Profit Growth Analysis with Company Size as Moderating Variables in Transportation Companies Listed on the Indonesia Stock Exchange

Hasna Afifatul Khoiriyah¹, Dhani Ichsanuddin Nur²
¹²Faculty of Economics and Business, Universitas Pembangunan Nasional “Veteran” Jawa Timur, Surabaya

ABSTRACT: Profit is one of the most important parts for the company, because it can be used to increase the value of activities and finance operational needs. Profit Growth or increase and decrease in profit needs to be considered because it serves to evaluate and determine the right steps in managing the company in the future. This research was carried out with the purpose of assessing and analyzing the influence of liquidity, leverage, and profitability on profit growth by adding company size acting as a moderating variable in transportation companies which are listed on the Indonesia Stock Exchange. This research method is a descriptive and quantitative. The research object chosen is a transportation company listed on the Indonesia Stock Exchange during 2018 to 2021 totaling 31 companies. Purposive sampling was employed, and a total of 20 companies were gathered. Moderated regression Analysis is used in this data analysis approach. Research has been completed and stated the results that liquidity and profitability can contribute to profit growth, while leverage cannot contribute to profit growth. Then company size can moderate the effect of liquidity and profitability on profit growth, while company size is unable to moderate the relationship between leverage on profit growth.

KEYWORDS: Company Size, Leverage, Liquidity, Profitability, Profit Growth.

I. INTRODUCTION

The existence of the industrial world is one of the impediments to the development of the economy. In order for the economy to be stronger, every company continues to improve its performance because currently the industrial world is also getting tighter so that companies must have a competitive advantage. One of the efforts for the company to survive in this tight competition is to generate maximum profit.

Profit is one of the most important parts for the company in carrying out its activities. Because the profit earned by the company can be used to increase the value of its activities and finance its operational needs. Therefore, the increase and decrease in profit needs to be considered so that management can evaluate and determine the right steps in managing the company in the future.

Transportation companies are one of the sectors that have a significant impact on the economy because these business activities are very broad, starting from the distribution of goods and daily activities of the community. In addition, given the increasing growth of society in Indonesia, the need for transportation will increase. Even many entrepreneurs and investors have high interest and expectations for business development in the transportation sector.

Source: IDX data processed, 2023
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But the reality is not that easy because there are huge risks for companies operating in this sector. One of these risks is that it requires a very large amount of capital for its operational costs. In addition, there are external factors such as weather, pandemics, rising fuel prices, and traffic accidents caused by other road users. Because of that, this fact does not match the profit growth of transportation companies which has decreased in 2018-2021. The average profit growth of transportation companies in 2018-2021 is sequentially -27.65%, -75.65%, 1375.57%, and -2334.95%.

The decline in profits is due to the fact that in recent years companies in the transportation sector have experienced successive business problems. Starting from the beginning of 2020, the emergence of the Covid-19 pandemic caused a decline in transportation activities. Quoted from CNN Indonesia, the Chamber of Commerce and Industry (Kadin) noted that business revenues in the transportation sector have dropped dramatically by 25% to 50% since the Corona virus spread in Indonesia. This happened because the government urged people to do activities from home to reduce the spread of the virus (cnnindonesia.com, 2020). In addition, there is a government policy regarding the increase in fuel prices. Quoted from CNN Indonesia, the Indonesian Logistics Association (ALI) stated that the cost of logistics services will increase along with the adjustment of fuel oil prices. In its calculations, transportation costs contribute 9% and fuel costs 50% (cnnindonesia.com).

In addition, there are several other factors that can affect the increase and decrease in profit growth, one of which is due to the company’s financial performance. To find out how financial condition is, the company can use financial ratios as a measuring tool by using financial reports (Hery, 2016). There are several types of financial ratios, and this study using liquidity, leverage, and profitability ratios.

The liquidity ratio, according to Brigham and Houston (2018), is used to assess ability of the company to pay its present debt when it is due. Several studies on the effect of Liquidity ratios on profit growth have been undertaken by (Hayuningtyas & Nur, 2022), (Ningsih & Utayati, 2020), and (Jie & Pradana, 2021), all of which reveal that liquidity ratios have no effect on Profit Growth.

According to Irfani (2020), the Leverage Ratio is a number used to assess an ability of the company to pay off total liabilities with the guarantee of all assets and equity. According to the findings of (Indaryani et al, 2022) and (Sa'adah et al, 2022) research, the leverage ratio influences profit growth. This, however, contradicts findings by (Amrullah & Widyawati, 2021) and (Amin, 2021) which found that the Leverage Ratio has no effect on Profit Growth.

Profitability ratio is an ability of the company to obtain profits from a certain level of assets (Hanafi & Halim, 2016). The results of research related to profitability on profit growth conducted by (Indaryani et al, 2022) and (As’ari & Pertwi, 2021) show the results that the profitability ratio affects profit growth. However, this is different from the research (Jie & Pradana, 2021) which states that there is no influence between the profitability ratio on profit growth.

From various studies that have been conducted, it indicates that there are inconsistent results regarding the influence of Liquidity, Leverage, and Profitability on Profit Growth, thus providing an opportunity to develop a research model by adding moderating variables namely company size.

According to the findings of research on company size as a moderating variable undertaken by (Wigati, 2020), firm size can lessen the influence of Liquidity on Profit Growth. Then, according to study (As’ari & Pertwi, 2021), company size can minimize the effect of Leverage and Profitability on Profit Growth. Meanwhile, research (Sudijiman & Sudijiman, 2022) shows that Company Size has no effect in moderating Liquidity and Profitability on Profit growth. Then, according to research (Efendi et al, 2022), it states that Company Size has no effect in moderating leverage on profit growth. Based on this description, this study was conducted to assess and analyze the effect of Liquidity, Leverage, and profitability on profit growth in transportation companies, with Company Size as a moderating variable.

II. LITERATURE REVIEW

Pecking Order Theory
This theory explains the order of company preferences in funding resources and operational activities (Nurlaily & Suwaidi, 2022). In this theory, companies prioritize internal funding first such as retained earnings. But sometimes the company also needs external funds because the internal funds owned are not sufficient to finance the company’s financial needs. If it is at this limit, then the company must seek funds from external sources. Usually the company will issue bonds first, if it is still not enough then the company will issue new shares (Wikartika & Fitriyah, 2018).

Profit Growth
(Harahap in Jie and Pradana, 2020) argues that profit growth is an ability of the company to obtain as much net profit as possible in the hope that the net profit can increase continuously from the previous year to the following year. Profit growth is usually
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expressed in percentage, with this the company can find out whether profit growth has increased or decreased. Companies with relatively stable profits can predict expected profits in the future. Information about profit growth in financial statements is important for management because it can be used as a reference when making decisions in the investment sequence.

Liquidity
Liquidity is a comparison tool which used to assess an ability of the company to pay down short-term commitments that will mature shortly (Brigham and Houston, 2018). Liquidity ratios are classified into three types: current ratio, quick ratio, and cash ratio. The current ratio is used in this study to evaluate the ability of the company to satisfy its temporary commitments, namely current liabilities by utilizing total available existing resources form current assets.

Leverage
The leverage ratio or solvency ratio is a comparative tool to assess the potential of one company to repay or pay off total liabilities, particularly long-term debt, using all assets and company equity as collateral (Hery, 2016). Leverage ratios are classified into four types, there are debt to equity ratio, debt to asset ratio, long-term debt to equity ratio and time interest earned. Of these types, this research uses debt to asset ratio to calculate the proportion between overall loan and total resources or total assets.

Profitability
Profitability ratio according to the opinion (Sartono, 2014) is a comparison tool used to evaluate an ability of the company to produce profits obtained from the results of the level of sales, total assets, and own capital. There are several types of profitability ratios including profit margin, return on assets, return on investment, and return on equity. And in this study, the profitability measure employed was return on assets, which is a ratio that demonstrates how much assets contribute to net income.

Company Size
Company size refers to a variety of metrics or indicators used to assess the scale or dimensions of a company. This can include a number of factors that reflect the amount of assets, the revenue generated by the company, the amount of capital held, and other factors that can impact the company in its business activities. The greater these values, the greater the company’s size. And then, this indicates that the company has more resources which are generally in the form of assets that can be used to increase profitability or profits.

Effect of Liquidity on Profit Growth
Liquidity is a comparison tool which used to measure the ownership of assets owned by the company that can be quickly turned into cash to fulfill financial obligations, pay debts, or financial needs when in a pinch. A high current ratio generally indicates a safe and strong liquidity position, implying that the company has excess current assets (Brigham and Houston, 2018). In other words, the greater the current ratio value, the company's chances of paying off its current liabilities or debts that will soon be due. Furthermore, a high current ratio value indicates that the company has more current assets than its short-term liabilities. This can be considered as a sign that the company has adequate current assets to pay off its short—term liabilities, and the company can avoid the risk of default because the short-term debt it bears is less than its current assets. Therefore, a high liquidity value can maximize the company's opportunity to earn greater profits. Therefore, research on the effect of liquidity on profit growth has a positive effect or has a directional relationship, as is the case with the results of research by (Hayuningtyas & Nur, 2022) which reveals that the current ratio has a positive effect on profit growth.

H1 : Liquidity ratio has a positive effect on profit growth in transportation companies

Effect of Leverage on Profit Growth
The leverage ratio or solvency ratio is a comparative tool to assess the potential of a company to repay or pay off total liabilities, particularly long-term debt, using all assets and company equity as collateral (Hery, 2016). A high debt to asset ratio indicates that debt is used to finance the majority of the company’s assets (Efendi et al., 2022). The use of excessive debt puts the company at risk, and it is likely that the company will be unable to repay its debts. This will almost certainly be dangerous for company's financial situation, making it difficult for the company to maximize profits. When the debt-to-asset ratio gets a high value, this can result in the company's ability to obtain additional funds in the form of loans from creditors being hampered because the company is considered unable to pay off its debts with its total assets, therefore creditors certainly feel hesitant to provide loan.. If the ratio value is small, then this indicates that few of the company's assets are financed by debt (Hery, 2016). The higher the debt-to-asset ratio, the lower the company's opportunity to earn profits because the company's assets are
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covered by too much debt. Therefore, the effect of leverage on profit growth has an unidirectional effect, as well as the results of research conducted by (Sa'adah, 2022) and (Efendi, 2022) which state that the debt to asset ratio has a negative effect on profit growth.

H2 : Leverage ratio has a negative effect on profit growth in transportation companies

Effect of Profitability on Profit Growth

Profitability ratio according to the opinion (Sartono, 2014) is a comparison tool used to evaluate the company's ability to generate profits obtained from the results of the level of sales, total assets, and own capital. In this study, the measure of profitability used is return on assets Hery (2016: 193) explains that return on assets is a ratio used to show how much asset involvement in creating net income. For further explanation, assets such as property, equipment, or working capital are used in the production process and can certainly help increase company revenue. An increase in profit can also be caused because the company has managed its assets optimally. Companies that manage their assets efficiently show that the company's performance is good (Indaryani et al, 2022). As a result of a high return on asset value, the company is less risky and has a greater chance of maximizing profit. Therefore, return on assets influences profit growth positively because the higher of return on assets value, the profit will be higher to earned so that profit growth also increases. Research on the effect of profitability on profit growth has a positive effect or has a directional relationship, as is the case with the results of research by (Indaryani, 2022) which reveals that the return on assets has a positive effect on profit growth.

H3 : Profitability ratio has a positive effect on profit growth in transportation companies

Firm Size in Moderating the Effect of Liquidity on Profit Growth

Company size refers to a variety of metrics or indicators used to assess the scale or dimensions of a company. This can include a number of factors that reflect the amount of assets, the revenue generated by the company, the amount of capital held, and other factors that can impact the company in its business activities. The size of a company indicates that the company has a lot of experience in developing its business, including in managing its current assets and current debt. A company is said to have a high current ratio if its current assets exceed its current debt. Because the company has the availability of current assets to pay off its current debt, a high current ratio value maximizes the company's opportunity to earn profits. Large companies also have large total assets. The greater the company's total assets, the greater the profit it will earn (Wigati, 2020). Profit growth for the company will increase with a large profit. As a result, the size of the company can mitigate the effect of the current ratio on profit growth. This is consistent with research by (Wigati, 2020), which shows that company size can mitigate the effect of current ratio on profit growth.

H4 : Company size can moderate the effect of liquidity on profit growth.

Company Size in Moderating the Effect of Leverage on Profit Growth

Company size can include a number of factors that can reflect the company in its business activities, one of which is in the form of total assets. The size of a company can be assessed using the amount of assets owned. Company size can include several factors that can reflect the company in its business activities, one of which is total assets. The size of a company can be assessed using the amount of assets owned. From this large number of assets, then the company can be said to have the capacity to cover all its debts. This is because the company's liabilities are usually lower. Furthermore, a large amount of assets can reduce the risk of the company borrowing funds from third parties. According to this definition, a larger company can lead to a lower value of corporate leverage. As a result, the size of a large-scale company can strengthen the effect of leverage on profit growth. Thus, company size affects profit growth and can moderate the debt to asset ratio. This is consistent with the findings of (As'ari & Pertiwi, 2021) research which mention that company size can moderate the effect of debt to asset ratio on profit growth.

H5 : Company size can moderate the effect of leverage ratio on profit growth.

Company Size in Moderating the Effect of Profitability on Profit Growth

Large companies tend to utilize their total assets by expanding their business, opening new branch offices, increasing productive assets, and so on (Hery, 2016). If the available assets can be managed optimally, the company will also get maximum profit. From this large-scale activity, the company's profit will increase, so that profit growth will also increase. Large-scale companies have a higher value and volume of sales transactions when compared to smaller companies. A large-size company indicates that the company has reached the stage of maturity because it is considered to have good long-term prospects, indicating that the company is relatively more capable of generating profits than a small company. This is supported by research (As'ari & Pertiwi, 2021) which shows that company size can moderate the effect of profitability on profit growth.

H6 : Company size can moderate the effect of profitability on profit growth.
III. RESEARCH METHOD

Population and Sample

Population can be interpreted as the formation of a general description of an area that includes the subject or object being studied that has all certain properties or characteristics (Sugiyono, 2020). This study's population consisted of 31 Transportation companies listed on the Indonesia Stock Exchange between 2019 - 2021.

The sample is a subset of the population's number and characteristics that can be represented based on the specified criteria (Sugiyono, 2020). In this study used purposive sampling as a sampling technique. The definition of purposive sampling itself is a method of selecting a sample by taking into account several criteria. The decision on the number of samples in this study was made by selecting several predetermined criteria and included 20 transportation companies which are listed on the Indonesia Stock Exchange.

Moderated Regression Analysis

Moderated Regression Analysis or more easily referred to as MRA is used as a data analysis technique in this study, which MRA is a special method with the aim of seeing whether moderating variables can amplify or debilitate the influence of the independent variable on the dependent variable. MRA is one of the data analysis techniques used for research using moderating variables, which is a custom application of linear multiple regression where the regression equation has an element of interaction. The following is the regression equation for the moderating variable:

\[ Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_5Z + b_6X_2Z + b_7X_3Z + e \]

Information:
\[ Y = \text{Profit Growth}; \, \alpha = \text{Constant}; \, \beta = \text{regression coefficient}; \, X_1 = \text{liquidity}; \, X_2 = \text{leverage}; \, X_3 = \text{profitability}; \, Z = \text{company Size}; \, e = \text{standard error} \]

IV. RESULTS AND DISCUSSION

A. Classic Assumption Test

Normality Test

The normality test is one of the tests used to determine the variables in the study, namely the independent variable, the dependent variable, or both in a regression model, are normally distributed or not (Ghozali, 2016: 134). The regression model is said to be good if the model has a normal distribution or is close to normal.

Table 1. Normaly Test Result

<table>
<thead>
<tr>
<th>N</th>
<th>Normal Parameters</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Asympt. Sig. 2-tailed</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td></td>
<td>.000</td>
<td>.000000</td>
<td>.097</td>
</tr>
<tr>
<td></td>
<td></td>
<td>16.020</td>
<td>.079611</td>
<td>.097</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.097</td>
<td>.097</td>
<td>.097</td>
</tr>
<tr>
<td></td>
<td></td>
<td>.097</td>
<td>.097</td>
<td>.097</td>
</tr>
<tr>
<td></td>
<td>Most Extreme Differences</td>
<td>Absolute</td>
<td>Positive</td>
<td>Negative</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-.055</td>
<td>-.055</td>
<td>.060</td>
</tr>
<tr>
<td></td>
<td>Test Statistic</td>
<td>.097</td>
<td>.097</td>
<td>.097</td>
</tr>
<tr>
<td></td>
<td>Asympt. Sig. 2-tailed</td>
<td>.097</td>
<td>.097</td>
<td>.097</td>
</tr>
</tbody>
</table>

Source: IDX data processed, 2023
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The normality test using the Kolmogrov-Smirnov test showed that the Asymp. Sig. (2-tailed) of 0.060, indicating that the value is greater than 0.05. Therefore, all variables (liquidity, leverage, profitability, profit growth, and company size) used in this study are normally distributed.

Multicollinearity Test

(Ghozali, 2016: 103) reveals that the multicollinearity test is used to find out whether there is a relationship between the independent variables in the regression model and this model can be said to be good if there is no correlation between the independent variables. The tolerance value or Variance Inflation Factor (VIF) is used in this study to detect the presence of multicollinearity symptoms.

Table 2. Multicollinearity Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Tolerance</th>
<th>VIF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-118.457</td>
<td>38.276</td>
<td>-3.095</td>
<td>.003</td>
<td>0.752</td>
<td>1.330</td>
</tr>
<tr>
<td>Liquidity</td>
<td>5.158</td>
<td>933</td>
<td>.497</td>
<td>5.539</td>
<td>.000</td>
<td>1.071</td>
</tr>
<tr>
<td>Leverage</td>
<td>1.587</td>
<td>2.985</td>
<td>.043</td>
<td>5.322</td>
<td>.056</td>
<td>1.071</td>
</tr>
<tr>
<td>Profitability</td>
<td>33.399</td>
<td>8.441</td>
<td>.390</td>
<td>3.956</td>
<td>.049</td>
<td>1.603</td>
</tr>
<tr>
<td>Company Size</td>
<td>5.322</td>
<td>1.375</td>
<td>.327</td>
<td>3.871</td>
<td>.000</td>
<td>1.178</td>
</tr>
</tbody>
</table>

Source: IDX data processed, 2023

According to the results of the multicollinearity test, the Variance Inflation Factor (VIF) value on the liquidity variable is 1.330, leverage is 1.071, profitability is 1.603, and company size is 1.178, indicating that the value is greater than 10. As a result, the four independent variables used in this study show no signs of multicollinearity.

Heteroscedasticity Test

(Ghozali, 2016: 134) explained that the heteroscedasticity test is used to assess a regression model whether there is a discrepancy of variance from one observation to another residual observation. If there is a difference in variance, then the heteroscedasticity occurs.

Table 3. Heteroscedasticity Test Result

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 (Constant)</td>
<td>-7.787</td>
<td>22.774</td>
<td>-3.424</td>
<td>.783</td>
</tr>
<tr>
<td>Likuiditas</td>
<td>.327</td>
<td>.555</td>
<td>.078</td>
<td>.557</td>
</tr>
<tr>
<td>Leverage</td>
<td>1.334</td>
<td>1.776</td>
<td>.089</td>
<td>.455</td>
</tr>
<tr>
<td>Profitabilias</td>
<td>.787</td>
<td>5.022</td>
<td>.023</td>
<td>.876</td>
</tr>
<tr>
<td>Ukuran Perusahaan</td>
<td>.682</td>
<td>.818</td>
<td>.013</td>
<td>.407</td>
</tr>
</tbody>
</table>

Source: IDX data processed, 2023

The results of the heteroscedasticity test using the Glejser test received the result that the significant value on the liquidity variable is 0.733, leverage is 0.557, profitability is 0.455 and company size is 0.407 which indicates that the value exceeds 0.05, in conclusion that the four independent variables used in this study do not occur symptoms of heteroscedasticity.

Autocorrelation Test

The autocorrelation test determines whether or not there is a correlation in the linear regression model by looking for confounding errors between period t and period t-1 (previous). This study uses the run test for autocorrelation testing, and the test results that the Asymp. Sig (2-tailed) of 0.368 which indicates that the value exceeds 0.05. Therefore, all variables used in this study passed the autocorrelation test.

B. Moderated Regretion Analysis

Moderate Regression Analysis aims to see whether the moderating variables can amplify or debilitate the influence of the independent variable on the dependent variable.
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Table 4. MRA Test Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-177.085</td>
<td>78.445</td>
<td>-2.257</td>
<td>.027</td>
</tr>
<tr>
<td>Liquidity (X1)</td>
<td>-43.939</td>
<td>18.359</td>
<td>-2.393</td>
<td>.019</td>
</tr>
<tr>
<td>Leverage (X2)</td>
<td>-15.564</td>
<td>57.167</td>
<td>-0.272</td>
<td>.786</td>
</tr>
<tr>
<td>Profitability (X3)</td>
<td>507.354</td>
<td>139.320</td>
<td>3.664</td>
<td>.001</td>
</tr>
<tr>
<td>Company size (M)</td>
<td>7.303</td>
<td>2.882</td>
<td>2.534</td>
<td>.013</td>
</tr>
<tr>
<td>X1M</td>
<td>1.853</td>
<td>.695</td>
<td>2.668</td>
<td>.009</td>
</tr>
<tr>
<td>X2M</td>
<td>6.99</td>
<td>2.124</td>
<td>.329</td>
<td>.743</td>
</tr>
<tr>
<td>X3M</td>
<td>-17.624</td>
<td>5.155</td>
<td>-3.419</td>
<td>.001</td>
</tr>
</tbody>
</table>

Source: IDX data processed, 2023

C. Hypothesis Test Results

Partial Test (T Test)

Table 5. T Test Results

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>-177.085</td>
<td>.027</td>
</tr>
<tr>
<td>Liquidity</td>
<td>-43.939</td>
<td>.019</td>
</tr>
<tr>
<td>Leverage</td>
<td>-15.564</td>
<td>.786</td>
</tr>
<tr>
<td>Profitability</td>
<td>507.354</td>
<td>.001</td>
</tr>
</tbody>
</table>

Source: IDX data processed, 2023

After partial hypothesis was tested, it can be concluded that liquidity (X1) obtained a coefficient value of -43.939 and a significance level of 0.019 < 0.05, which means that liquidity has a negative and significant effect on profit growth. Leverage (X2) obtained a coefficient value of -15.564 and a significance level of 0.786 > 0.05, which means that leverage has no significant effect on profit growth. Profitability (X3) obtained a coefficient value of 507.354 and a significance level of 0.001 < 0.05, from these results it can be interpreted that profitability has a positive and significant effect on profit growth. Then the liquidity ratio (X1) moderated by company size (M) on profit growth (Y) obtained a coefficient value of 1.853 and a significance level of 0.009 < α = 0.05, which means that company size is able to moderate the effect of liquidity on profit growth. Leverage ratio (X2) moderated by company size (M) on profit growth (Y) obtained a coefficient value of 0.699 and a significance level of 0.699 > α = 0.05, which means that company size is not able to moderate the effect of leverage on profit growth. Profitability ratio (X3) moderated by company size (M) on profit growth (Y) obtained a coefficient value of -17.624 and a significance level of 0.001 < α = 0.05, which means that company size is able to moderate the effect of profitability on profit growth.

Simultaneous Test (F Test)

Table 6. F Test Results

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>27564.529</td>
<td>7</td>
<td>3937.790</td>
<td>16.589</td>
<td>.00002</td>
</tr>
<tr>
<td>Residual</td>
<td>17091.401</td>
<td>72</td>
<td>237.381</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>44655.930</td>
<td>79</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: IDX data processed, 2023

The simultaneous test results indicate that the Fcount = 16.589 with a Sig value. 0.000 < 0.05. It can be interpreted that the analytical tool in this research model is appropriate or can be used as a research model with a significance level of 0.000 and all independent variables used in this study can simultaneously affect the dependent variable.

Test Coefficient of Determination (R²)

The test results show that the coefficient of determination (Adjusted R Square) is 0.580 or 58%, which means that the profit growth variable is influenced by the independent variables (liquidity, leverage, profitability, company size and moderation interaction) by 58% while the remaining 42% is explained by other variables outside this study.
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D. Discussion

Effect of Liquidity on Profit Growth
Hypothesis testing results indicated that liquidity has a negative and significant direction on profit growth. Which means the greater the liquidity, the slower the rate of profit growth. The results of this test contradict research (Hayuningtyas & Nur, 2022) which found that liquidity has a positive effect on profit growth, so the first hypothesis (H1) in this study is rejected because the direction is not in accordance with the results of the research that has been done. Liquidity is a comparison tool which serves to measure the ownership of a company's assets which can be quickly turned into cash to fulfill financial obligations, pay debts, or financial needs when in distress. In this study, companies tend to apply pecking order theory, which is a theory that explains that companies prefer internal funding before considering external funding. A high level of liquidity often indicates that the company has a large amount of current assets. However, this is not good for the company because the current assets owned are not managed optimally, resulting in a decrease in profit growth. Excessive current assets are better used to develop business ventures that can increase revenue so that profit growth will also increase. As a result, this study backs up the findings of (Ningsih & Utiyati, 2020) and (Sa'adah et al, 2022) that liquidity has a negative effect on profit growth.

Effect of Leverage on Profit Growth
Hypothesis testing results show that leverage has a negative and insignificant effect on profit growth. Which means that the high ratio of debt to assets has little impact on profit growth. The results of this test are different from research ((Sa'adah, 2022) and (Efendi, 2022) which found that leverage has a negative and significant effect on profit growth, so the second hypothesis (H2) in this study is rejected because the level of significance is not in accordance with the results of the research that has been done. The leverage ratio or solvency ratio is a comparison tool to assess the company's potential to pay or pay off its total obligations, especially long-term debt, using all of the company's assets and equity as collateral (Hery, 2016). High leverage can have a negative impact on the company because it bears the burden of debt and interest that is too large, reducing company profits. However, not all company assets financed by debt or those not financed by debt will experience a decrease in profits. It is usually based on the company's ability to manage its debt level and find sources of funds with affordable interest rates. If the company has debt with a low interest rate and a long period of time, then the interest expense may not put great pressure on profit. According to pecking order theory, this can provide guidance on how the company funds its investment or operational activities. This study shows that the company is not influenced by how the company chooses between debt and equity. It is possible that companies tend to use debt only when internal sources of funds are insufficient to finance their investments. The results of this test are supported by research conducted by Amrullah & Widyawati (2021) and Amin et al (2022) which state that leverage has no effect on profit growth.

Effect of Profitability on Profit Growth
Hypothesis testing results show that profitability has a positive and significant impact on profit growth. This can be interpreted to mean that the higher the profitability, the greater the profit growth. Thus the third hypothesis (H3) in this study is accepted because the direction is according to the results of the research that has been done. Profitability ratio according to the opinion (Sartono, 2014) is a comparison tool used to evaluate the company's ability to generate profits obtained from the level of sales, total assets, and own capital. According to pecking order theory, companies prioritize internal funding, namely funds obtained from the results of the company's operational activities in the form of retained earnings. From these profits, the company prefers to reinvest its profits to fund its operational needs. With a high profitability value, the company has more resources to reinvest in its business. Then this investment can generate additional income, thus presenting an opportunity to generate even greater profits. The findings of this study are aligned with research conducted by (Indaryani et al, 2022) and (As'ari & Pertiwi, 2021) which state that the profitability ratio has a positive and significant effect on profit growth.

Company Size in Moderating the Effect of Liquidity on Profit Growth
In accordance with the test results that have been carried out with Moderated Regression Analysis (MRA), it can be seen that company size as a moderating variable can amplify the negative effect of liquidity on profit growth. Which means that the larger the company size, the higher the liquidity value so that profit growth can decrease. So that the fourth hypothesis (H4) in this study is accepted because the direction is in accordance with the results of the research that has been done. In this study, companies tend to apply pecking order theory, which is a theory that explains that companies prefer internal funding before considering external funding. Large companies tend to have more internal sources of funds including their current assets. However, this is not good for the company because it can cause additional costs such as storage costs and maintenance costs, so this can reduce the company's efforts to make a profit. The bigger the size of the company, the more complex its operational
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activities so that the liquidity of the company is also difficult to manage efficiently. And the high value of liquidity can hinder the company in earning profits so that profit growth will decrease. Thus the results of this test are in line with research conducted by Wigati (2020) which states that company size can moderate by strengthening the effect of liquidity on profit growth.

Company Size in Moderating the Effect of Leverage on Profit Growth

In accordance with the test results that have been carried out with Moderated Regression Analysis (MRA), it can be seen that company size as a moderating variable can weaken the negative effect of leverage on profit growth. This can be interpreted that the larger the size of the company, the greater the total assets financed by debt. So that the fifth hypothesis (H5) in this study is rejected because the direction is not in accordance with the results of the research that has been done. Large companies have easy access to external funds because they are considered established and have a better reputation in the financial markets. Creditors and investors tend to have more confidence in these companies because they have proven to be able to manage their operations well. Therefore, assets owned by large companies tend to be financed by debt. Pecking order theory explains that this theory explains how companies choose sources of funds based on a certain order of priority. In this study, companies tend to use external funds because large companies will require larger funds as well. But on the other hand, this can pose a risk to the company because a large level of debt can cause the company's interest expense to increase. Furthermore, the company must pay off all debts and interest expenses using the profits earned and this can cause a decrease in profit growth. The results of this study are in line with research conducted by (Efendi et al, 2022) which states that company size can weaken the effect of leverage on profit growth.

Company Size in Moderating the Effect of Profitability on Profit Growth

In accordance with the test results that have been carried out with Moderated Regression Analysis (MRA), it can be seen that company size as a moderator can strengthen the positive effect of profitability on profit growth. This can be interpreted that the larger the company size, the higher the profitability value so that it can increase profit growth. So that the sixth hypothesis (H6) in this study is accepted because the direction is in accordance with the results of the research that has been done. According to pecking order theory, companies prioritize internal funding, namely funds obtained from operational activities in the form of retained earnings. Large companies tend to be able to generate more profit. With this, companies can utilize these profits to reinvest in expanding their business, opening new branch offices, adding productive assets, and so on. A large company size indicates that the company is considered to have promising opportunities in the long term, reflects a relatively stable company, and is considered more capable of generating greater profits than a small company. Therefore, the results of this test are in line with research conducted by (As'ari & Pertiwi, 2021) which states that company size can moderate the effect of profitability on profit growth.

V. CONCLUSION AND SUGGESTION

From the conducted tests, one can draw the conclusion that:

1. Liquidity can contribute to profit growth, companies that have too high a level of liquidity can reduce ability of the company to earn profits.
2. Leverage cannot contribute to profit growth because the high level of leverage does not have a big influence on profit growth.
3. Profitability can contribute to profit growth, increasing profitability value, then the company is able to manage assets that can generate additional revenue so that profit growth can increase.
4. The influence of liquidity on profit growth can be strengthened by company size as a moderating variable because the bigger the company, the higher the liquidity so that profit growth decreases.
5. The influence of leverage on profit growth can be attenuated by company size as a moderating variable because as larger companies tend to have higher leverage, potentially leading to a reduction in profit growth.
6. The influence of profitability on profit growth can be strengthened by company size as a moderating variable because larger companies tend to experience higher levels of profitability, resulting in increased profit growth.

From the results of the research that has been carried out and from the discussion and conclusions that have been described, so that suggestions can be conveyed by researchers are the company should be able to manage its current assets efficiently. The company can review all assets owned by identifying unproductive or less profitable assets. Then consider allocating excessive liquidity into investments that can increase income. In addition, the company should maintain its ability to increase its profitability value. The company can do so by always ensuring that the company’s assets are used efficiently. Also make sure to
continue to monitor and analyze financial performance regularly to ensure that the steps taken have a positive impact on profit growth.

REFERENCES