost containment in production, inventory velocity, and the maintenance of market demand prove more consequential in shaping a firm's ability to meet its debt obligations than the magnitude of its asset base.

According to these results, the effect of leverage on profit growth is shaped less by firm size and more by the proficiency with which capital structure is administered. This conclusion is consistent with the work of Meidiyustiani et al. (2021) and Widiyanti (2019) as well as Maryanti et al. (2026), each of whom posits that company size does not invariably serve as a moderating factor in the leverage-performance nexus, given that the effectiveness of debt deployment rests predominantly on the caliber of financial stewardship rather than on asset magnitude.

4.2.6. Company Size Moderates the Effect of Net Profit Margin on Profit Growth

Findings from the analysis indicate that firm size fails to exert a moderating influence on the NPM-profit growth relationship, and accordingly H6 is not supported. Despite the baseline regression establishing that Net Profit Margin exerts a positive and significant effect upon profit growth, the MRA interaction term registers a probability of 0.5990, revealing no significant moderation. This suggests that the positive impact of profitability on profit growth holds uniformly for both large and small enterprises. Thus, the ability to produce net income from each sale remains the predominant factor in profit expansion, irrespective of company size.

Theoretically, these results show that NPM more closely represents operational efficiency than company scale. This ratio reflects a company's ability to manage production costs, operational costs, and administrative costs so that increases in sales can be converted into net profit more optimally. Therefore, improvements in operational efficiency will drive profit growth regardless of the size of total assets owned by the company. This explains why the effect of NPM on profit growth remains significant in the main model but does not change when tested together with company size as a moderating variable.

Sample composition may further account for the lack of moderation significance. According to the descriptive statistics, firm size varies between 27.74 and 32.94 (log total assets) with a standard deviation of 1.334, reflecting a fairly narrow distribution. This limited variability curtails the moderating potential of the size variable, given that the differences in asset magnitude among sampled firms are not substantial enough to modify the NPM-profit growth association.

In addition, the use of log total assets as a proxy for company size may not fully represent a company's capacity to create competitive advantage, particularly in the food and beverage sub-sector. In this industry, profit growth is more influenced by operational efficiency, cost control effectiveness, brand equity, product innovation, distribution networks, and consumer loyalty than by the size of assets owned (Jaesa, 2024). Thus, companies with large assets do not always achieve higher profit growth if their operational efficiency and business strategy are suboptimal. Conversely, companies with smaller assets still have the potential to achieve high profit growth if they are able to maintain profit margins through cost control and sales improvement (Agustin et al., 2020; Yuniarto et al., 2022).

5. Conclusion

The present research seeks to analyze the impact of the Quick Ratio, Debt to Equity Ratio, and Net Profit Margin on profit growth, while also assessing the moderating role of firm size, for Food and Beverage enterprises listed on the Indonesia Stock Exchange from 2019 through 2024. Results indicate that the Quick Ratio does not significantly affect profit growth, signifying that liquidity does not automatically translate into improved profitability. The Debt to Equity Ratio, by contrast, bears a negative and significant coefficient, revealing that increased indebtedness tends to suppress profit growth due to heightened financial obligations. The Net Profit Margin shows a positive and significant effect, highlighting that profitability efficiency is a critical factor in fostering growth. Additionally, company size is not found to moderate the relationships involving the Quick Ratio, Debt to Equity Ratio, or Net Profit Margin with profit growth.

The findings of this study provide practical implications that company management needs to focus more attention on managing capital structure and improving profitability

rather than merely maintaining liquidity levels. The use of debt needs to be managed optimally so as not to increase financial burdens that can hinder profit growth, while improvements in operational efficiency become an important strategy for maintaining Net Profit Margin and driving sustainable profit growth. For investors, the results of this study can serve as one consideration in evaluating company performance, particularly by paying attention to leverage and profitability levels as more relevant indicators than liquidity levels.

It is important to recognize certain constraints inherent in this research. The study restricts its focus to Food and Beverage firms listed on the Indonesia Stock Exchange between 2019 and 2024, which limits the applicability of its conclusions to other sectors. Furthermore, the chosen independent variables comprise only the Quick Ratio, Debt to Equity Ratio, and Net Profit Margin, while company size is the sole moderating variable, despite the likelihood that other factors such as operational efficiency, cash flow, corporate activity, governance quality, and macroeconomic forces also influence profit growth. Moreover, the R-squared value of 42.68 percent indicates that 57.32 percent of the variability in profit growth remains unexplained by the current specification.

6. References

Agustin, M., Indah, Y., & Kartika, N. (2020). Analisis faktor–faktor yang mempengaruhi pertumbuhan laba dengan ukuran perusahaan sebagai variabel moderasi pada perusahaan manufaktur periode 2015–2019. *JAKUMA: Jurnal Akuntansi Dan Manajemen Keuangan*, *1*(2), 26–45. https://doi.org/10.31967/jakuma.v1i2.405

Amaroh, R., Osta Nababan, B., & Deswardi, R. (2022). Pengaruh Quick Ratio, Debt to Equity Ratio, Total Assets Turnover, Return on Assets terhadap Pertumbuhan Laba pada Perusahaan Sub-Sektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Periode 2015–2020. *Economicus*, *13*(1), 76–87. https://doi.org/10.47860/economicus.v13i1.65

Ardiansyah, A., & Anabas, N. A. (2023). Analisis Pengaruh Current Ratio, Cash Ratio, dan Quick Ratio terhadap Pertumbuhan Laba pada Perusahaan Sektor Pertambangan di Bursa Efek Indonesia Periode 2019–2021. *MRBEST: Media Riset Bisnis Ekonomi Sains Dan Terapan*, *1*(2), 112–121. https://doi.org/10.71312/mrbest.v1i2.55

Dianitha, K. A., Masitoh, E., & Siddi, P. (2020). The Effect Of Financial Ratio on Profit Growth in Food and Beverage Companies in IDX. *Berkala Akuntansi Dan Keuangan Indonesia*, *5*(1), 14–30. https://doi.org/10.20473/baki.v5i1.17172

Hartono, J. (2022). *Portofolio dan analisis investasi: Pendekatan modul* (2nd ed.). Andi Yogyakarta.

Herianti, D. P., & Anggrainie, N. (2025). Pengaruh Quick Ratio, Debt to Equity Ratio, Net Profit Margin, dan Return On Investment Terhadap Pertumbuhan Laba Perusahaan Manufaktur (Subsektor Food and Beverage) Yang Terdaftar di Bursa Efek Indonesia Periode 2019-2023. *Jurnal Ekonomi Manajemen Dan Bisnis (JEMB)*, *4*(2), 398–407. https://doi.org/10.47233/jemb.v4i2.3362

Hery. (2023). *Analisis Laporan Keuangan: Intergrated and Comperhesive Edition*. Gramedia Widiasarana Indonesia.

Hung, A. E., & Viriany, V. (2023). The effect of financial ratios on profit growth among manufacturing companies. *International Journal of Application on Economics and Business*, *1*(2), 248–256. https://doi.org/10.24912/ijaeb.v1i2.248-256

Jaesa, N. (2024). Analisis Implementasi Strategi Manajemen dan Dampaknya terhadap Kinerja Perusahaan: Studi Kasus PT Indofood CBP Sukses Makmur Tbk Industri FMCG Indonesia Tahun 2022. *Paulus Journal of Accounting (PJA)*, *5*(2). https://ojs.ukipaulus.ac.id/index.php/pja/article/view/639

Juwari, J., & Mustika Zulviani, A. (2020). Pengaruh Debt to Equity Ratio, Return on Assets,

Return on Equity, dan Net Profit Margin terhadap Pertumbuhan Laba pada Perusahaan Subsektor Konstruksi Bangunan yang Terdaftar di BEI. *Jurnal GeoEkonomi*, *11*(2), 188–201. https://doi.org/10.36277/geoekonomi.v11i2.131

Kasmir. (2015). *Analisis Laporan Keuangan*. PT Raja Grafindo Persada.

Maharani, R. I. T., & Rosdiana, M. (2026). The Effect Of Financial Ratios On Profit Growth In Manufacturing Companies In The Food And Beverage Sector Listed On The Indonesia Stock Exchange (IDX) in 2021-2023. *INCOME*, *7*(1), 64–83. https://doi.org/10.38156/akuntansi.v7i1.635

Mariam, M., & Munandar, A. (2023). Pengaruh Current Ratio Dan Quick Ratio Terhadap Pertumbuhan Laba Pada Perusahaan Sektor Pertambangan (Sub Sektor Minyak Dan Gas Bumi) Yang Terdaftar Di Bursa Efek Indonesia. *Innovative: Journal of Social Science Research*, *3*(2), 12918–12929. https://j-innovative.org/index.php/Innovative/article/view/1879

Maryanti, E., Nabila, A. M., Hermawan, S., & Rahayu, R. A. (2026). Firm Size as a Moderator in the Relationship Between Leverage, Cash Flow, Profitability, and Cash Holding: Evidence from Indonesia's Food and Beverage Sector. *Owner: Riset Dan Jurnal Akuntansi*, *10*(1), 234–248. https://doi.org/10.33395/owner.v10i1.2864

Meidiyustiani, R., Oktaviani, R. F., & Niazi, H. A. (2021). Analisis Profitabilitas, Likuiditas, Leverage dan Ukuran Perusahaan terhadap Pertumbuhan Laba. *AKUNSIKA: Jurnal Akuntansi Dan Keuangan*, *2*(2), 49–59. https://doi.org//10.31963/akunsika.v2i2.2695

Mumpuni, Y. T., & Hapsari, D. W. (2025). The Moderating Effect of Firm Size on the Relationship Between Capital Structure and Profitability Toward Firm Value. *American Journal of Economic and Management Business (AJEMB)*, *4*(7), 1040–1050. https://doi.org/10.58631/ajemb.v4i7.285

Nasution, Y., & Sitorus, G. (2022). Pengaruh Current Ratio (CR), Debt to Equity Ratio (DER), dan Total Assets Turnover (TATO) terhadap Pertumbuhan Laba pada Perusahaan Manufaktur Sektor Industri Dasar dan Kimia yang Terdaftar di Bursa Efek Indonesia Tahun 2017–2020. *Jurnal Manajemen*, *6*(2), 61–72. https://doi.org/10.54964/manajemen.v6i2.204

Nioko, R., & Hendrani, A. (2024). Pengaruh Profitabilitas, Aktivitas, Leverage, Ukuran Perusahaan, Dewan Direksi Dan Komite Audit Terhadap Pengungkapan Sustainability Report. *Journal of Economic, Bussines and Accounting (COSTING)*, *7*(3), 5780–5801. https://doi.org/10.31539/costing.v7i3.9262

Panjaitan, R. Y. (2018). Pengaruh Current Ratio, Debt to Equity Ratio, Net Profit Margin dan Return On Asset terhadap pertumbuhan laba pada perusahaan consumer goods yang terdaftar di bursa efek indonesia periode 2013-2016. *Jurnal Manajemen*, *4*(1), 61–72. https://ejournal.lmiimedan.net/index.php/jm/article/view/39/

Putri, A. A., & Wicaksari, E. A. (2026). The Moderating Effect of Firm Size on The Relationship Between Capital Structure and Profitability: Indonesian Manufacturing Firms (2020–2024). *Indonesian Interdisciplinary Journal of Sharia Economics (IIJSE)*, *9*(2), 11459–11480. https://doi.org/10.31538/iijse.v9i2.9903

Rudangga, I. G. N. G., & Sudiarta, G. M. (2016). Pengaruh Ukuran Perusahaan, Leverage, dan Profitabilitas terhadap Nilai Perusahaan. *E-Jurnal Manajemen*, *5*(7), 4394–4422. https://ojs.unud.ac.id/index.php/Manajemen/article/view/21920

Rustianawati, M., Perwitasari, D. A., Lidyana, N., & Haidiputri, T. A. N. (2023). Pengaruh Quick Ratio, Net Profit Margin, dan Total Asset Turnover terhadap Pertumbuhan Laba pada Perusahaan Sektor Perdagangan Besar. *JUMAD : Journal Management, Accounting, & Digital Business*, *1*(3), 301–310. https://doi.org/10.51747/jumad.v1i3.1503

Simatupang, J. (2022). Pengaruh Rasio Likuiditas dan Profitabilitas terhadap Pertumbuhan Laba pada Perusahaan Sektor Konstruksi dan Bangunan yang Terdaftar di BEI Periode 2016–2020. *Accumulated Journal (Accounting and Management Research Edition)*,

3(2), 119–131. https://doi.org/10.22303/accumulated.3.2.2021.119-131

Sugiyono. (2018). *Metode Penelitian Kuantitatif, Kualitatif dan R&D*. Alfabeta.

Sujarweni, V. W. (2017). *Manajemen Keuangan: Teori Aplikasi dan Hasil Penerapan*. Pustaka Baru Press.

Vensca, S. N., Mas' adah, N., & Astuti, S. Y. (2024). Can financial ratios affect profit growth in food and beverage companies. *AKSY Jurnal Ilmu Akuntansi Dan Bisnis Syariah*, *6*(2), 270. https://doi.org/10.15575/aksy.v6i2.34721

Widiyanti, M. (2019). Pengaruh Net Profit Margin, Return On Assets Dan Debt To Equity Ratio Terhadap Pertumbuhan Laba Pada Perusahaan LQ-45. *Jurnal Riset Akuntansi Dan Keuangan*, *7*(3), 545–554. https://doi.org/10.17509/jrak.v7i3.17826

Yuniarto, A. E., Asmara, E. N., & Herbowo, H. (2022). Pertumbuhan Laba pada Perusahaan Pertambangan di Indonesia. *Owner: Riset Dan Jurnal Akuntansi*, *6*(3), 2446–2456. https://doi.org/10.33395/owner.v6i3.952