THE EFFECT OF LIQUIDITY, RETURN ON INVESTMENT, ASSET TURNOVER, OPPORTUNITY GROWTH OF COMPANY PROFITABILITY IN THE INDUSTRIAL SECTOR FOOD AND BEVERAGE SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE PERIOD 2018-2021

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ABSTRACT

The purpose of this study is to determine the effect of liquidity, return on investment, asset turnover, growth opportunities on company profitability in the food and beverage industry sector which is listed on the Indonesia Stock Exchange for the 2018-2021 period. The type of research used in empirical studies is quantitative research which has a positivistic paradigm. The population in this study includes all food and beverage companies listed on the Indonesia Stock Exchange for the 2018-2021 period. The samples were selected using the Probability Sampling approach and obtained a total sample of 26 companies. The data analysis technique used in this study is panel data regression analysis, using eviews software. It was found that the fixed effect is the best model because it has the largest R square value. The results showed that liquidity as described by the current ratio has a negative and significant effect on company profitability, Return On Investment affect the profitability of companies in the sector food and beverage positively and not significantly. Asset turnover (TATO) affect the company's profitability into food and beverage negatively and not significantly. Growth Rate affect the profitability of the company on food and beverage negatively but not significantly. Profitability can be explained by the current ratio, return on investment, TATO, and a growth rate of 60.5% while 39.5% is influenced by other variables outside this study.

Keywords: current ratio, return on investment, TATO, growth rate

1. INTRODUCTION

The company is a place to produce goods or services. The Indonesia Stock Exchange is a forum that is used as a funding option for all corporate sectors in Indonesia, especially for the sector food and beverage also known as the equity market. There are 72 food and beverage industry companies listed on the Indonesia Stock Exchange based on data from (financial.com, 2022).

In the first quarter of 2022, the food and beverage industry contributed 37.77% to non-oil and gas processing GDP based on data from Kempenperin.go.id (2022). It can be said that the food and beverage sector is a strategic sector that can support the performance of the non-oil and gas processing industry, which includes natural products or industries that are not included in the category of oil and gas goods. The banking sector has so far represented a proxy and garnered greater weight in the Composite Stock Price Index (IHSG) as well as the energy sector which has shown the most brilliant performance in terms of year to date.

Investment Specialist Mirae Asset Sekuritas Indonesia, Rifqi Ramadhan said that this was different from the recorded banking sector foreign outflows or net sell (kemenperin.go.id, 2022). At PT Indofood SuksesMakmur (INDF) there was an increase in shares to 5.27% or the equivalent of RP. 6,450 per share and PT Indofood CBP Sukses Makmur Tbk (ICBP) has a share percentage of 11.58% or the same as RP. 8,300 pershare. Furthermore, PT Unilever Indonesia Tbk (UNVR) increased 20.65% to RP. 4,880 per share and PT Mayora Indah Tbk (MYOR) experienced a 11.48% share increase to RP. 1,845 price per share, according to data from Dewi (2022). The conclusion from the data above is the company in the sector food and beverage currently experiencing an increase compared to companies in the banking sector and the energy sector. Based on the above phenomena, this study will examine four factors that influence profitability, namely, liquidity, return on investment, asset turnover and growth opportunities on profitability. The liquidity ratio is used in estimating the company's efforts to pay off obligations to pay debts in the short term or are said to be due.

According to research by Kontuš & Mihanović (2019) liquidity as measured by the ratio of current assets and current liabilities has a negative but not significant effect on profitability in small and medium businesses. Because the high level of debt due to high interest will lead to increased risk thereby reducing profitability. Meanwhile, the results of research conducted by Lim & Rokhim (2020) show a positive and significant relationship between business liquidity in the
pharmaceutical industry and a track record of profitability. By showing the results of research that it is important to manage high-level current assets and low-level current liabilities, as a way to increase ROE and ROA.

Furthermore, Saleh & Abu Afifa (2020) found that liquidity has a negative and insignificant effect on bank profitability, when using ROA and ROE. Shows that banks that have a larger money gap will lose stable funds so they prefer to use liquid assets or external funding to compensate and meet funding requests. Research conducted by Samo & Murad (2019) shows a positive relationship between liquidity and profitability using ROA and ROE in textile companies in Pakistan. Companies that can fulfill their daily cash operations properly, can get a high return on assets and return on equity.

The return on investment ratio is applied in calculating the profitability of the products produced by the company. Return on investment or Return On Investment usually used for corporate strategic planning. Yang & Liu (2022) show that investment strategy has a positive relationship with organizational profitability. Due to the existence of an effective investment strategy to help businesses manage finances, the company's profitability will increase. Lee (2018) showed that there was an insignificant effect of profit growth and cash flow on R&D investment, but found a positive effect for both relationships before the crisis occurred. Due to its long term nature, R&D investment does not respond to the short term cash flow of the business environment.

The asset turnover ratio is used as a measure of business efficiency. According to research conducted by Owusu & Alhassan (2021) shows that return on assets (liabilities) becomes positive (negative) and varies across assets and liabilities. And shows that there is evidence that profitability is related to balance sheet items because most of the assets and liabilities composition is statistically significant when regressed on the two income measures. According to research conducted by Lim & Rokhim (2020) in measuring company efficiency (Asset Turnover Ratio) it shows a negative relationship and does not show a significant relationship between the Asset Turnover Ratio as a measure of company efficiency and ROE. So it was decided that this hypothesis could not be accepted.

Research conducted by (Nurlaela et al., 2019) shows that asset turnover (TATO) has a significant and positive effect on financial performance (ROA) if asset turnover as measured by total asset turnover (TATO) is higher, the higher the financial performance the company in utilizing the company's assets in operational activities has proven to be efficient, resulting in an increase in the level of profitability of financial performance. The growth ratio will show the economic defense position owned by the company in its business sector. According to research conducted by Lim & Rokhim (2020) the results of research on Indonesian pharmaceutical companies show a positive and significant relationship between sustainable growth and profitability. Because the sustainable growth rate is calculated based on ROE and dividend payout ratio.

High ROE and low dividend payout ratio lead to high profitability. Furthermore, Yadav et al. (2022) states that there is evidence of negative profitability and a positive growth profitability relationship indicating that initially profitability increases with growth but there is a phenomenon of profit in reduced profit levels due to increased size which indicates large sizes produce inventions. Further research conducted by Lee (2018) has an influence on profitability to growth. Because profit-oriented managers maintain high profit levels by ignoring growth opportunities.

Research gap The background to this research includes the contradiction between the findings of Kontuš & Mihanović (2019) and Saleh & Abu Afifa (2020) with Lim & Rokhim (2020) and Samo & Murad (2019). Kontuš & Mihanović (2019) show that liquidity shows negative but not significant to probability. However, Lim & Rokhim (2020) show that there is a positive and significant relationship between company liquidity and profitability in the Indonesian pharmaceutical sector. Likewise, Samo & Murad (2019) found a positive effect of liquidity on profitability using ROA and ROE in textile companies in Pakistan. Furthermore, research by Saleh & Abu Afifa (2020) found that liquidity has a negative and insignificant effect on bank profitability, when using ROA and ROE.

Likewise, there is a contrast in the results of research by Yang & Liu (2022) and Lee (2018) regarding the effect of return on investment on profitability. Yang & Liu (2022) prove that investment strategy has a positive relationship with organizational profitability. While Lee's research (2018) found an insignificant effect of profit growth and cash flow on R&D investment, a positive effect was found for both relationships before the crisis occurred.

Research by Owusu & Alhassan (2021) and Nurlaela et al. (2019) contradicts the results of research by Lim & Rokhim (2020) regarding asset turnover on profitability. Owusu & Alhassan (2021) show that the return on assets (liabilities) is positive and varies across assets and liabilities with profitability and the results of research conducted by Nurlaela et al. (2019) also shows that asset turnover (TATO) has a significant and positive effect on profitability/financial performance (ROA).
But research conducted by Lim & Rokhim (2020) in measuring company efficiency (Asset Turnover Ratio) shows a negative relationship and does not show a significant relationship with profitability. Likewise, there are contrasting research results by Lim & Rokhim (2020) and Yadav et al. (2022) with Lee (2018). Lim & Rokhim (2020) show the results of research on Indonesian pharmaceutical companies showing a positive and significant relationship between sustainable growth and profitability. Furthermore, Yadav et al. (2022) found that there is evidence of a negative profitability and profitability growth relationship. But research conducted by Lim & Rokhim (2020) in measuring company efficiency (Asset Turnover Ratio) shows a negative relationship and does not show a significant relationship with profitability. Likewise, there are contrasting research results by Lim & Rokhim (2020) and Yadav et al. (2022) with Lee (2018). Lim & Rokhim (2020) show the results of research on Indonesian pharmaceutical companies showing a positive and significant relationship between sustainable growth and profitability. Furthermore, Yadav et al. (2022) found that there is evidence of a negative profitability and profitability growth relationship.

2. LITERATURE REVIEW

2.1 Research Variable

a). Profitability

Profitability is describing how the ability possessed by the company means explaining profits with all the resources it has. Profitability is a summary of the size of income and expenditure, which is considered as a basis for decision making by investors Kim et al. (2022). Company profitability is an illustration of the effectiveness of company management performance in obtaining profits LS Dewi & Abundanti (2019). In evaluating the effectiveness of the company, you can use the profitability of Nainggolan & Abdullah (2019). Profitability is used as a benchmark for assessing management performance as seen from company profits Rahmawati & Nani (2021). Profitability in this study uses a type of ratio that compares gross profit with sales revenue.

\[
\text{Gross profit margin} = \frac{\text{gross profit}}{\text{total revenue}} \times 100\%
\]

b). Liquidity

Liquidity is the ratio in describing a company's ability to pay short-term dependents, including: company operating funds, paying salaries of company employees and other payments in a short period of time. According to LS Dewi & Abundanti (2019) a liquid company is a company that can cover its maturing obligations or short-term obligations. With a liquid company condition, investors will be interested in the company's position and make the company's added value in obtaining profits. In fulfilling its obligations, companies can consider short-term dependents with the resources owned by the company Nainggolan & Abdullah (2019). The company is responsible and there are no obstacles with the payment of its short obligations, when the level of liquidity that the company has is high. There is no doubt creditors in providing loans Amanah et al. (2014). The type of ratio used to calculate liquidity is the current ratio. Current ratio or current ratio used as an illustration of the company in obtaining current assets to meet the company's current liabilities Wangdra (2019). A high current ratio can cause a decrease in profit or profitability because the excess amount of current assets proves that they are not being managed effectively (Angelina et al., 2020).

By using the company's current ratio, it will have an overview of the company's ability to complete current liabilities by using current assets. The formula for calculating current ratio or Current ratio is as follows:

\[
\text{Current Ratio} = \frac{\text{current asset}}{\text{current liabilities}}
\]

Source: of various theories

c). Return on Investment

Return on investment is the ratio of profits and losses from an investment compared to the amount invested. Stock turnover or Return On Investment is the percentage of profit obtained from the amount of assets or funds invested. Stock turnover is a profit that will be obtained by investors from the amount of capital with the aim of the ability to use capital S. Chandrasekhar & Laily Noor Ikhansanto (2020). The return on investment ratio or ROI is a material consideration for investors because investors will make decisions based on ROI analysis, the level A high ROI shows that the company's performance is quite efficient in earning profits. A high stock turnover ratio will affect the increasing profit generated due to the effective use of assets Amanah et al. (2014). ROI shows a measurement of the efficiency of capital, production and sales, which shows the profitability of each product (Olivia, 2019). For more information about maximizing return on investment (ROI) below:

\[
\text{ROI} = \frac{\text{profit for the year}}{\text{total asset}} \times 100\%
\]

Source: of various theories
d). Asset Turnover
Asset turnover (total asset turnover) is a ratio that measures how all assets owned by a company are operated in support of company sales. Nurlaela et al. (2019). Asset turnover is a profit in the form of a percentage of net profit related to overall company assets Saputra (2019). When the level of profitability is high, businesses will easily be able to find investors to fund their operations. The formula for calculating stock turnover using total asset turnover or TATO is as follows:

\[ \text{Total Asset Turnover} = \frac{\text{sales}}{\text{total asset}} \]
Source: of various theories

e). Asset Turnover
Asset turnover (total asset turnover) is a ratio that measures how all assets owned by a company are operated in support of company sales. Nurlaela et al. (2019). Asset turnover is a profit in the form of a percentage of net profit related to overall company assets Saputra (2019). When the level of profitability is high, businesses will easily be able to find investors to fund their operations. The formula for calculating stock turnover using total asset turnover or TATO is as follows:

\[ \text{Growth rate} = \frac{(\text{present}-\text{past})}{\text{past}} \times 100 \]
\[ \text{Present} = \frac{\text{current value}}{\text{price}} \]
\[ \text{past} = \frac{\text{value}}{\text{price in the past}} \]
Source: of various theories

2.2 Research Hypothesis
a). Effect of Liquidity on Profitability
Lim & Rokhim (2020) show a positive and significant relationship between company liquidity and profitability. By showing the results of research that is important managing high-level current assets and low-level current liabilities, as a way of increasing ROE and ROA. Research conducted by Samo & Murad (2019) shows a positive relationship between liquidity and profitability using ROA and ROE in textile companies in Pakistan. Companies that can fulfill their daily cash operations properly, can get high return on assets and return on equity, if the company is liquid, then the company has current assets that are greater than the total liability of its liabilities (liquidity). Meanwhile, according to research conducted by Kontuš & Mihanović (2019) liquidity as measured by the ratio of current assets and current liabilities has a negative but not significant effect on profitability in small and medium businesses. Because the high level of debt due to high interest will lead to increased risk thereby reducing profitability. Based on the results of the research above, the following hypotheses can be built:

**H1: liquidity has an effect on profitability.**

b). Effect of Return on Investment on Profitability
Return On Investment usually used for corporate strategic planning. According to research conducted by Yang & Liu (2022) shows that investment strategy has a positive relationship with organizational profitability. Because an effective investment strategy helps businesses to manage finances which has an impact on increasing company profitability. Lee (2018) said that there was an insignificant effect of profit growth and cash flow on R&D investment, positive and significant evidence on profitability but found a positive effect for both relationships before the crisis occurred. Due to its long term nature, R&D investment does not respond to the short term cash flow of the business environment, company which has high profitability that can return the investment shares of investors. The higher the company's stock price indicates that it has maximized asset existing, which shows that its business operations Becomes the more profitable. Based on the results of the research above, the following hypotheses can be built:

**H2: return on investment has an effect on profitability.**

c). Effect of asset turnover on profitability
Owusu & Alhassan (2021) show that the return on assets (liabilities) becomes positive (negative) and varies across all assets and liabilities. And shows that there is evidence that profitability is related to balance sheet items because most of the assets and liabilities composition is statistically significant when regressed on the two income measures. According to research conducted by Lim & Rokhim (2020) in measuring company efficiency (Asset Turnover Ratio) shows a negative relationship and does not show a significant relationship between the Asset Turnover Ratio as a measure of company efficiency and ROE. So it was decided that the hypothesis could not be accepted. Research conducted by Nurlaela et al. (2019) shows that asset turnover (TATO) has a significant and positive effect on profitability/financial performance (ROA). Based on the results of the research above, the following hypotheses can be built:

**H3: stock turnover has an effect on profitability.**

d). Effect of growth opportunities on profitability
Lim & Rokhim (2020) research results on Indonesian pharmaceutical companies show a positive and significant
relationship between sustainable growth and profitability. Because the sustainable growth rate is calculated based on ROE and dividend payout ratio. High ROE and low dividend payout ratio lead to high profitability. Furthermore, Yadav et al. (2022) says that there is evidence of profitability with growth positively indicating that initially profitability increases with growth but there is a profit phenomenon in which the profit rate decreases as a result of increased size which indicates large sizes produce inventions. Further research conducted by Lee (2018) has a negative effect profitability to growth. Because profit-oriented managers maintaining high profit levels while ignoring growth opportunities. Based on the results of the research above, the following hypotheses can be built:

H4: growth opportunities have an effect on profitability.

2.3 Research Model
With the above hypotheses a conceptual framework or research model can be built like Figure 1

![Figure 1 Research model](image)

3. METHOD
3.1 Research Design
Quantitative research has the intention of describing the interrelationship of variables. The data acquire a quantitative slope as is generally the case, quantitative data in terms of frequency, or mean and standard deviation, becomes necessary for the descriptive study of Sekaran & Bougie (2009). This research is a quantitative case study that contains a positivistic paradigm. This analysis is based on secondary data of companies in the food and beverage sector listed on the IDX 2018-2021.

3.2 Research Locations
The research was carried out by collecting data from the Indonesia Stock Exchange in 2021 by reading, observing and studying by collecting the required data.

3.3 Population and Research Sample
Population spearheads a collection of human groups, campaigns or things that need to be said (Sekaran, 2003). According to data from idn financial.com, (2022) all businesses in the food and beverage sector listed on the Indonesia Stock Exchange in 2018-2021 are included in the population of this study, there are 72 companies. The sample is a component part of the population. It consists of a subset selected from some, but not all, of the population segments that make up the sample. Now (2003). The benchmarks for this research sample are:

1. Food and beverage companies listed on the IDX for the period 2018-2021;
2. Companies that offer the presentation of financial data for the observation year, namely 2018-2021;
3. In the study population there were companies in the food and beverage sector that were not listed on the IDX consecutively during the 2018-2021 research observations, namely 72 companies. And obtained samples in research data of 26 food and beverage sector companies registered on the IDX during the 2018-2021 research observation period.

3.4 Sampling Techniques
The sampling technique is an interpretation of quoting a portion of the population in such a way that even though the sample is able to substitute for the population Sumargo (2020). In this study used the approach Probability Sampling Because in this study the population size is known and it is a technique that applies each unit of analysis in the population to have a shared attitude that makes them qualify as members of the sample (Nurdin et al., 2018). High probability designs are used when sample representativeness is important for broad generalizations (Sekaran & Bougie, 2009).
3.5 Analysis Techniques

The current study includes a data panel that authenticates connections between data from time series and cross sections or time series and cross-section, the right software to use is Eviews because it matches the panel data used and is compatible (Caraka & Yasin, 2017). Eviews (Econometric Views) is a Windows-based computer program that is widely used for statistical and econometric analysis of time series types. Nuryanto & Pambuko (2018).

In this study, panel data was presented which consisted of a combination of time series and cross-section data or consisted of several objects covering several times, Junjunan & Nawangsari, (2021). The stages in conducting the estimation method including the Common Effect Model, Fixed Effect Model and Random Effect Model, c) Determining the Estimation Method including Chow Test is a test to determine the model used between common effect model or fixed effect model, the Hausman Test is used to determine whether to use the fixed effect or random effect and the Lagrange Multiplier is used as a consideration in choosing an approach between pooled least squares or random effect. The interpretation of the regression model formed was tested by, among others: (Goodness of Fit), F test (Simultaneous Significant Test) to determine simultaneously the independent variables on the dependent variable in the model, T test (Partial Significant Test) uses statistical values to determine the significance of the effect of individual independent variables on the dependent variable. Then estimate the panel data equation. (Hidayat, n.d.).

3.6 Model Test Results

**Calculation Results of Testing Each Model**

<table>
<thead>
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<th>Table 1. Model Test Results</th>
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<tr>
<td>Effect Test</td>
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<tr>
<td>Cross-section F</td>
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<tr>
<td>Test Summary</td>
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<td>Cross-section random</td>
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Based on table 1, it shows the probability value of the F test 0.0000 is smaller than α = 0.05 (< 0.05), then H0 rejected and Ha accepted which means that the model fixed effect better used in estimating panel data regression than models common effect and proceed with the test Hausman test which shows the value of Probability chi-square test 0.0000 is less than α = 0.05 (< 0.05), then H0 rejected and Ha accepted which means that the model fixed effect better used in estimating for panel data regression.

In determining the conclusion of the best model testing is done by testing 3 (three) models, followed by determining the model by comparing the value of R-squared that is Common Effects Model 1.29% , Fixed Effects Model 60.5% and Random Effects Model 1.29%. It can be said that the R-valuesquared The higher level is the Fixed Effect Model which will be analyzed to estimate the Effect of Liquidity, Return on Investment, Asset Turnover, Growth Opportunities on Company Profitability in Industry Sector food and beverage Listed on the Indonesia Stock Exchange for the 2018-2021 period.

4 RESULT AND DISCUSSION

4.1 Estimation of the panel Data Regression Model Together

<table>
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<tr>
<th>Table 2. Panel Data Regression Model Estimation Results</th>
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<tbody>
<tr>
<td>Variabel</td>
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<td>Costant</td>
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<td>Current Ratio</td>
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<td>Return On Investment</td>
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<td>Growth Rate</td>
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<td>R-squared</td>
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Based on the calculations in Table 2, it shows the feasibility test of the regression model (goodness of fit) as measured by determination shows a value of 60.5%, meaning that the variation in the increase or decrease in profitability is calculated by gross profit margin company food and beverage can be explained by the current ratio variable. Return On Investment, total asset turnover and growth rate. While the remainder, namely a value of 39.5%, is explained by the influence of other variables not examined in this research model.

Significant testing together shows the value of F-statistics 3.679575 with a probability value of 0.0000003 which is less than \( \alpha = 0.05 \). This means H0 rejected and Ha accepted so that it can be stated that Current Ratio, Return On Investment, total asset turnover and growth rate jointly affect profitability through calculations Gross Profit Margins.

4.2 Partial Panel Data Regression Model Estimation

The results of estimated profitability are calculated by gross profit margin company food and beverage Those listed on the Indonesia Stock Exchange for the 2018-2021 period use the fixed effect model described in Table 3. It can be explained in the form of an equation, as follows:

\[
\text{DPR} = 29.21621 \text{C} - 1.96947 \text{CR} + 9.40E-14 \text{ROI} - 0.040200 \text{TATO} - 6.09E-08 \text{GR}
\]

4.3 The effect of liquidity calculated by the Current Ratio on Profitability

Current Ratio affect the profitability of companies in the sector food and beverage negatively and significantly. Empirical results are different from research (Lim & Rokhim, 2020), and (Samo & Murad, 2019) which say that there is a positive and significant relationship between liquidity calculated by current assets and low-level current liabilities on profitability. These empirical results are also different from research (Kontuš & Mihanović, 2019) which states that liquidity as measured by the ratio of current assets and current liabilities has a negative but not significant effect on profitability in small and medium enterprises. Because the high level of debt due to high interest will lead to increased risk thereby reducing profitability. This empirical finding means that if the Current ratio has a high level of value, then the profitability calculated by gross profit will decrease.

4.4 Effect of Return On Investment on profitability

Return On Investment affect the profitability of companies in the sector food and beverage positively and not significantly. This empirical result is different from research (Yang & Liu, 2022) which shows that ROI has a positive relationship with organizational profitability. These empirical results are also the same as research (Lee, 2018) which states that there is an insignificant positive effect of profit growth and cash flow on investment.

This empirical result means that the higher the value of Return On Investment, the greater the company's profitability, which is reflected in gross profit. This empirical result means that if the company can return investment funds to investors, it reflects that the company has a high profitability value. However, Return On Investment does not affect significantly because of the return on investment for the company food and beverage not as a consideration of the company's gross profit income.

4.5 Effect of asset turnover (TATO) on profitability

Asset turnover (TATO) affect the company's profitability in food and beverage negatively and not significantly. These empirical results are different from research (Owusu & Alhassan, 2021) and (Nurlaela et al., 2019) which shows that asset turnover has a positive and significant effect on profitability. This empirical result is also different from the empirical results by (Lim & Rokhim, 2020) in measuring company efficiency. The Asset Turnover Ratio shows a negative relationship and does not show a significant relationship between the Asset Turnover Ratio as a measure of company efficiency. This empirical result means that if asset turnover does not affect profitability which is described by gross profit. Influence Growth Rate on profitability

Growth Rate affect the profitability of the company on food and beverage negatively but not significantly. Empirical results differ from (Lim & Rokhim, 2020) and (Yadav et al., 2022) showing a positive relationship between growth opportunities and profitability. Low growth rates and dividend payout ratios lead to high profitability. The empirical results are the same as the empirical results by (Lee, 2018) which state that there is a negative influence. This empirical result means that the growth rate does not affect and is not significant to profitability as described by gross profit.

5. CONCLUSION

This study estimates and influences liquidity, return on investment, asset turnover, growth opportunities on company profitability in the industrial sector food and beverage listed on the Indonesia Stock Exchange for the 2018-2021 period. Estimation and analysis of this study using fixed effect better compared to Common Model Effect and Random Model Effect. This research model estimates and analyzes those that affect profitability, namely current ratio, Return On Investment, asset turnover (TATO), and growth rate.

Current ratio affect the company's profitability food and beverage negatively and significantly. This empirical finding is
inconsistent with the research hypothesis which states that liquidity is described by current ratio positively and significant effect on company profitability and beverage listed on the Indonesia Stock Exchange for the 2018-2021 period. Besides that, variables Current Ratio is the most dominant factor affecting the profitability of the company food and beverage.

Return On Investment affect the company's profitability food and beverage positively and not significantly. This empirical finding is not in accordance with the research hypothesis which states that the return on investment is described by Return On Investment positive and significant effect on company profitability food and beverage listed on the Indonesia Stock Exchange for the 2018-2021 period.

Asset turnover (TATO) affects the company's profitability food and beverage negatively and not significantly or have no relationship effect between TATO and gross profit. These empirical findings are inconsistent with the research hypothesis which states that return on investment as described by asset turnover (TATO) has a positive and significant effect on company profitability food and beverage listed on the Indonesia Stock Exchange for the 2018-2021 period.

Growth rate affect the company's profitability food and beverage negatively and not significantly. This empirical finding is not in accordance with the research hypothesis which states that the return on investment is described by growth rate positive and significant effect on company profitability food and beverage listed on the Indonesia Stock Exchange for the 2018-2021 period.

Suggestions
Further research is directed to add variables of external factors because these empirical findings can only explain the profitability of the company food and beverage listed on the Indonesia Stock Exchange for the 2018-2021 period.

REFERENCES


