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Effect of Fixed Asset Turn Over, Return on Net Worth, Plowback Ratio And Inventory to Net Working Capital

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Abstract

This research aims to determine the influence of Fixed Asset Turn Over, Return On Net Worth, Plowback Ratio and Inventory To Net Working Capital on Profit Growth of Energy Sector Companies Listed on the IDX in 2020-2022. The type of research used is associative. The population in this study was 75 companies with a sample of 51 companies using purposive sampling techniques. The analysis techniques used in this research are classical assumption tests and statistical tests. Based on the results of the classical assumption test, it is stated that the data is normally distributed, there are no symptoms of multicollinearity, there is no heteroscedasticity, there is no auto correlation, and the data is linear. The results of the simultaneous influence test (F Test) show that the Fixed Asset Turn Over, Return On Net Worth, Plowback Ratio and Inventory To Net Working Capital variables show that the independent variables together do not have a significant effect on the dependent variable, namely profit growth. The results of the partial influence test (t test) show that Fixed Asset Turn Over, Return On Net Worth, Plowback Ratio and Inventory To Net Working Capital do not have a significant influence on profit growth.

Keywords: Fixed Asset Turn Over, Return on Net Worth, Plowback Ratio and Inventory to Net Working Capital, Profit Growth

Introduction

Current world developments require companies to be able to compete through continuous improvements in company performance in managing and carrying out company management professionally. The company will strive to achieve business continuity through company performance. Improving company performance can be seen through the financial reports that have been published by the company to find out information about the company's financial position. Financial reports are carried out by companies to determine decision making by stakeholders through evaluating company performance through financial reports. This allows the company to maintain profits and create sales strategies to get new investors and retain old investors in developing and improving the quality of the company. The companies used in this research are sector companies listed on the Indonesia Stock Exchange (BEI). BEI is a government institution which is one of the parties as a regulator and organizer of trading on the Indonesian Capital Market. BEI has various sectors which have been classified into 12 company sectors consisting of the Energy Sector, Raw Goods Sector, Industrial Sector, Primary Consumer Sector, Non-Primary Consumer Sector, Health Sector, Financial Sector, Properties & Real Estate Sector, Technology Sector, Infrastructure Sector, Transportation and Logistics Sector, and Listed Investment Products Sector.

In this research, the sector chosen is the energy sector. The energy sector is the scope of companies that sell products and services related to the extraction of non-renewable energy (fossil fuels) and alternative energy, where the income earned is directly influenced by world

energy commodity prices. The energy sector is part of companies in Indonesia which has sub-sectors consisting of Petroleum, Natural Gas, Coal and companies that provide services to support these industrial processes. The energy sector has become an important pillar in the global economy. Mining companies have become one of the sub-sectors listed on the IDX which has a strategic role in ensuring the supply of raw materials in the industry. The availability of adequate energy is very important for the growth and continuity of business in the energy sector which aims to see how the factors influence profit growth in the context of the significant influence that occurs on companies in the energy sector.

The information that has been presented based on the financial report can be used by the company to maximize profits. Profit become a source of funding for the company. Profit is the goal of most companies to be able to maximize and increase the income obtained by the company so that it continues to grow from year to year with the hope that the profits obtained will increase. However, the rise and fall of profits earned by the company each year cannot be predicted. Therefore, to find out whether the profits obtained by the company have increased or decreased, it is necessary to analyze published financial reports to obtain relevant information for the benefit of the users. By using techniques using financial ratios such as FATO, RONW, PR and Inventory To Net Working Capital which are carried out to be able to direct and control the company.

Methods

The research used in this research is associative. This research aims to determine the magnitude of the influence of FATO, RONW, PR and Inventory To Net Working Capital on Profit Growth in Energy Sector Companies Listed on the BEI in 2020-2022. The data collection used in this research is documentation or secondary data carried out by searching on the internet relating to financial ratios and profit growth of energy sector companies that are listed on the IDX. This research data is secondary data sourced from the IDX via the website www.idx.co.id. The population used in this research is 75 energy sector companies registered on the IDX in 2020-2022. The sampling in this research used purposive sampling, namely a sampling technique based on criteria.

Results and Discussion

Profit growth is a ratio to measure the increase in profits obtained by a company, by comparing the profits obtained in the base year with the profits obtained in the previous year. The formula for calculating profit growth is as follows.

$$\text{PL} = \frac{\text{Net Profit this Year} - \text{Net Profit Last Year}}{\text{Last Year's Net Profit}}$$

$$\text{PL} = \frac{-532.323.602.720 - 54.129.993.564}{54.129.993.564} = -10{,}834$$

Table 1. Indonesian Stock Exchange Calculation Results of Energy Sector Issuer Profit Growth for the December 2020-December 2022 Period

No	CODE	Year		
		2020	2021	2022
1	ABMM	(10,834)	(5,991)	1,025
2	ADMR	33,768	(6,567)	1,343
3	ADRO	(0.630)	5,582	2,010

No	CODE	Year		
		2020	2021	2022
4	AKRA	0.368	0.180	1,184
5	APEX	1,217	(0.917)	(20,515)
6	ARII	2,006	(1,057)	30,066
7	BBRM	1,529	(1,061)	0.134
8	BSML	(0.720)	9,212	2,661
9	BSSR	0.016	5,800	0.289
10	BULL	0.805	(7,185)	(0.793)
11	EARTH	(37,124)	(1,672)	1,726
12	BYAN	0.492	2,718	1,004
13	GOD	(0.557)	11,536	(1,193)
14	DOID	(2,160)	(1,012)	110,650
15	DWGL	(2,641)	1,649	(0.964)
16	ELSA	(0.301)	(0.563)	2,473
17	ENRG	1,424	(0.315)	0.854
18	FIRE	0.310	(4,323)	1,064
19	GEMS	0.456	2,735	1,167
20	GTSI	0.056	(2,433)	(1,359)
21	HITS	(0.435)	(2,786)	(1,964)
22	HRUM	2,040	0.650	3,259
23	IATA	0.141	(2,000)	6,768
24	INDY	(22,025)	(1,619)	7,894
25	INPS	3,454	0.803	1,414
26	ITMG	(0.697)	11,713	1,781
27	KKGI	(2,624)	(3,685)	0.872
28	COFFEE	(0.864)	1,000	2,760
29	LEAD	(0.680)	(0.002)	1,487
30	MBAP	(0.210)	2,706	0.948
31	MBSS	(9,404)	(1,820)	1,323
32	MCOL	0.234	5,529	0.437
33	MEDC	6,206	(1,358)	8,634
34	MYOH	(0.114)	0.175	(0.456)
35	PGAS	(2,938)	(2,709)	0.214
36	PSSI	(0.356)	2,005	0.864
37	PTBA	(0.404)	2,338	0.590
38	PTIS	(0.982)	30,209	3,724
39	PTRO	0.053	0.057	0.337
40	KING	(0.596)	0.362	2,518
41	RMKE	0.767	1,728	1,039
No	CODE	Year		
		2020	2021	2022

42	RUIS	(0.168)	(0.334)	0.097
43	SEMA	(0.077)	5,643	(0.451)
44	SICO	0.636	0.381	0.874
45	SMMT	(4,751)	(11,688)	0.612
46	SOCI	1,961	(0.799)	0.315
47	TCPI	(0.786)	0.465	0.368
48	TEBE	(1,055)	(66,590)	0.979
49	TOBA	(0.170)	0.853	0.577
50	TPMA	(0.743)	0.921	2,981
51	UNIQ	(1,114)	3,757	(3,423)

Source: Processed Data, 2024

Based on Table 4.1, it can be seen that the highest profit growth for 2020 was in companies with the issuer code ADMR with a value of 33,768, which means this company experienced an increase in profits compared to the previous year. The lowest profit growth in 2020 was the company with the issuer code BUMI with a value of -37.124, which means this company experienced a decline in profits compared to the previous year. Meanwhile, the highest profit growth in 2021 was the company with the issuer code PTIS with a value of 30,209, which means the company experienced an increase in profits and the lowest profit growth in 2021 was the company with the issuer code TEBE with a value of -66,590, which means the company experienced a decrease in profits compared to the previous year. Apart from that, the highest profit growth in 2022 is for companies with issuer code DOID with a value of 110,650 and the lowest profit growth in 2022 is for companies with issuer code APEX with a value of -20,515. Therefore, profit growth is said to be good if every year the company experiences an increase in sales profits, conversely it is said to be bad if sales profits do not increase or the company even experiences losses.

Financial Ratio Formula

***Fixed Asset Turnover* (FATO)**

Fixed Asset Turn Over (FATO) is carried out to measure how effectively a company uses its fixed assets such as factories and equipment that support the processes carried out by the company. The formula for calculating *Fixed Asset Turn Over* (FATO). Case study at PT. ABM Investama Tbk (ABMM) 2020 as follows.

$$Fixed\ Asset = \frac{\text{"Sale"}}{\text{"Average Fixed Assets"}}$$

$$Fixed\ Asset = \frac{8.553.376.038.480}{((5.139.354.056.704+4.664.378.966.065)/2)} = 1{,}745$$

Fixed Asset Turn Over (FATO) at PT. ABM Investama Tbk (ABMM) in 2020 had a fixed asset turnover of 2 times. So every Rp. 1.00 of fixed assets can generate sales of Rp. 2.00. For other company calculation results, see the following table.

Table 1Indonesian Stock Exchange Calculation Results of *Fixed Asset Turn Over* (FATO) for Issuers in the Energy Sector for the Period December 2020-Period December 2022

No	CODE	Year		
		2020	2021	2022
1	ABMM	1,745	3,023	3,270
2	ADMR	0.277	1,084	2,305
3	ADRO	1,566	2,740	5,937
4	AKRA	3,390	5,088	9,532
5	APEX	0.158	0.237	0.377
6	ARII	0.560	1,547	3,502
7	BBRM	0.232	0.285	0.412
8	BSML	0.130	0.302	1,686
9	BSSR	5,649	11,770	16,272
10	BULL	0.405	0.333	0.339
11	EARTH	34,398	12,277	11,665
12	BYAN	4,274	7,631	9,905
13	GOD	1,688	1,664	2,131
14	DOID	1,112	1,357	1,985
15	DWGL	131,580	196,685	241,469
16	ELSA	4,256	4,491	6,979
17	ENRG	399,216	197,538	132,213
18	FIRE	8,434	6,837	2,065
19	GEMS	12,858	19,876	38,747
20	GTSI	0.642	0.565	0.868
21	HITS	0.647	0.653	0.957
22	HRUM	2,235	5,362	17,204
23	IATA	0.500	1,745	5,089
24	INDY	3,228	7,253	19,806
25	INPS	0.733	0.882	1,224
26	ITMG	5,707	11,558	24,104
27	KKGI	3,179	6,441	14,212
28	COFFEE	3,344	3,323	1,789
29	LEAD	0.208	0.250	0.288
30	MBAP	7,617	14,707	27,362
31	MBSS	0.369	0.540	0.860
32	MCOL	1,961	5,234	6,280
33	MEDC	28,610	29,050	42,835
34	MYOH	4,661	5,360	5,753

Source: Processed Data, 2024

Based on Table 4.2, it can be seen that the highest *Fixed Asset Turn Over* in 2020 was owned by an issuer with the code ENRG at 399,216 times and in 2020 the lowest *Fixed Asset Turn Over* was owned by an issuer with the code LEAD at 0.208 times. Meanwhile, in 2021, the

highest *Fixed Asset Turn Over* was owned by an issuer with the code ENRG at 197.538 times and the lowest *Fixed Asset Turn Over* in 2021 was owned by an issuer with the code SOCI at 0.248 times. Apart from that, the highest *Fixed Asset Turn Over* in 2022 is owned by an issuer with the code DWGL of 2 41,469 times and in 2022 the lowest *Fixed Asset Turn Over* is owned by an issuer with the code LEAD of 0.288 times.

***Return On Net Worth* (RONW)**

Return On Net Worth is a financial ratio used to measure how effective a company is in generating profits from shareholder equity. Formula for calculating *Return On Net Worth* , Case study at PT. ABM Investama Tbk (ABMM) 2020 as follows.

$$Return\ On\ Net\ Worth = \frac{Net\ Income}{Net\ Worth}$$

$$Return\ On\ Net\ Worth = \frac{-532.323.602.720}{2.281.471.676.120} = -0{,}233$$

Return On Net Worth at PT. ABM Investama Tbk (ABMM) in 2020 was -0.233 or 23.3%. Which means that the negative value obtained from the calculation results indicates that net profit is insufficient to cover the company's net equity. For other company calculation results, see the following table:

Table 2Indonesian Stock Exchanges Calculation Results of Return *On Net Worth* (RONW) of Issuers in the Energy Sector for the Period December 2020-December 2022

No	CODE	Year		
		2020	2021	2022
1	ABMM	(0.233)	0.522	0.554
2	ADMR	(0.110)	0.763	0.590
3	ADRO	0.040	0.231	0.434
4	AKRA	0.091	0.100	0.188
No	**CODE**	**Year**		
		2020	**2021**	**2022**
5	APEX	0.351	0.028	(0.975)
6	ARII	(0.581)	0.023	0.371
7	BBRM	(1,554)	0.083	0.027
8	BSML	0.008	0.046	0.148
9	BSSR	0.160	0.812	1,088
10	BULL	0.108	(2,077)	(0.364)
11	EARTH	(2,543)	0.346	0.198
12	BYAN	0.400	0.680	1,154
13	GOD	0.006	0.075	(0.014)
14	DOID	(0.089)	0.001	0.112
15	DWGL	(0.764)	0.691	0.024
16	ELSA	0.067	0.029	0.092
17	ENRG	0.276	0.088	0.130
18	FIRE	0.039	(0.149)	(0.442)
19	GEMS	0.274	1,119	1,247
20	GTSI	0.201	(0.327)	0.090

21	HITS	0.108	(0.203)	0.141
22	HRUM	0.133	0.151	0.383
23	IATA	(0.285)	0.208	0.517
24	INDY	(0.119)	0.072	0.381
25	INPS	(0.140)	(0.333)	(3,892)
26	ITMG	0.045	0.396	0.615
27	KKGI	(0.103)	0.233	0.318
28	COFFEE	0.011	0.021	0.071
29	LEAD	(0.071)	(0.075)	(0.205)
30	MBAP	0.199	0.503	0.717
31	MBSS	(0.096)	0.072	0.137
32	MCOL	0.258	0.683	0.632
33	MEDC	(0.146)	0.051	0.316
34	MYOH	0.175	0.192	0.095
35	PGAS	(0.073)	0.111	0.117
36	PSSI	0.089	0.218	0.290
37	PTBA	0.142	0.331	0.442
38	PTIS	0,000	0.007	0.027
39	PTRO	0.140	0.130	0.138
40	KING	0.020	0.027	0.081
41	RMKE	0.172	0.247	0.335
42	RUIS	0.060	0.038	0.038
No	**CODE**	**Year**		
		2020	**2021**	**2022**
43	SEMA	0.051	0.253	0.074
44	SICO	0.132	0.147	0.104
45	SMMT	(0.041)	0.306	0.396
46	SOCI	0.076	0.015	0.017
47	TCPI	0.040	0.055	0.070
48	TEBE	(0.004)	0.203	0.311
49	TOBA	0.123	0.185	0.222
50	TPMA	0.027	0.051	0.161
51	UNIQ	(0.007)	(0.028)	0.064

Source: Processed Data, 2024

Based on Table 4.3, it can be seen that the highest *Return On Net Worth* in 2020 was owned by an issuer with the code APEX of 0.351 or 35.1% and in 2020 the lowest *Return On Net Worth* was owned by an issuer with the code BUMI of -2.543 or -254.3 %. Meanwhile, in 2021, the highest *Return On Net Worth* was owned by an issuer with the GEMS code of 1.119 or 111.9% and the lowest *Return On Net Worth* in 2021 was owned by an issuer with the INPS code of -0.333 or -33.3%. Apart from that, the highest *Return On Net Worth* in 2022 is owned by an issuer with the GEMS code 1,247 or 124.7% and in 2022 the lowest *Return On Net Worth* is owned by an issuer with the INPS code of -3,892 or -389.2.

***Plowback Ratio* (PR)**

The plowback ratio is a ratio that measures how much of a company's net profit is reinvested in the company rather than distributed to shareholders as dividends. Formula for calculating *Plowback Ratio* , case study at PT. ABM Investama Tbk (ABMM) 2020 as follows:

$$Plowback\ Ratio = \frac{Retained\ Earnings}{Net\ Income}$$

$$Plowback\ Ratio = \frac{\text{-337.259.915.720}}{\text{-532.323.602.720}} = 0{,}634$$

Plowback Ratio at PT. ABM Investama Tbk. (ABMM) in 2020 was 0.634 or 63.4%, which shows that the company uses around 63.4% of its net profit to finance future growth and development, while the remaining 36.6% is paid to shareholders as dividends or used for other purposes. For other company calculation results, see the following table:

Table 3Indonesian Stock Exchanges Results of *Plowback Ratio* (PR) Calculation for Issuers in the Energy Sector for the Period December 2020-December 2022

No	CODE	Year		
		2020	2021	2022
1	ABMM	0.634	0.667	1,005
2	ADMR	0.949	0.520	1,233
3	ADRO	14,807	2,639	1,583
4	AKRA	7,204	6,624	3,668
5	APEX	(1,464)	(16,824)	1,950
6	ARII	9,131	(163,753)	(4,916)
7	BBRM	7,223	(118,887)	(114,590)
8	BSML	32,599	4,192	2,020
9	BSSR	3,927	0.888	0.625
No	**CODE**	**Year**		
		2020	**2021**	**2022**
10	BULL	(1,624)	1,175	7,134
11	EARTH	9,057	(12,926)	(4,243)
12	BYAN	2,115	1,297	0.791
13	GOD	(30,908)	(2,429)	18,439
14	DOID	(3,014)	252,333	3,265
15	DWGL	(35,675)	(12,466)	(344,594)
16	ELSA	10,539	24,430	7,890
17	ENRG	(10,688)	(14,766)	(7,780)
18	FIRE	0.383	0.876	1,421
19	GEMS	1,350	0.275	0.478
20	GTSI	4,209	0.735	(1,733)
21	HITS	4,464	(1,446)	2,351
22	HRUM	4,141	3,235	1,429
23	IATA	12,196	(12,907)	-0.966
24	INDY	(3,486)	6,606	1,739

25	INPS	4,659	3,535	2,445
26	ITMG	12,826	1,797	1,263
27	KKGI	(12,474)	5,343	3,970
28	COFFEE	(141,796)	(69,930)	(17,607)
29	LEAD	14,993	16,205	8,184
30	MBAP	4,069	1,726	1,247
31	MBSS	(5,891)	8,213	4,879
32	MCOL	1,204	0.913	1,147
33	MEDC	(2,715)	8,152	1,779
34	MYOH	4,190	3,956	8,213
35	PGAS	(11,107)	7,407	7,028
36	PSSI	4,670	2,473	2,229
37	PTBA	6,446	2,751	2,057
38	PTIS	(434,985)	(12,588)	(1,736)
39	PTRO	6,438	6,920	7,256
40	KING	23,934	18,268	6,358
41	RMKE	3,297	1,206	1,554
42	RUIS	13,777	22,214	22,182
43	SEMA	13,017	0.849	2,348
44	SICO	4,937	1,282	1,518
45	SMMT	(1,949)	1,116	1,006
46	SOCI	7,062	36,658	31,756
47	TCPI	9,137	7,208	6,143
No	**CODE**	**Year**		
		2020	**2021**	**2022**
48	TEBE	(96,552)	2,422	1,952
49	TOBA	4,146	3,001	2,717
50	TPMA	21,033	11,092	3,898
51	UNIQ	(132,104)	(27,471)	12,300

Source: Processed Data, 2024

Based on Table 4.4, it can be seen that the highest *Plowback Ratio* in 2020 was owned by an issuer with the BSML code of 32,599 and in 2020 the lowest *Plowback Ratio* was owned by an issuer with the PTIS code of -434,985 . Meanwhile, in 2021, the highest *Plowback Ratio* was owned by an issuer with the DOID code of 252,333 and the lowest *Plowback Ratio* in 2021 was owned by an issuer with the ARII code of -163,753. Apart from that, the highest *Plowback Ratio* in 2022 is owned by an issuer with the SOCI code of 31,756 and in 2022 the lowest *Plowback Ratio* is owned by an issuer with the DWGL code of -344,594 .

Inventory To Net Working Capital **(ITNWC)**

Inventory to Net Working Capital is a ratio used to compare the amount of existing inventory with the company's working capital or the difference between the company's current assets and current liabilities. As for the formula for calculating ITNWC in the PT case study. ABM Investama Tbk (ABMM) 2020, as follows.

$$Inventory\ To\ NWC = \frac{Inventory}{(Current\ Assets\text{-}Current\ Liabilities)}$$

$$IT\ NWC = \frac{531.975.956.785}{(4.431.235.516.890 - 3.705.263.410.030)} = 0{,}732$$

ITNWC PT Value. ABM Investama Tbk (ABMM) has a turnover of 0.723 times or 1 time. So every 1 asset can generate sales of 1.00. Other company results can be seen in the following table.

Table 4Indonesian Stock Exchange Calculation Results of Inventory *To Net Working Capital* (ITNWC) for Energy Sector Issuers for the December 2020-December 2022 Period

No	CODE	Year		
		2020	2021	2022
1	ABMM	0.733	0.203	0.620
2	ADMR	0.475	0.148	0.119
3	ADRO	0.179	0.085	0.069
4	AKRA	0.353	0.877	0.669
5	APEX	0.607	0.608	0.480
6	ARII	(0.021)	(0.074)	(0.259)
7	BBRM	(0.003)	(0.002)	0.045
8	BSML	(0.027)	0.093	0.536
9	BSSR	0.216	0.198	0.904
10	BULL	19,501	(0.052)	(0.121)
11	EARTH	(0.030)	(0.015)	(0.261)
12	BYAN	0.165	0.098	0.208
13	GOD	0.792	(0.570)	(0.567)
14	DOID	0.268	0.335	0.349
15	DWGL	(0.565)	(0.456)	(0.713)
16	ELSA	0.166	0.171	0.245
17	ENRG	(0.143)	(0.290)	(0.232)
18	FIRE	0.183	0.237	(0.461)
19	GEMS	0.250	3,365	0.170
20	GTSI	(0.367)	(2,184)	0.173
No	**CODE**	**Year**		
		2020	**2021**	**2022**
21	HITS	(0.125)	(0.446)	1,083
22	HRUM	0.053	0.127	0.147
23	IATA	(0.207)	(0.265)	(0.249)
24	INDY	0.061	0.046	0.074
25	INPS	(0.036)	(0.015)	(0.013)
26	ITMG	0.283	0.100	0.073
27	KKGI	0.237	0.946	0.762
28	COFFEE	2,858	1,167	1,179
29	LEAD	0.065	0.040	0.049

30	MBAP	0.142	0.074	0.140
31	MBSS	0.093	0.084	0.026
32	MCOL	0.306	0.057	0.055
33	MEDC	0.152	0.145	0.285
34	MYOH	0.213	0.164	0.136
35	PGAS	0.084	0.041	0.049
36	PSSI	1,063	0.204	0.123
37	PTBA	0.179	0.113	0.279
38	PTIS	0.031	0.039	0.020
39	PTRO	0.049	0.141	0.518
40	KING	0.008	0.011	0.024
41	RMKE	(1,018)	0.255	0.166
42	RUIS	0.376	0.192	0.080
43	SEMA	1,467	1,487	0.843
44	SICO	(0.395)	0.144	0.053
45	SMMT	(0.237)	0.083	2,019
46	SOCI	0.125	0.112	0.323
47	TCPI	(0.128)	(0.182)	(0.290)
48	TEBE	0.845	0.028	0.032
49	TOBA	(0.928)	0.159	0.181
50	TPMA	0.199	0.128	0.086
51	UNIQ	(0.117)	(0.812)	0.092

Source: Processed Data, 2024

Based on Table 4.5, it shows that in 2020 *the Inventory To Net Working Capital value* was highest in companies with the issuer code BULL at 19,501. Meanwhile, the lowest was for companies with the issuer code RMKE of – 1.018. Apart from that, in 2021 the *Inventory To Net Working Capital value* was highest in companies with the issuer code GEMS at 3,365. Meanwhile, the lowest was for companies with the issuer code UNIQ at –0.812. In 2022, *the Inventory To Net Working Capital value* will be highest in companies with the issuer code KOPI at 1,179. Meanwhile, the lowest was for companies with the issuer code DEWA at – 0.657.

Classic Assumption Test

Normality Test

The normality test carried out in this study aims to determine the distribution of data in the variables in this study. The data normality test can be seen using the *Kolmogrov-Smirnov normal test.* The results of the normality test calculations can be seen in the following table:

Table 5. Normality Test Results One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residuals
N		51
Normal Parameters [a, b]	Mean	,0000000
	Std. Deviation	6.92577265

Most Extreme Differences	Absolute	,241
	Positive	,241
	Negative	-,204
Statistical Tests		,241
Asymp. Sig. (2-tailed)		,000 [c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: Processed Data, 2024

In Table 4.6, the results of the normality test using the One-Sample Kolmogrov-Swirnov Test method show the number 0.000 which is smaller than 0.05, which means that all the variables used in this research have data that is not normally distributed. Thus improvements were made through data transformation into Ln (Log Natural). The results of the normality test with Ln (Log Natural) data transformation using the One Sample Kolmogrov Swirnov Test method can be presented from the following table:

Table 6Normality Test Results After Data Transformation

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residuals
N		21
Normal Parameters [a, b]	Mean	,0000000
	Std. Deviation	1.09050514
Most Extreme Differences	Absolute	,127
	Positive	,127
	Negative	-,093
Statistical Tests		,127
Asymp. Sig. (2-tailed)		,200 [c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Processed Data, 2024

In Table 4.7. shows that the results of the Ln data transformation normality test show a figure of 0.200 which is greater than 0.05, which means that all the variables used in this research have data that is normally distributed.

Multicollinearity Test

The multicollinearity test is needed to determine whether or not there are independent variables that are similar between the independent variables, which will result in the decision making process regarding the influence of the partial test of each independent variable on the dependent variable.

Table 7Multicollinearity Test Results

Coefficients								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,949	1,169		,812	,421		
	Fixed Asset Turnover	-,001	,025	-,007	-,043	,966	,893	1,120
	Return On Net Worth	1,349	2,930	,069	,460	,647	,940	1,063
	Plowback Ratio	,029	,030	,148	,965	,339	,892	1,121
	Inventory To Net Working Capital	-,400	1,081	-,055	-,370	,713	,941	1,063
a. Dependent Variable: Profit Growth								

Source: Processed Data, 2024

In Table 4.8, it is found that the Tolerance value of the independent variables, namely *Fixed Asset Turnover, Return on Net Worth, Plowback Ratio,* and *Inventory To Net Working Capital* is greater than 0.10 and the VIF value also shows the same thing, there is not one independent variable that has a VIF value of more than 10. So, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity Test

The purpose of heteroscedasticity testing is to see whether there is inequality of variance in the regression model or not. This test can be done with the Glejsler test, namely a test using the Residual ABS value. A good heteroscedasticity test is one where heteroscedasticity does not occur. Heteroscedasticity testing is obtained if:

a) If the Sig value. < 0.05 then heteroscedasticity occurs
b) If the Sig value. > 0.05 then heteroscedasticity does not occur

The results of the heteroscedasticity test calculation can be seen in the following table:

Table 8Heteroscedasticity Test Results

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,119	,982		4,196	,000

	Fixed Asset Turnover	-,015	,021	-,104	-,681	,499
	Return On Net Worth	-2,338	2,460	-,142	-,950	,347
	Plowback Ratio	-,003	,025	-,017	-,110	,913
	Inventory To Net Working Capital	-,589	,908	-.097	-,649	,520
a. Dependent Variable: Abs_RES						

Source: Processed Data, 2024

From the results of Table 4.9 above, the results of the Heteroscedasticity Test are as follows: The results of the Heteroscedasticity Test between *Fixed Asset Turn Over* (X1) and Profit Growth (Y) show a probability value (sig), of 0.499 > 0.05, so heteroscedasticity does not occur. The results of the Heteroscedasticity Test between *Return On Net Worth* (X2) and Profit Growth (Y) show a probability value (sig), of 0.347 > 0.05, so heteroscedasticity does not occur. The results of the Heteroscedasticity Test between *Plowback Ratio* (X3) and Profit Growth (Y) show a probability value (sig), of 0.913 > 0.05, so heteroscedasticity does not occur. The results of the Heteroscedasticity Test between *Inventory To Net Working Capital* (X4) and Profit Growth (Y) show a probability value (sig), of 0.520 > 0.05, so heteroscedasticity does not occur.

Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between confounding errors from period t and confounding errors in period t-1. If there is a correlation then it is called an autocorrelation problem. To detect whether or not there is autocorrelation in the regression model, use the Durbin – Watson test method (DW Test).

Table 9Autocorrelation Test Results

Model Summary [b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,181 [a]	,033	-,051	7.22062	1,920
a. Predictors: (Constant), Inventory To Net Working Capital, Plowback Ratio, Return On Net Worth, Fixed Asset Turn Over					
b. Dependent Variable: Profit Growth					

Source: Processed Data, 2024

Based on the test results in Table 4.10, it shows that the Durbin-Watson value is 1.920 in the *Durbin-Watson table* with the number of observations (n) = 51 and the number of variables is four (k = 4), the values du = 1.722 and 4 - du = 2.278. *The Durbin-Watson du* value was obtained and *the Durbin-Watson value* was between du < d < 4 – du, namely 1.722 < 1.920 < 2.278. So it can be concluded that the research data used does not have autocorrelation.

Linearity Test

The linearity test is used to see whether the specifications of the model used are correct or not. So, in this research the linearity test was carried out using the Lagrange Multiplier test with the aim of getting the calculated C^2 or ($nx R^2$).

Table 10Linearity Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,181 [a]	,033	-,051	7.22062
a. Predictors: (Constant), Inventory To Net Working Capital, Plowback Ratio, Return On Net Worth, Fixed Asset Turn Over				

Source: Processed Data, 2024

Table 4.11 shows that the linearity test for R ^{2} is 0.033 with a number of issuers of 51, so the $^{\text{calculated}}$ c $^{2\text{ value}} = {}^{51}$ table 68,669 . Therefore, c ^{2} count < c ^{2} table, namely with a value of 1.683 < 68.669. So it can be concluded that the model used has a linear relationship.

Statistic test

Multiple Linear Regression Analysis

Multiple linear regression analysis to calculate the magnitude of the quantitative influence of a change in an event (variable X) on another event (variable Y). The test calculation results can be seen in the following table:

Table 11Multiple Linear Regression Analysis Test Results

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,949	1,169		,812	,421
	Fixed Asset Turnover	-,001	,025	-,007	-,043	,966
	Return On Net Worth	1,349	2,930	,069	,460	,647
	Plowback Ratio	,029	,030	,148	,965	,339
	Inventory To Net Working Capital	-,400	1,081	-,055	-,370	,713
a. Dependent Variable: Profit Growth						

Source: Processed Data, 2024

In Table 4.12, the multiple linear regression equation can be seen as follows:

$$Y = 0.949 - 0.001X1+1.349\ X2+0.029X3-0.400X4$$

The regression equation model that can be written from these results in the form of an unstandardized linear regression equation is as follows: The bo regression coefficient of 0.949 shows that *Fixed Asset Turn Over* (FATO), *Return On Net Worth* (RONW), *Plowback Ratio* (PR), and *Inventory To Net Working Capital* (ITNWC) are equal to zero, so the contribution to profit growth is 0.949. The value of b1 is -0.001, indicating a negative relationship (in the opposite direction) between *Fixed Asset Turn Over* (FATO) and profit growth. These results indicate that the higher the level of *Fixed Asset Turn Over* (FATO) owned by a company, the company's profit growth will decrease and vice versa. In other words, if *Fixed Asset Turn Over* (FATO) increases by one unit, the influence on profit growth will decrease by 0.001 assuming the other variables are constant. The value of b1 is 1.349, indicating a positive (unidirectional) relationship between *Return On Net Worth* (RONW) and profit growth. These results indicate

that the higher the level of *Return On Net Worth* (RONW) owned by a company, the company's profit growth will increase and vice versa. In other words, if *Return On Net Worth* (RONW) increases by one unit, the influence on profit growth will increase by 1.349 assuming the other variables are constant.

The b1 value is -0.400, indicating a positive (unidirectional) relationship between *the Plowback Ratio* (PR) and profit growth. These results indicate that the higher the level of Plowback Ratio (PR) a company has, the more the company's profit growth will increase and vice versa. In other words, if *the Plowback Ratio* (PR) increases by one unit, the influence on profit growth will increase by 0.029 assuming the other variables are constant. The value of b1 is -0.400, indicating a negative relationship (in the opposite direction) between *Inventory To Net Working Capital* (ITNWC) and profit growth. These results indicate that the higher the level of *Inventory To Net Working Capital* (ITNWC) owned by a company, the company's profit growth will decrease and vice versa. In other words, if *Inventory To Net Working Capital* (ITNWC) increases by one unit, the influence on profit growth will decrease by 0.400 assuming the other variables are constant.

Multiple Correlation Coefficient (R)

Correlation analysis is carried out in order to test the associative hypothesis, namely by predicting the relationship between variables in the sample. The calculation results can be seen in the following table:

Table 12Multiple Correlation Coefficient Test Results (R)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,181 [a]	,033	-,051	7.22062
a. Predictors: (Constant), Inventory To Net Working Capital, Plowback Ratio, Return On Net Worth, Fixed Asset Turn Over				

Source: Processed Data, 2024

From the results of Table 4.13, it can be seen that the R (correlation) value obtained is 0.181, which means that there is a very weak relationship *between Fixed Asset Turn Over, Return On Net Worth, Plowback Ratio,* and *Inventory To Net Working Capital* on Profit Growth.

Coefficient of Determination (R^2)

This test was carried out to find out how much contribution variable X has to variable Y. The following is a table of the results of the coefficient of determination test.

Table 13Coefficient of Determination Test Results (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,181 [a]	,033	-,051	7.22062
a. Predictors: (Constant), Inventory To Net Working Capital, Plowback Ratio, Return On Net Worth, Fixed Asset Turn Over				

Source: Processed Data, 2024

Table 4.14 shows the results of the analysis of the coefficient of determination in the table above, obtained an *Adjusted R-Square* (coefficient of determination) value of 0.033 or equal to 3.3%. It can be concluded that the variables *Fixed Asset Turn Over* (X1), *Return On Net Worth* (X2), *Plowback Ratio* (X3), and *Inventory To Net Working Capital* (X4) on Profit Growth (Y) are 3.3% while the remaining 96.7% is influenced by variables outside this research.

Simultaneous Effect Test (F Test)

The simultaneous influence test (F test) is a test carried out to show whether all the independent variables entered have a joint influence on the dependent variable. The results of the F test calculation can be seen in the following table:

Table 14Simultaneous Effect Test Results (F Test)

ANOVA [a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	81,624	4	20,406	,391	,814 [b]
	Residual	2398,316	46	52,137		
	Total	2479,940	50			
a. Dependent Variable: Profit Growth						
b. Predictors: (Constant), Inventory to Net Working Capital, Plowback Ratio, Return On Net Worth, Fixed Asset Turn Over						

Source: Processed Data, 2024

Based on Table 4.15, it shows that the significant value (sig) in the F test of 0.814 is greater than 0.05, which means that the variables *Fixed Asset Turn Over, Return On Net Worth, Plowback Ratio,* and *Inventory To Net Working Capital* together do not significant effect on Profit Growth.

Partial Influence Test (t Test)

A partial test (t test) was carried out to determine the influence of each or partial independent variable *Fixed Asset Turn Over, Return On Net Worth, Plowback Ratio,* and *Inventory To Net Working Capital* on the dependent variable or Profit Growth which can be seen in the following table:

Table 15Partial Effect Test Results (t Test)

Coefficients [a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,949	1,169		,812	,421
	Fixed Asset Turnover	-,001	,025	-,007	-,043	,966
	Return On Net Worth	1,349	2,930	,069	,460	,647
	Plowback Ratio	,029	,030	,148	,965	,339
	Inventory To Net Working Capital	-,400	1,081	-,055	-,370	,713

a. Dependent Variable: Profit Growth

Source: Processed Data, 2024

In Table 4.16 you can see the influence of each variable *Fixed Asset Turn Over* (FATO), *Return On Net Worth* (RONW), *Plowback Ratio* (PR), and *To Net Working Capital* (ITNWC) partially on profit growth.

This can be explained as follows. The results of the partial test (t test) between the *Fixed Asset Turn Over* (FATO) variable and the profit growth variable show a significance (Sig.) of 0.966 > 0.05, which means *Fixed Asset Turn Over* (FATO) has no effect on Profit Growth. The results of the partial test (t test) between the *Return On Net Worth* (RONW) variable and the profit growth variable show a significance (Sig.) of 0.647 > 0.05, which means that *Return On Net Worth* (RONW) has no effect on Profit Growth. The results of the partial test (t test) between the *Plowback Ratio* (PR) variable and the profit growth variable show a significance (Sig.) of 0.339 > 0.05, which means *the Plowback Ratio* (PR) has no effect on Profit Growth.

The results of the partial test (t test) between *the Inventory to Net Working Capital* (ITNWC) variable and the profit growth variable show a significance (Sig.) of 0.713 > 0.05, which means that *Inventory To Net Working Capital* (ITNWC) has no effect on Profit Growth.

Conclusion

The value of the multiple correlation coefficient obtained by the R (Correlation) value is 0.181. Which means there is a very weak relationship between *Fixed Asset Turn Over, Return on Net Worth, Plowback Ratio,* and *Inventory to Net Working Capital* on Profit Growth. The coefficient of determination (R2) obtained was 0.033 or 3.3%. This means that there is a 3.3% influence of *Fixed Asset Turn Over, Return on Net Worth, Plowback Ratio,* and *Inventory To Net Working Capital* on Profit Growth. Meanwhile, the remaining 96.7% is influenced by other variables, which were not examined in this research. The results of the Simultaneous Test (F Test) show that together the independent variables do not have a significant effect on the dependent variable. This is proven by the calculated F value, which is 0.391 and has a probability value (sig*)* of 0.814 which is greater than 0.05, meaning that *Fixed Asset Turn Over, Return on Net Worth, Plowback Ratio,* and *Inventory To Net Working Capital* together. the same does not have a significant effect on Profit Growth. The results of the partial test (t test) between the variable *Fixed Asset Turn Over* (X1) have a probability value (*sig*) of 0.966, *Return On Net Worth* (X2) has a probability value (sig) of 0.647, Plowback Ratio (X3) has a probability value (sig) of 0.399, and Inventory To Net Working Capital (X4) has a probability value (sig) of 0.713, so it can be concluded that it partially has no effect on Growth Profit

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