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The Effect of Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Asset (ROA) on Profit Growth at PT Industri Jamu and Pharmacy Sido Muncul TBK for the 2013-2024 Period

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ABSTRACT

In increasingly fierce business competition, profit growth is a key indicator of company performance, influenced by various financial factors. This study aims to examine and analyze the effect of Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Asset (ROA) on profit growth at PT Industri Jamu Dan Pharmacy Sido Muncul Tbk for the 2013–2024 PERIOD. The research method used is a quantitative approach, with secondary data obtained from the company's financial statements. The study results indicate that the significance value of the Current Ratio is 0.817 > 0.05, and the calculated t-value is less than the t-table value (0.240 < 1.859), leading to the conclusion that the Current Ratio partially has no significant effect on Profit Growth. The Debt to Equity Ratio also shows no significant partial effect on Profit Growth, with a significance value of 0.790 > 0.05 and a calculated t-value less than the t-table (0.275 < 1.859). In contrast, the Return on Asset reveals a significance value of 0.040 < 0.05 and a calculated t-value greater than the t-table (2.445 > 1.859), indicating that Return on Asset partially has a positive and significant effect on Profit Growth. Furthermore, the combined values of Current Ratio, Debt to Equity Ratio, and Return on Asset yield a significance value of 0.037 < 0.05 and an F-calculated value greater than the F-table (4.610 > 4.07). This demonstrates that, simultaneously, these three variables have a positive and significant effect on Profit Growth.

Introduction

In the world of business competition, an increasing number of new companies are emerging, and competition among firms is becoming more intense (Porter, 2023). In today's era of globalization and rapid technological advancement, the nature of competition in the business world is evolving significantly (Baldwin, 2016). Therefore, business development in Indonesia must be more competitive, necessitating that each company manage its operations more professionally (Shaturaev, 2021). The growing intensity of business competition requires every company to adapt swiftly to market changes and to continually enhance its performance so as to sustain and compete

effectively with other firms (Mulyana, 2024). One aspect of evaluating company performance and understanding its financial health is profit growth. In response to accelerated developments in the business landscape, companies must generate optimal profits to maintain a competitive edge (Almashhadani & Almashhadani, 2023). However, empirical evidence shows that not all companies achieve the intended goal of maximizing profits, and as a result, it is possible that not every company succeeds in reaching its objectives (Jensen, 2017).

Profit growth is a crucial indicator reflecting market acceptance of a company's products and services (Csikósová, Čulková, & Janošková, 2016). Companies rely on profits to ensure survival and are expected to increase their profitability year after year (Ortiz-de-Mandojana & Bansal, 2016). For a company to endure in the economy, it must achieve consistent profit growth. However, profit increments are not guaranteed annually; there may be declines in one year followed by increases in subsequent years (Mitchell, 2022). Financial ratio analysis is a method utilized to examine financial statements as a means of assessing past and present performance and projecting future profitability (Fridson & Alvarez, 2022). The company's financial statements provide information about its financial position, income and expenses, as well as shifts in financial standing (Palepu, Healy, Wright, Bradbury, & Coulton, 2020).

Profit growth is a ratio that demonstrates a company's ability to increase net profit over the previous year (Nariswari & Nugraha, 2020). Profit growth indicates the percentage rise in net profit that a company is able to achieve (Handayani & Winarningsih, 2020). Strong profit growth suggests robust financial performance, thereby enhancing firm value. Since profit serves as a measure of company performance, higher profits typically signify better performance and attract investor interest. Profit growth may be influenced by financial ratios such as Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Asset (ROA).

(Quesada, 2019) describes financial ratios as the comparison between figures in financial statements by dividing one figure by another; these figures may be compared within a period or across multiple periods. Common financial ratios to measure company performance include the Profitability Ratio (to gauge the company's ability to generate profits), Liquidity Ratio (to assess short-term debt repayment capacity), Solvency Ratio (for long-term debt obligations), Activity Ratio (to evaluate resource utilization efficiency), and Market Valuation Ratio (to estimate the company's ability to build market value).

Current Ratio is a liquidity ratio illustrating a company's ability to meet short-term obligations (Husna & Satria, 2019). A high Current Ratio reflects robust short-term debt coverage, increasing investor confidence and potentially driving profit growth (Huang, Tan, & Faff, 2016). A higher Current Ratio means more assets can be allocated to settle liabilities (Kasmir, 2018). Nevertheless, an excessively high Current Ratio may indicate inefficiency in asset utilization, which could adversely impact profit growth (Lusy, Hermanto, Panjaitan, & Widyastuti, 2018).

Based on Estininghadi's (2019) research, an increase in the Debt to Equity Ratio (DER) is a factor that significantly drives profit growth (Dewi, 2024). The Debt To Equity Ratio is a solvency ratio that measures the extent of company financing through debt versus equity (Rahman, 2017). An increase in the Debt to Equity Ratio reflects reliance on debt for operational funding. Yet, companies are at risk if they fail to utilize borrowed funds productively or invest in profitable activities (Coleman, Cotei, & Farhat, 2016).

From the company's perspective, a rising Debt to Equity Ratio will boost working capital available for operations and profit generation (Aldubhani, Wang, Gong, & Maudhah, 2022). According to Hasanah et al., the Debt to Equity Ratio significantly affects profit growth. A high

debt to equity ratio can signal increased financial risk, but may also yield positive effects when debt is managed for expansion with greater returns than associated interest costs.

Return On Asset is a profitability ratio assessing a company's ability to generate profit from its total assets. Return On Asset (ROA) is calculated as the ratio of net profit to total assets (Raiyan et al., 2020). A high Return on Asset indicates efficient management of productive assets to generate profit. This ratio reveals the amount of net profit earned in relation to asset value. Therefore, a strong Return on Asset is expected to be a positive indicator for future profit growth. This study specifically aims to measure profit growth using SIDO's Current Ratio, Debt to Equity Ratio, and Return on Asset financial ratios.

PT Industri Jamu dan Farmasi Sido Muncul Tbk is among the largest herbal medicine and pharmaceutical companies in Indonesia; it went public in 2013 and holds promising prospects for boosting public awareness of healthy lifestyles and herbal product usage. SIDO's published financial data indicate fluctuating profit growth year to year. For instance, in 2020 during the COVID-19 pandemic, SIDO posted an increase in profit compared to the previous year, while many other firms suffered declines during the same period. This suggests that various factors, including financial ratios such as Current Ratio, Debt to Equity Ratio, and Return on Asset, influence profit growth and are central to this research. The company operates across sectors such as processing, wholesale and retail trade, health services, arts, entertainment, professional, scientific, and technical activities.

Table 1. Calculation of Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Asset (ROA) to Profit Growth at PT Industri Jamu dan Farmasi Sido Muncul Tbk for the 2013-2014 Period

Year	Current Ratio (%)	Debt to Equity Ratio (%)	Return On Asset (%)	Profit Growth (%)
2013	728,85	12,42	13,75	4,75
2014	1.025,42	7,09	14,72	2,28
2015	927,65	7,11	15,65	4,81
2016	831,82	7,82	16,08	9,84
2017	781,22	7,20	16,90	11,09
2018	420,13	12,69	19,89	24,36
2019	412,35	13,58	22,84	21,67
2020	366,41	17,38	24,26	15,64
2021	413,11	15,65	30,99	35,00
2022	405,55	15,43	27,07	-12,39
2023	495,65	12,32	24,43	-13,98
2024	535,73	11,79	29,74	23,18

Source: https://investor.sidomuncul.co.id/id/annual_reports.html

Based on table 1, SIDO experienced fluctuating increases and decreases in the Current Ratio. SIDO's highest current ratio was obtained in 2014 which was 1,025.42%. Meanwhile, the lowest Current Ratio of SIDO in 2020 was 366.41%. In 2013-2014 SIDO experienced a drastic increase of 296.57% from 728.85% to 1,025.42% and in 2014-2015 SIDO experienced a decrease of 1,025.42% to 927.65% with a difference of 97.77%. In 2015-2016 it decreased by 95.83% from 927.65% to 831.82%. In 2016-2017, it was followed by a decrease of 50.6% from 831.82% to 781.22%. In 2017-2018 SIDO experienced a significant decline of 361.09% from 781.22% to 420.13%. In 2018-2019 SIDO still experienced a decrease of 7.78% from 420.13% to 412.35%. In

2019-2020, SIDO experienced a decline of 45.94% from 413.35% to 366.41%. In 2020-2021, SIDO experienced an increase of 46.7% from 366.41% to 413.11%. This was followed by a decline again in 2021-2022 of 7.56% from 413.11% to 405.55%. In 2022-2023, SIDO again increased by 90.1% from 405.55% to 495.65%. In 2023-2024, SIDO will increase by 40.08% from 495.65% to 535.73%.

Based on table 1, SIDO experienced fluctuating Debt to Equity Ratio increases and decreases. The highest Debt to Equity Ratio was obtained in 2020, which was 17.38%. while the lowest Debt to Equity Ratio was obtained in 2014 which was 7.09%. In 2013-2014 SIDO decreased by 5.33% from 12.42% to 7.09%. In 2014-2015 SIDO experienced a slight increase of 0.02% from 7.09% to 7.11%. In 2015-2016 SIDO increased by 0.71% from 7.11% to 7.82%. In 2016-2017 SIDO experienced a decline of 0.6% from 7.82% to 7.20%. In 2017-2018 SIDO experienced an increase of 12.69% from 7.82% to 19.89%. In 2018-2019 it decreased by 6.31% from 19.89% to 13.58%, followed again in 2019-2020 with an increase of 3.8% from 13.58% to 17.38%. In 2020-2021, SIDO decreased by 1.73% from 17.38% to 15.65%. In 2021-2022, it decreased by 0.22% from 15.65% to 15.43%. In 2-2022-2023, SIDO experienced a return of 3.11% from 15.43% to 12.32%. In 2023-2024, SIDO will experience a decline of 0.53% from 12.32% to 11.79%.

Based on table 1, SIDO experienced fluctuating ups and downs. SIDO's highest Return on Asset was obtained in 2021, which was 30.99%. Meanwhile, SIDO's lowest Return on Asset was obtained in 2013, which was 13.75%. In 2013-2014 SIDO increased by 0.97% from 13.75% to 14.72%. In 2014-2015 SIDO increased by 0.93%. In 2015-2016 SIDO experienced a re-increase of 0.43% from 15.65% to 16.08%. In 2016-2017, SIDO still experienced an increase of 0.82% from 16.08% to 16.90%. In 2017-2018 SIDO increased by 2.99% from 16.90% to 19.89%. In 2018-2019, SIDO still experienced an increase of 2.95% from 19.89% to 22.84%. In 2019-2020, SIDO experienced a return increase of 1.42% from 22.84% to 24.26%. In 2020-2021, SIDO still experienced an increase of 6.73% from 24.26% to 30.99%. In 2021-2022, SIDO experienced a small decrease of 3.92% from 30.99% to 27.07%. In 2022-2023, SIDO experienced a decline of 2.64% from 27.07% to 24.43%. In 2023-2024, SIDO will increase again by 5.31% from 24.43% to 29.74.

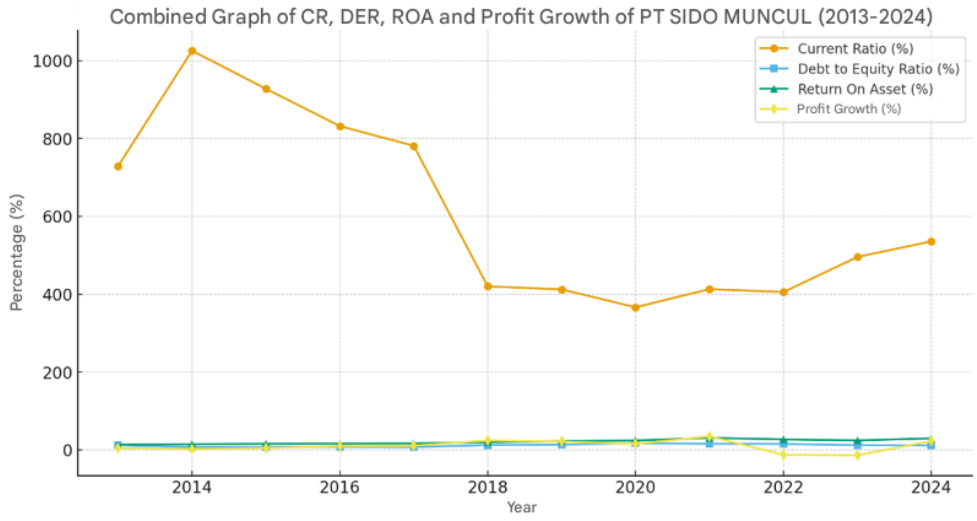

Figure 1. Development of Debt to Equity Ratio (DER) to Profit Growth of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the 2013-2024 Period

Source: Data processed from the annual financial statements of PT Sido Muncul Tbk (2013-2024)

The following is a graph of the results of the calculation of the Debt to Equity Ratio to Profit Growth at PT Industri Jamu dan Pharmacy Sido Muncul Tbk for the 2013-2024 period.

Based on table 1, SIDO's profit growth has fluctuated in and out of activity. SIDO's highest profit growth was obtained in 2021, which was 35.00%. Meanwhile, the lowest profit growth was obtained in 20174, which was 2.28%. In 2013-2014 SIDO decreased by 2.47% from 4.75% to 2.28%. In 2014-2015 SIDO increased by 2.53% from 2.28% to 4.81%. In 2015-2016 SIDO experienced a return increase of 5.03% from 4.81% to 9.84%. In 2016-2017 SIDO experienced an increase of 1.25% from 9.84% to 11.09%. In 2017-2018, SIDO still experienced an increase of 12.27% from 11.09% to 24.36%. In 2018-2019 SIDO decreased by 2.69% from 24.36% to 21.67%. In 2019-2020, SIDO experienced a decline of 6.03% from 21.67% to 15.64%. In 2020-2021, SIDO experienced a considerable increase of 19.36% from 15.64% to 35.00%. In 2021-2022, SIDO experienced a drastic decrease of 22.61% from 35.00% to -12.39%. In 2022-2023, it increased by 1.59% from -12.39% to -13.98%. In 2023-2024, it will increase by .2% from -13.98% to 23.18%.

Although many studies have been conducted, the results are still inconsistent, especially when applied to companies with specific characteristics such as PT Industri Jamu and Pharmacy Sido Muncul Tbk. In addition, most previous studies have only focused on one or two financial ratios, so they have not provided a comprehensive picture of the simultaneous influence of CR, DER, and ROA on profit growth. This study fills this gap by analyzing the simultaneous and partial influence of CR, DER, and ROA on profit growth at PT Sido Muncul during the 2013–2024 period. The long research period that covered the COVID-19 pandemic was an added value, considering that the company's performance during that period showed a unique positive trend compared to similar companies. Thus, this study is expected to provide a more in-depth and contextual perspective on the factors that drive profit growth in the herbal medicine and pharmaceutical sectors.

Based on this background, this study aims to analyze the partial influence of Current Ratio, Debt to Equity Ratio, and Return on Asset as well as the simultaneous influence of these three variables on profit growth at PT Industri Jamu dan Farmasi Sido Muncul Tbk during the 2013-2024 period. More specifically, this study is designed to measure the extent to which each independent variable influences profit growth individually, while testing the strength of the influence of the three variables together on the dependent variables. The benefits of this research can be felt by various parties. For companies, the results of this research can be used as evaluation and consideration in financial decision-making, especially in managing liquidity, debt structure, and asset utilization efficiency to encourage profit growth. For investors and potential investors, this study provides information about financial factors that affect the company's performance, so that it can be used as a reference in investment decision-making. As for academics, this research is expected to add scientific treasures and empirical references related to the influence of financial ratios on profit growth, especially in companies in the herbal medicine and pharmaceutical sectors in Indonesia.

Research Method

The research conducted by the author in compiling this research is descriptive with a quantitative abbreviation, research that describes or narrates and describes how the results of the calculation of the company's financial data in the form of financial statements are. The method

used in this study is the associative method. In this study, the quantitative data taken was in the form of annual financial statements of PT Industri Jamu dan Farmasi Sido Muncul Tbk.

In this study, the company that became the object of the research was PT Industri Jamu dan Farmasi Sido Muncul Tbk which is located at Office Sido Muncul, 1st Floor, Hotel Tentrem Building, Jl. Gajahmada No. 123, Kel. Pekunden, Kec. Semarang Tengah, Semarang, 50134. The object of research for this thesis proposal is the financial statements and annual reports of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the 2013-2024 period. The data is downloaded through the https://investor.sidomuncul.co.id/id/annual_reports.html website. The time for this research to be carried out is in October 2024 until it is completed in August 2025.

Secondary data in the form of annual financial statements of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the period 2013-2024 became the main data source, which was analyzed to test the influence of independent variables, namely Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Asset (ROA), on the bound variable, Profit Growth. The data collection technique is carried out through documentation methods and literature studies.

In this study, the population is all financial statement data of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the 2013-2024 period. So the sample of this study is the balance sheet report and profit and loss report of PT Industri Jamu dan Farmasi Sido Muncul Tbk for the period 2013-2024.The data used in this study was obtained by downloading and reviewing the annual financial statement data of PT. Sido Muncul Tbk Herbal Medicine and Pharmaceutical Industry for the 2013-2024 Period which is sourced through the website https://investor.sidomuncul.co.id/id/annual_reports.html

This study uses two main approaches in data collection, namely documentation methods and literature studies. The documentation method is carried out by collecting and analyzing various written records related to the 3-phase motor system in elevators, including technical reports, specification documentation, and relevant operational data. Meanwhile, the literature study method is carried out through exploration and in-depth review of various literature such as scientific articles, journals, textbooks, and online sources related to research topics. These two methods complement each other in providing comprehensive data to support analysis in research.

The data analysis in this study was carried out through several systematic stages. First, descriptive statistics are used to describe the characteristics of the data. Furthermore, a classical assumption test was carried out which included a normality test (with Kolmogorov-Smirnov, P-P Plot, and Histogram), a multicollinearity test (based on a Tolerance value of > 0.1 and VIF < 10), a heteroscedasticity test (using Scatterplot), and an autocorrelation test (with Durbin-Watson). The main analysis uses multiple linear regression ($Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$) to test the influence of independent variables on profit growth. The strength of the relationship is measured by the correlation coefficient, while the contribution of the independent variable is analyzed through the coefficient of determination (R^2). Hypothesis testing was carried out with a t-test for partial influence and an F test for simultaneous influence, where the entire analysis process was assisted by SPSS software.

Results and Discussion

Quantitative Analysis

Quantitative analysis is used to find out whether there is a correlation or influence between independent variables and dependent variables. To find out the results of the test, tests such as simple linear regression analysis, multiple linear regression analysis, correlation coefficient, and determination coefficient were used.

Simple Linear Regression Analysis

Simple linear regression analysis is used to find out whether there is an influence or relationship between independent variables and dependent variables. Here are the results of a simple linear regression:

Table 2. Results of Simple Linear Regression Analysis

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-14.425	10.961		-1.316	.225
	Current Ratio	.002	.009	.056	.240	.817
	Debt To Equity Ratio	.229	.830	.086	.275	.790
	Return On Asset	1.196	.489	.749	2.445	.040

a. Dependent Variable: Profit Growth

Source: Data processed SPSS 31

Simple linear regression equations can be derived using the following simple linear regression test table:

$$Y = -14.425 + 0.002 + 0.229 + 1.196\ x$$

Based on the results of the calculation above, a constant value of -14.425 and the value of the Current Ratio regression coefficient of 0.002 is considered non-constant while the regression coefficient of Debt To Equity Ratio and Return On Asset is considered constant or has a positive effect because the value of the regression coefficient increases by one (1) unit, then profit growth will increase if the free variable increases.

Multiple Linear Regression Analysis

Multiple linear regression analysis was used to find out if there was an involvement between independent variables and dependent variables. The multiple linear regression model can be seen in the table below:

Table 3. Multiple Linear Regression Analysis Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-14.425	10.961		-1.316	.225
	Current Ratio	.002	.009	.056	.240	.817
	Debt To Equity Ratio	.229	.830	.086	.275	.790
	Return On Asset	1.196	.489	.749	2.445	.040

a. Dependent Variable: Profit Growth

Source: Data processed SPSS 31

The regression equation can be derived by using the multiple linear regression test table as follows:

$$Y = -14.425 + 0.002\ X1 + 0.229\ X2 + 1.196\ X3 + e$$

Y = Profit Growth
X1 = Current Ratio
X2 = Debt to Equity Ratio
X3 = Return on Asset

The multiple linear regression equation can be concluded as follows:

Kontanta

The value of constant (a) is -14.425 which shows that if the independent variables, namely Current Ratio, Debt to Equity Ratio, and Return on Asset are valued at 0 (zero), then the value of the dependent variable, namely Profit Growth, is -14.425.

Current Ratio (X1) to Profit Growth (Y)

The CR value is 0.002 which shows that every time 1 CR value is added, Profit Growth increases by 0.002. Therefore, the regression coefficient can be said to be CR to Profit Growth has a very small and statistically insignificant effect. So, CR has no real effect on Profit Growth.

Debt To Equity Ratio (X2) to Earnings Growth (Y)

The DER value is 0.229 which shows that every time there is an addition of 1 DER value, Profit Growth increases by 0.229, So, the regression coefficient can be said that DER to Profit Growth has a very small and not statistically significant effect. This is because a DER that is too high can cause too much debt burden. Meanwhile, a low DER shows that companies rely more on their own capital.

Return On Asset (X3) to Profit Growth

The ROA value is 1.196 which shows that every time there is an addition of 1 ROA value, profit growth will increase by 1.196. Thus, the regression coefficient can be said to be ROA to Profit Growth has a very positive and significant effect. A high ROA shows that the company is able to generate large profits from the total assets it owns. The higher the ROA, the better the company's performance in managing its assets to obtain profits and encourage Profit Growth.

Correlation Coefficients

Correlation coefficients are used to determine the strength and direction relationship between two or more variables. Meanwhile, the coefficient value is used to determine the strength or weakness of the relationship, both positive and negative. Thus, the results of the coefficient correlation test are as follows:

Table 4. Correlation Coefficient Test Results

Correlations

		Current Ratio	Debt To Equity Ratio	Return On Asset	Profit Growth
Current Ratio	Pearson Correlation	1	-.375	-.323	-.219
	Sig. (2-tailed)		.229	.306	.494
	N	12	12	12	12
Debt To Equity Ratio	Pearson Correlation	-.375	1	.713**	.600*
	Sig. (2-tailed)	.229		.009	.039
	N	12	12	12	12
Return On Asset	Pearson Correlation	-.323	.713**	1	.793**
	Sig. (2-tailed)	.306	.009		.002
	N	12	12	12	12
Profit Growth	Pearson Correlation	-.219	.600*	.793**	1
	Sig. (2-tailed)	.494	.039	.002	
	N	12	12	12	12

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

Source: Data processed SPSS 31

Based on the table above, the result of the relationship between CR and Profit Growth is -0.219. Based on the guidelines, the value interval of -0.219 is in the range of 0.20 - 0.399, which means that the level of relationship between CR and Profit Growth is assessed at a moderate level of relationship. The result of the value of the relationship between DER and Profit Growth is 0.600. Based on the guidelines, the value interval of -0.306 is in the range of 0.60 - 0.799 which means that the level of DER's relationship to Profit Growth is assessed at a strong relationship level. Meanwhile, the value of ROA to Profit Growth is 0.793. Based on the guidelines, the value interval of 0.600 is in the range of 0.60 - 0.799 which means that the level of relationship between ROA and Profit Growth is assessed at a strong level.

Coefficient of Determination

The purpose of the determination coefficient is to determine the extent to which independent variables influence dependent variables partially or simultaneously. Determination coefficient is an analysis used to measure the model's ability to explain dependent variables (Ghozali, 2018). The results of the Determination Coefficient Test can be seen as follows:

Table 5. Results of Determination Coefficient Analysis

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.796a	.634	.496	6.83508

a. Predictors: (Constant), Return On Asset, Current Ratio, Debt To Equity Ratio
b. Dependent Variable: Profit Growth

Source: Data processed SPSS 31

Based on the results of the SPSS output above, the determination coefficient of 0.634 or 63% shows that the variables Current Ratio, Debt to Equity Ratio, and Return on Asset each have an influence of 63% on Profit Growth. This shows that the Current Ratio, Debt to Equity Ratio, and Return on Asset have an influence on the remaining Profit Growth of 37% influenced by other factors that are not present in this study.

Hypothesis Test

Hypothesis testing is used to find out whether the independent variable influences the bound variable. Hypothesis tests can be carried out with the following two types of data:

T Test (Partial)

The t-test is used to determine whether each independent variable influences the dependent variable. In this study, the significance level was 5% or 0.05 which is the risk tolerance limit that has been set. According to Ghozali, 2018 explained that the significance level of 0.05 is a conventional level that is often used in social and economic sciences because it is considered to provide a balance between the risk of type I error and the power of statistical tests. Therefore, the value Pr = 0.05 is a reference in determining the critical value of the t table and F of the table in interpreting the significance of the regression analysis results. The results of the T-test can be seen as follows:

If the significant value > 0.05 with the value t of the calculation < t table, then H0 is accepted and H1 is rejected. This means that the free variable has no significant effect on the bound variable.

If the significant value < 0.05 with the value t of the calculation > t table, then H0 is rejected and H1 is accepted. This means that the free variable has a significant effect on the bound variable.

Comparing t calculations with t tables

If t is greater than t of the table (t is calculated > t table), then the independent variable has a significant effect on the dependent variable H0 is rejected.

If t count is smaller than t table (t count < t table), then the independent variable has no significant effect on the dependent variable H0 is accepted.

Table 6. T Test Results (Partial)

Coefficientsa

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	-14.425	10.961		-1.316	.225
	Current Ratio	.002	.009	.056	.240	.817
	Debt To Equity Ratio	.229	.830	.086	.275	.790
	Return On Asset	1.196	.489	.749	2.445	.040

a. Dependent Variable: Profit Growth

Source: Data processed SPSS 31

Based on the results of the t-test above, it can be concluded as follows:

The significant value is 0.817 > 0.05, then the result of the t-test of the Current Ratio (X1) to Profit Growth (Y) is 0.240 < 1.859. A table with a value of Pr = 5% so that a significant of 0.05 is obtained by using the formula (dk = n - k - 1) so that the result dk = 12 - 3 - 1 = 8 is obtained. The table is 1.859 so, it can be concluded that H0 is accepted and H1 is rejected, then the Current Ratio does not have a significant effect on Profit Growth.

The significant value is 0.790 > 0.05, then the result of the Debt to Equity Ratio (X2) to Profit Growth (Y) test is 0.275 < 1.859. A table with a value of Pr = 5% so that a significant of 0.05 is obtained using the formula (dk = k - n - 1) so that the result dk = 12 - 3 - 1 = 8 with a table of 1.859. It can be concluded that H0 is accepted and H1 is rejected, then the Debt to Equity Ratio has no effect on Profit Growth.

A significant value of 0.040 < 0.05 then the results of the Return on Asset (X3) t test on Profit Growth (Y) are 2.445 > 1.859. The table with the value of Pr = 5% so that a significant of 0.05 is obtained by using the formula (dk = k - n - 1) so that the result dk = 12 - 3 - 1 = 8 with a table of 1.859. It can be concluded that H0 is accepted and H1 is rejected, then Return on Asset has a positive and significant effect on Profit Growth.

Comparing T count and T table

The value of the Current Ratio t calculated is 0.240 and t table is 1.859 (0.240 < 1.859) so that it can be concluded that there is no significant effect between the Current Ratio (X1) on Profit Growth (Y) (H0 is rejected).

The value of the Debt to Equity Ratio t calculated as 0.275 and t of the table was 1.858 (0.275 < 1.859) so that it can be concluded that there is no significant effect between the Debt To Equity Ratio (X1) on Profit Growth (Y) (H0 is rejected).

The value of Return on Asset t is calculated as 2.445 and t table is 1.859 (2.445 > 1.859) so that it can be concluded that there is a positive and significant effect between Return On Asset (X1) on Profit Growth (Y) (H0 received).

F Test (Simultaneous)

The F test is used to find out whether the independent variables together affect the bound variables. Ghozali, 2018 explained that the influence test can be carried out together whether the independent variables collectively affect the depedent variable. Therefore, the results of the F test can be seen as follows:

If the probability value < 0.05 and F count > F table, then the independent variable has a significant influence on the dependent variable H0 is rejected and Ha is accepted.

If the probability value > 0.05 and F count < F table, then the independent variable has no significant influence on the dependent variable. H0 is accepted and Ha is rejected.

Comparing F calculations and F tables

If the value of F count > F table, then the research model is suitable to use.

If the value of F count < F table then the research model is not feasible to use.

F table can be calculated using the formula df1 = k - 1 = 4 - 1 = 3 and df2 = n - k - 1 = 12 - 3 -1 = 8 and significance 0.05. Then F table is 4.07. So that the results of the F Test research are as follows:

Table 7. Test F Results (Simultaneous)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	646.052	3	215.351	4.610	.037b
	Residual	373.746	8	46.718		
	Total	1019.799	11			

a. Dependent Variable: Profit Growth

b. Predictors: (Constant), Return On Asset, Current Ratio, Debt To Equity Ratio

Source: Data processed SPSS 31

Based on the results of the F test above, the F value was calculated 4.610 > 4.07 on the F table and the sig value. 0.037 > 0.05. Therefore, it can be concluded that independent variables, namely Current Ratio (X1), Debt to Equity Ratio (X2), and Return on Asset (X3) are suitable for use and have a positive and significant effect on Profit Growth (Y).

Based on the hypothesis test of the influence of Current Ratio, Debt to Equity Ratio, and Return on Asset on profit growth, the following results were obtained:

Effect of Current Ratio (X1) on Profit Growth (Y)

Based on the results of the t-test, the research variables Current Ratio (CR) as an independent variable and Profit Growth as a dependent variable. Getting the result t calculated of 0.240 < t table 1.859 with a significance value of 0.817 > 0.05, H0 is accepted and H1 is rejected. Thus, the hypothesis results state that there is no partial effect between the Current Ratio (CR) on Profit Growth.

The Effect of Debt to Equity Ratio (X2) on Profit Growth (Y)

Based on the results of the t-test, the research Debt to Equity Ratio (DER) as an inpendent variable and Profit Growth as a dependent variable. Obtained a t-calculation result of 0.275 < 1.859 with a significance value of 0.790 > 0.05. So H0 is rejected and H1 is accepted. Thus, the hypothesis results state that there is no partial effect between the Debt to Equity Ratio (DER) on Profit Growth.

The Effect of Return on Asset (X3) on Profit Growth (Y)

Based on the results of the t-test, the research variables Return on Asset (ROA) as an inpendent variable and Profit Growth as a dependent variable. Getting a t-calculation result of 2.445 > 1.859 with a significance value of 0.040 < 0.05, H0 is rejected and H1 is accepted. Thus, the hypothesis results state that there is a partial influence between Return on Asset (ROA) on Profit Growth.

The Effect of Current Ratio (CR), Debt To Equity Ratio (DER), and Return On Asset (ROA) on Profit Growth

Based on the results of the F test, it was found that the results of the F test were 4.610 > 4.07 with a significance value of 0.037 < 0.05, then H0 was rejected and H1 was accepted. Thus, the hypothesis results state that there is a simultaneous influence between the Current Ratio (CR), Debt To Equity Ratio (DER), and Return On AsseT (ROA) on Profit Growth.

Conclusion

The analysis for PT Industri Jamu dan Farmasi Sido Muncul Tbk during the 2013–2024 period demonstrates that both the Current Ratio (CR) and Debt to Equity Ratio (DER) have no significant partial effect on profit growth, as indicated by their respective t-test and significance results, which failed to surpass critical thresholds, implying that short-term liability coverage and debt-equity balance do not directly boost profits unless managed optimally. In contrast, Return On Asset (ROA) shows a statistically significant positive influence, suggesting effective asset management drives profit expansion. When the three ratios are considered together, their combined management has a positive overall impact on profit growth, with financial leverage and liquidity adding strength when balanced properly, as reflected in both the F-test and the determination coefficient, which accounts for 63% of the observed profit growth variance. For future research, it is recommended to explore other potential influences on profit growth, such as market trends, innovation capability, or operational efficiency, that constitute the remaining 37% not explained by CR, DER, or ROA.

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