



The Effect of Company Size, Leverage, and Profitability on Financial Performance in Food and Beverage Companies Listed on the Indonesian Stock Exchange (BEI) in 2022-2023

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Abstract: The aim of this research is to examine the effect of company size measured by the natural logarithm (Ln) of total assets, leverage (DAR) profitability (ROE) on financial performance (NPM) in food and beverage companies in 2022-2023. The sample selection technique was purposive sampling, the sample consistend of 31 companies. The data analysis technique in this research is descriptive statistical analysis, classical assumption testing, multiple linear regression analysis, hypothesis testing and coefficient of determination testing, by applying software SPSS ver 25. The results of the research show that partially company size has no significant effect on financial performance, while individually (partially) leverage and profitability have a significant effect on financial performance. Simultaneously company size, leverage and profitability have an effect on financial performance.

Keywords: Financial Performance, Company Size, Leverage, Profitability

Introduction

Food and beverage companies are one of the manufacturing business sectors that operate in the food and beverage industry. Food and beverage companies growing rapidly in Indonesia because this country has a large population and produces high demand, so that purchasing power is high. This sub-sector is able to survive stably in various conditions, making it an attractive investment opportunity for investors. The growth of *food and beverage companies* reached 3.75% in the third quarter of 2022, greater than the same period last year, which was recorded at 3.49%. Despite the impact of the corona virus, the food and beverage sector can still grow and play a role in the development of *non-* oil and gas companies, which reached 4.88%. In the 2023 period, *food and beverage companies* contributed 39.10% to the Gross Domestic Product (GDP) of *non-* oil and gas companies, amounting to 6.55% of national GDP. Despite facing pressure due to the Covid-19 pandemic, the food and beverage sector has increased again with a growth of 4.47% in 2023 (Putu, 2023), lower than the previous quarter of 4.62%. However, the growth target for food companies in 2023 remains

optimistic, which is around 5-7%. One of the main factors for this growth is *exports* from food and beverage companies which managed to reach a value of USD 48.6 billion.

Table 1. Food and Beverage Company Net Profit Data 2022-2023

CODE COMPANY	ANNUAL NET PROFIT	
	2022	2023
ADES	Rp. 364,972,000,000	Rp. 395,795,000,000
AISA	-Rp 62,359,000,000	Rp. 18,796,000,000
ALTO	-Rp 16,129,026,748	-Rp 25,197,765,585
CAMP	Rp. 121,257,336,904	Rp. 127,426,464,539
CHECK	Rp. 220,704,543,072	Rp. 153,574,779,624
TAYS	-Rp 19,466,284,403	Rp. 7,732,743,618
CPIN	Rp. 2,930,357,000,000	Rp. 2,318,088,000,000
DLTA	Rp. 230,065,807,000	Rp. 199,611,841,000
DMND	Rp. 382,105,000,000	Rp. 391,078,000,000
FOOD	-Rp 22,068,477,089	-Rp 20,380,916,766
GOOD	Rp. 521,714,035,585	Rp. 601,467,293,291
HOCKEY	Rp. 90,572,477	-Rp 3,370,825,857
ICBP	Rp. 5,722,194,000,000	Rp. 8,465,123,000,000
FISH	Rp. 2,035,931,112	Rp. 934,253,601
INDF	Rp. 9,192,569,000,000	Rp. 11,493,733,000,000
MLBI	Rp. 924,906,000,000	Rp. 1,066,467,000,000
MYOR	Rp. 1,970,064,538,149	Rp. 3,244,872,091,221
PANI	Rp. 288,311,135,000	Rp. 780,679,186,000
PCAR	Rp. 4,932,754,628	Rp. 9,204,103,933
PSDN	-Rp 25,834,965,112	Rp. 143,397,423,734
BREAD	Rp. 432,247,722,254	Rp. 333,300,420,963
SKBM	Rp. 86,635,603,936	Rp. 2,306,736,526
SKLT	Rp. 74,865,302,076	Rp. 78,089,597,225
STTP	Rp. 624,524,005,786	Rp. 917,794,022,711
ULTJ	Rp. 965,486,000,000	Rp. 1,186,161,000,000

Source: www.idx.co.id, processed in October 2024

From the table above, net profit in the *food and beverage sector companies* for the 2022-2023 period increased. Around 34% for companies that experienced an increase, namely ADES, CAMP, CPIN, GOOD, MYOR, STTP, MLBI, PANI, PCAR, PSDN. While the decrease in net profit in 2022-2023 was around 16%, namely ALTO, FOOD, HOKI. The increase in profits for *food and beverage sector companies* was due to sales that continued to increase during 2022-2023.

Methodology

The type of research applied in this study is a quantitative approach that is associative or correlational. The research applied in this study is causal research. According to Marihot Manullang and Manuntun Pakpahan (2014:19) , causal research or cause and effect relationships aim to determine whether a variable that functions as an independent variable has an influence on another variable that acts as a dependent variable. Four variables applied in this study include: Financial performance (Y), Company Size (X1), Leverage (X2), Profitability (X3).

Population and Sample

Sugiyono (2018:130) population is a generalization era that includes: objects/subjects that have specific quantities and characteristics determined by researchers to be analyzed and then conclusions drawn. In this study, the population is the food and beverage sector companies listed on the Indonesia Stock Exchange (IDX). Sample is a part of the population that is used as a source of information (data) in research. This research uses *non-probability sampling technique with purposive sampling* type , where *purposive sampling* is the selection of samples from the population based on certain reasons, either from an expert *perspective* or scientific considerations.

Table 2. The criteria are determined by the researcher as follows:

No	Information	Amount
1	Food and beverage companies listed on the IDX for the 2022-2023 research period.	52
2	Food and beverage companies are experiencing leasing in 2022-2023.	(3)
3	Food and beverage companies using foreign currency 2022-2023.	(2)
4	Food and beverage companies do not have complete data related to 2022-2023 research variables	(5)
5	Food and beverage companies to generate negative profits in 2022-2023	(8)
	Food and beverage companies that meet the criteria	34
	outlier	(3)
Total Research Sample		31x2 = 62

Source: Processed secondary data, 2024

Table 3. the following is a list of companies that meet the criteria used as research samples:

NO	CODE	COMPANY NAME
1	ADES	PT Akasha Wira International Tbk
2	AALI	PT Astra Agro Lestari Tbk
3	BUDI	PT Budi Starch Sweetener Tbk
4	BISS	PT Bisi International Tbk
5	CMRY	PT Cisarua Mountain Dairy Tbk
6	CRAB	PT Toba Sumiri Industries Tbk
7	CHECK	PT Wilmar Cahaya Indonesia Tbk
8	CPIN	PT Sharoen Pokhpand Indonesia Tbk
9	DSNG	PT.
10	DMND	PT Diamond Food Indonesia Tbk
11	GOOD	PT Garuda Food Putra Putri Jaya Tbk
12	IBOS	PT Indo Bogas Sukses Raya Tbk
13	ICBP	PT Indofood CPB Sukses Makmur Tbk
14	FISH	PT Era Mandiri Cemerlang Tbk
15	INDF	PT Indofood Sukses Makmur Tbk
16	IPPE	PT Indo Pureco Pratama Tbk
17	JPFA	PT Japfa Comfeed Indonesia Tbk
18	CHEESE	PT.
19	LSIP	PT London Sumatra Indonesia Plantation Tbk
20	MYOR	PT.
21	RICE	PT Wahana Inti Makmur Tbk
22	PCAR	PT.
23	PSGO	PT Palma Serasih Tbk
24	BREAD	PT Nippon Indosari Corpindo Tbk
25	SKLT	PT.
26	SKBM	PT.
27	STTP	PT Siantar Top Tbk
28	TRGU	PT Cerestar Indonesia Tbk
29	TBLA	PT.
30	TGKA	PT.
31	ULTJ	PT Ultrajaya Milk Industry & Trading Company Tbk

Source: Processed Secondary Data, 2024

Data Analysis Techniques

The data used in this study is indirect observation carried out by downloading the financial reports of *food and beverage companies* listed on the Indonesia Stock Exchange (IDX) for 2022-2023 from each company website (www.idx.co.id).

Result and Discussion

Descriptive Statistical Analysis

The process of measuring descriptive statistical analysis needs to be carried out in order to obtain an overview of data such as the average (*mean*), maximum value, minimum value and standard deviation of each variable. The following are the results of descriptive statistical analysis:

Table 4. Descriptive Statistical Analysis

	N	Mini mum	Maxi mum	Mean	Std. Deviation
Financial performance	62	.00	283.00	85.4677	72.55043
Company Size	62	24975. 00	32860. 00	28961.37 10	1952.2175 8
Leverage	62	28.00	711.00	341.7742	188.00361
Profitability	62	2.00	273.00	111.8387	67.35450
Valid N (listwise)	62				

Source: SPSS Output Ver 25, 2024

Classical Assumption Test

Kolmogorov-Smirnov Normality Test

Table 5. Kolmogorov-Smirnov (KS)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		62
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	46.13823791
Most Extreme Differences	Absolute	.086
	Positive	.086
	Negative	-.065
Test Statistics		.086
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: SPSS Output Ver 25, 2024

The results of the Kolmogorov-Smirnov normality test show that the Asymp. Sig. value is $0.200 > 0.05$, therefore, it can be concluded that the regression model in this study is normally distributed.

Histogram Graph Normality Test

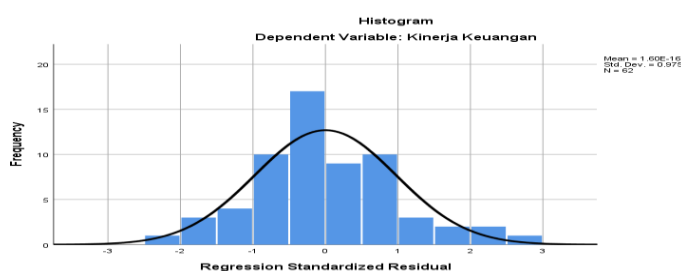


Figure 1. Histogram Graph Normality Test

Source: SPSS Output Ver 25, 2024

From the image above, it can be concluded that the histogram graph shows results in the form of a normal, symmetrical distribution pattern and does not deviate to the right or left.

Normality Test of Normal Probability Plot Graph

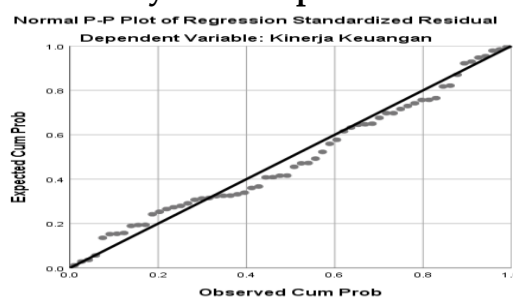


Figure 2. Normality Test of PP-Plot Normal Graph

Source: SPSS Output Ver 25, 2024

Based on the image above, the PP-Plot graph shows that the data (points) are spread around the diagonal line, following the direction of the diagonal line, so it can be concluded that the regression model in this study is normally distributed.

Autocorrelation Test

Table 6. Autocorrelation Test

Runs Test	
	Unstandardized Residual
Test Value ^a	-7.66110
Cases < Test Value	31
Cases $\geq$ Test Value	31

Runs Test	
	Unstandardized Residual
Total Cases	62
Number of Runs	34
Z	.512
Asymp. Sig. (2-tailed)	.608
a. Median	

Based on the table above, the test value ^a shown is -7.66110 with Asymp. Sig is 0.608 > 0.05, it can be concluded that the regression model is free from autocorrelation.

Multicollinearity Test

Table 7. Multicollinearity Test

Coefficients ^a		
Model		Collinearity Statistics
		Tolerance VIF
1	(Constant)	
	Company Size	.811 1.233
	Leverage	.888 1.126
	Profitability	.884 1.131

a. Dependent Variable: Financial Performance

Source: SPSS Output Ver 25, (2024)

Based on the table above, it is concluded that this study does not have multicollinearity with a company size tolerance value of 0.811 > 0.10 and a VIF value of 1.233 < 10, a leverage tolerance value of 0.888 > 0.10, a VIF value of 1.126 < 10, and a profitability tolerance value of 0.884 > 0.10, a VIF value of 1.131 < 10.

Heteroscedasticity Test

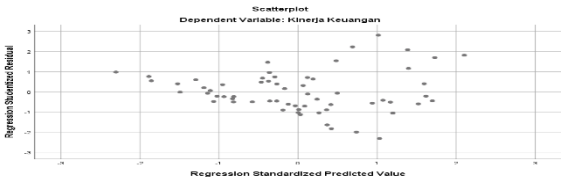


Figure 3. Heteroscedasticity Test

Source: SPSS Output Ver 25, (2024)

Based on the image above, the scatterplot graph is randomly spread above and below zero on the Y axis and the points do not form a particular pattern, so it can be concluded that the regression equation model does not experience heteroscedasticity.

Multiple Linear Regression Analysis

The purpose of multiple linear regression is to determine the effect of independent variables on dependent variables. Here is the multiple linear regression model: $Y_1 = \alpha_0 + \alpha_1 X_1 + \alpha_2 X_2 + \alpha_3 X_3 + \varepsilon$

Table 8. Multiple Linear Regression Analysis Coefficients ^a

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	-99.277	93,841
	Company Size	.006	.003
	Leverage	-.184	.034
	Profitability	.588	.096

Source: SPSS Output Ver 25, (2024)

Based on the table above, the multiple linear regression model is obtained as follows:
 $Y = -99.277 + 0.006X_1 - 0.184X_2 + 0.588X_3 + \varepsilon$

Hypothesis Testing

F Test (Simultaneous)

Table 9. Simultaneous Tests

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	191224.479	3	63741.493	28,471	.000 ^b
	Residual	129852.957	58	2238.844		
	Total	321077.435	61			

a. Dependent Variable: Financial Performance

b. Predictors: (Constant), Profitability, Leverage, Company Size

Source: SPSS Output Ver 25, (2024)

It can be seen that the calculated F value is 28.471 with the F table value of 2.76, therefore the calculated $F > F$ table while the significance level is 0.000 which means < 0.05 , it can be concluded that the variables of company size, *leverage* and *profitability* have a simultaneous or concurrent effect on financial performance.

T-Test (Partial)**Table 10.** Partial Test Coefficients ^a

Model		t	Sig.
1	(Constant)	-1.058	.294
	Company Size	1,823	.073
	Leverage	-5.388	.000
	Profitability	6.152	.000

Source: SPSS Output Ver 25, (2024)

Company size with a calculated t value of $1.823 < t_{\text{table}} 2.00172$ and a significance of $0.073 > 0.05$, it can be concluded that the company size variable has no influence and is not significant on financial performance. *Leverage* value $t_{\text{count}} -5.388 < t_{\text{table}} 2.00172$ and its significance $0.000 < 0.05$ it can be concluded that *leverage has a significant effect on financial performance*. The t_{count} value of *profitability* $6.152 > t_{\text{table}} 2.00172$ and its significance $0.000 < 0.05$ it can be concluded that *profitability* has a significant effect on financial performance.

Coefficient of Determination Test**Table 11.** Test of Determination Coefficient

Model Summary ^b						
Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.772	.596	.575		47.31643	2.021

a

a. Predictors: (Constant), Profitability, Leverage, Company Size

b. Dependent Variable: Financial Performance

Source: SPSS Output Ver 25, (2024)

From the table above, it is concluded that the *R square value* is 0.596. *Adjusted R Square* 0.575 shows that the variables of company size, *leverage* and *profitability* are able to explain financial performance by 57.5% while the remaining 42.5% is explained by other variables.

Discussion**The effect of company size on financial performance**

calculated t value $< t_{\text{table}}$ was $1.823 < 2.00172$, while the significance value of company size was 0.073, meaning > 0.05 it can be concluded that company size does not have a significant influence on financial performance.

The effect of leverage on financial performance

Based on the research results, *leverage* has a significant influence on financial performance with a regression coefficient value of -0.184 and a significant value of $0.000 < 0.05$.

The effect of *profitability* on financial performance

Based on the research results, *profitability* has a significant influence on financial performance, this is shown by the test results with a significant value of $0.000 < 0.05$.

The effect of company size, *leverage*, and *profitability* on financial performance

calculated F value is 28,471 with a significance of 0.000 which means < 0.05 , this shows that company size, *leverage* and *profitability* have a significant effect on financial performance.

Conclusion

1. Simultaneously (at the same time) company size, debt ratio (*leverage*) and *profitability* influence financial performance.
2. Company size does not have a significant effect on financial performance based on the results of partial analysis which shows a significance level of $0.073 > 0.05$
3. *Leverage* partially (individually) has a significant effect on financial performance based on the results of partial analysis which shows a significance level of $0.000 < 0.05$.
4. *Profitability* partially (individually) has a significant effect on financial performance based on partial analysis which shows a significance value of $0.000 < 0.05$.

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