

The Effect of Sales Growth and Asset Turnover on the Profitability of Agricultural and Fisheries Sector Companies Listed on the Indonesia Stock Exchange

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Abstract

This study aims to examine the effect of Sales Growth and Total Asset Turnover on the profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). The study employs a quantitative research approach using secondary data obtained from the annual financial reports of 20 companies during the 2024–2025 period, resulting in 40 observations. Data were analyzed using multiple linear regression with the assistance of IBM SPSS Statistics. Prior to hypothesis testing, descriptive statistics and classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, were conducted to ensure the validity of the regression model. The results indicate that Sales Growth has a positive and statistically significant effect on profitability ($\beta = 0.465$; $p < 0.001$), while Total Asset Turnover also has a positive and statistically significant effect on profitability ($\beta = 6.672$; $p < 0.001$). Simultaneously, both independent variables significantly affect profitability ($F = 63.758$; $p < 0.001$). Furthermore, the coefficient of determination ($R^2 = 0.775$) shows that 77.5% of the variation in profitability can be explained by Sales Growth and Total Asset Turnover, while the remaining 22.5% is explained by other factors outside the model. These findings imply that improving sales performance and enhancing asset utilization efficiency are important strategies for increasing corporate profitability in the agricultural and fisheries sector.

Keywords

keyword 1; Sales Growth 2; Asset Turnover 3; Profitability 4 Agricultural and Fisheries Sector



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INTRODUCTION

The increasing intensity of global business competition has encouraged companies to continuously improve their financial performance in order to maintain business sustainability and enhance shareholder value. In today's dynamic economic

environment, companies are expected not only to generate high revenues but also to utilize their available resources efficiently to maximize profitability. Financial performance has therefore become one of the primary indicators used by investors, creditors, managers, and other stakeholders in evaluating the success of corporate management. Among various measures of financial performance, profitability is considered the most comprehensive indicator because it reflects the company's ability to generate earnings from the assets and resources under its control (Kasmir, 2019).

Profitability plays a significant role in determining the long-term sustainability of a company. A profitable company possesses greater financial flexibility to expand its operations, invest in technological innovation, improve production capacity, distribute dividends to shareholders, and withstand economic uncertainty. Conversely, declining profitability may weaken investor confidence, reduce market value, and ultimately threaten business continuity. Consequently, identifying the determinants of profitability has become one of the most important topics in corporate finance and accounting research.

The agricultural and fisheries sector is one of Indonesia's strategic economic sectors because it contributes significantly to national economic growth, food security, employment opportunities, export earnings, and rural development. According to the Indonesian Central Statistics Agency (BPS), agriculture and fisheries continue to be among the largest contributors to Indonesia's Gross Domestic Product (GDP), particularly in supporting regional economic development and reducing poverty in rural areas. Moreover, Indonesia possesses abundant natural resources, fertile agricultural land, and extensive marine resources, making this sector an important pillar of sustainable economic development.

Despite its strategic contribution, agricultural and fisheries companies face numerous operational and financial challenges. These include fluctuating commodity prices, changing weather patterns due to climate change, increasing production costs, supply chain disruptions, exchange rate volatility, and changes in domestic and international market demand. Such uncertainties require companies to improve operational efficiency while simultaneously increasing sales performance in order to sustain profitability. Therefore, management must continuously evaluate internal financial factors that influence company profitability.

One of the financial indicators frequently associated with profitability is Sales Growth. Sales growth reflects the company's ability to increase its sales revenue over time and serves as an indicator of business expansion and market acceptance.

Increasing sales generally indicate that a company successfully meets customer demand, expands its market share, and strengthens its competitive position. According to Brigham and Houston (2021), companies experiencing continuous sales growth are more likely to improve operating income because higher revenues provide opportunities to increase profits, provided that operational costs remain under control.

Sales growth also reflects management's effectiveness in implementing marketing strategies, product innovation, pricing policies, and customer relationship management. Companies that consistently record positive sales growth usually demonstrate better adaptability to market changes and stronger competitiveness within their industries. Nevertheless, higher sales do not always guarantee higher profitability. If the increase in sales is accompanied by disproportionate increases in production costs, marketing expenses, or administrative costs, the resulting profitability may remain unchanged or even decline. Therefore, examining the relationship between sales growth and profitability remains an important area of empirical research.

Besides sales growth, Asset Turnover is another important determinant of profitability. Asset turnover measures how efficiently a company utilizes its total assets to generate sales revenue. Total Asset Turnover (TAT) indicates the effectiveness of management in converting investments in assets into operating revenues. A higher asset turnover ratio implies that company assets are being utilized more efficiently, thereby contributing to higher operational performance.

Efficient asset management is particularly important for agricultural and fisheries companies because these businesses generally require substantial investments in biological assets, plantations, fishing equipment, processing facilities, warehouses, transportation systems, and other fixed assets. If these assets are not utilized optimally, companies may experience higher operating costs and lower returns on investment. According to Horne and Wachowicz (2018), effective utilization of assets enables companies to maximize productivity while minimizing idle resources, ultimately leading to improved profitability.

Profitability in this study is measured using Return on Assets (ROA). ROA is one of the most widely used profitability ratios because it evaluates management's ability to generate net income from the company's total assets. Higher ROA indicates greater efficiency in utilizing company resources to generate earnings. Investors frequently use ROA as one of the principal indicators for evaluating investment performance because it demonstrates management's capability in converting

available assets into profits. Likewise, creditors consider ROA when assessing a company's financial strength and ability to meet its financial obligations.

The financial performance of agricultural and fisheries companies listed on the Indonesia Stock Exchange (IDX) has shown varying trends during recent years. Some companies have successfully increased their sales revenue but have experienced declining profitability due to rising production costs, inefficient asset utilization, and unstable commodity prices. Conversely, several companies have maintained relatively stable profitability despite moderate sales growth because they effectively managed their assets and controlled operational expenses. These differing financial conditions indicate that profitability is influenced not only by revenue growth but also by the efficiency with which company assets are utilized.

The Indonesian capital market has become increasingly important as a source of corporate financing and investment opportunities. Companies listed on the Indonesia Stock Exchange are expected to maintain sound financial performance because investors rely heavily on financial information when making investment decisions. Profitability, sales growth, and asset utilization efficiency are among the financial indicators commonly analyzed by investors before purchasing company shares. Therefore, understanding the relationship between these variables provides valuable information for corporate management and market participants.

Previous empirical studies have reported inconsistent findings regarding the effects of sales growth and asset turnover on profitability. Several studies found that sales growth positively and significantly affects profitability because increasing sales enable companies to spread fixed costs over larger production volumes, thereby improving operating margins. Similarly, previous studies reported that asset turnover positively influences profitability because efficient utilization of assets enhances company productivity and financial performance.

However, other empirical studies have reported insignificant or even negative relationships between sales growth and profitability, suggesting that increased sales alone cannot improve profitability if operational costs increase disproportionately. Likewise, the influence of asset turnover on profitability has also varied across industries because different sectors possess different asset structures, production technologies, and operational characteristics. These inconsistent findings indicate the existence of a research gap that requires further empirical investigation.

Another research gap relates to the limited number of studies focusing specifically on agricultural and fisheries companies listed on the Indonesia Stock Exchange. Most previous studies have concentrated on manufacturing companies,

banking institutions, consumer goods industries, or mining companies. Meanwhile, agricultural and fisheries companies possess unique characteristics, including high dependence on biological assets, seasonal production cycles, exposure to climate conditions, and fluctuating commodity prices. Consequently, the determinants of profitability in this sector may differ from those observed in other industries.

The novelty of this study lies in its focus on agricultural and fisheries sector companies listed on the Indonesia Stock Exchange during the 2020–2024 observation period. This study simultaneously examines the effects of Sales Growth and Total Asset Turnover on company profitability using recent panel data. By focusing on this strategic sector, the research is expected to provide updated empirical evidence regarding the financial determinants of profitability under current economic conditions.

From a theoretical perspective, this study is based on Resource-Based Theory (RBT), which emphasizes that companies can achieve superior performance when they effectively utilize and manage their available resources. Company assets represent valuable strategic resources that, when managed efficiently, contribute to higher operational performance and sustainable competitive advantage. Likewise, increasing sales reflects the company's ability to capitalize on market opportunities and create value for stakeholders. Therefore, efficient asset utilization combined with sustainable sales growth is expected to enhance company profitability.

Practically, the findings of this study are expected to provide valuable insights for corporate managers in developing strategies to improve profitability through increased sales performance and more efficient asset utilization. Investors may also use the findings as additional information when evaluating investment opportunities in agricultural and fisheries companies. Furthermore, the study contributes to the accounting and financial management literature by providing updated empirical evidence regarding profitability determinants within Indonesia's agricultural and fisheries sector.

Based on the theoretical background, empirical evidence, research gaps, and the strategic importance of the agricultural and fisheries industry, this study aims to analyze the effect of Sales Growth and Asset Turnover on the Profitability of Agricultural and Fisheries Sector Companies Listed on the Indonesia Stock Exchange. The results are expected to contribute to the development of financial management theory and provide practical recommendations for improving corporate financial performance in Indonesia.

METHODS

This study aims to examine the effect of sales growth and asset turnover on the profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). A quantitative approach was employed because the study seeks to analyze the relationships among variables through numerical measurements and statistical analysis to address the research problems (Sugiyono, 2019). The independent variables in this study are Sales Growth and Total Asset Turnover (TAT), while the dependent variable is company profitability, measured using Return on Assets (ROA).

The study was conducted on agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX) during the 2024–2025 period. The data used are panel data, which combine time-series and cross-sectional data. The research data were obtained from the companies' annual reports and financial statements published on the official Indonesia Stock Exchange website (www.idx.co.id) as well as the official websites of the respective companies. The population of this study consists of all agricultural and fisheries sector companies listed on the Indonesia Stock Exchange during the 2024–2025 period. The sample was selected using a purposive sampling technique based on the following criteria: (1) agricultural and fisheries sector companies that were consecutively listed on the Indonesia Stock Exchange throughout the research period; (2) companies that published complete annual financial statements during the 2024–2025 period; (3) companies that provided complete data related to sales growth, asset turnover, and profitability variables; and (4) companies that were not delisted during the research period. The final sample consisted of companies that met all of these criteria.

Data were collected through library research and documentation methods. The library research involved reviewing books, scientific journals, articles, and previous studies related to sales growth, asset turnover, and corporate profitability. Meanwhile, the documentation method involved collecting, recording, and processing data obtained from companies' annual reports, financial statements, and official publications issued by the Indonesia Stock Exchange. All data used in this study are secondary data obtained from official company publications and the Indonesia Stock Exchange. The research instrument used was a documentation sheet designed to collect and record data on sales growth, asset turnover, and company profitability. Sales growth was calculated based on the percentage change in net sales compared to the previous year. Asset turnover was measured using the Total Asset Turnover (TAT) ratio, while profitability was measured using Return on Assets

(ROA). The documentation sheet was developed based on the indicators of each research variable.

Data analysis was conducted using IBM SPSS Statistics. The analysis began with descriptive statistics to describe the characteristics of the research data, including the minimum value, maximum value, mean, and standard deviation for each variable. Subsequently, classical assumption tests were performed, including the normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test, to ensure that the regression model satisfied the assumptions of multiple linear regression analysis (Haryono, 2023). After all classical assumptions had been satisfied, the study proceeded with multiple linear regression analysis to examine the effects of sales growth and asset turnover on company profitability. The regression model used in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

Where:

Y = Profitability (Return on Assets/ROA)

α = Constant

β_1, β_2 = Regression coefficients

X_1 = Sales Growth

X_2 = Total Asset Turnover (TAT)

e = Error term

Hypothesis testing was conducted using the partial test (t-test), simultaneous test (F-test), and the coefficient of determination (R^2). The t-test was used to examine the partial effect of each independent variable on profitability, while the F-test was used to examine the simultaneous effect of sales growth and asset turnover on company profitability. Furthermore, the coefficient of determination (R^2) was employed to measure the extent to which the independent variables explain the variation in company profitability. The significance level used in this study was 5% ($\alpha = 0.05$) (Santoso, 2019).

FINDINGS AND DISCUSSION

Normality Test Results

The normality test was conducted to determine whether the residuals generated by the regression model were normally distributed. A regression model is considered appropriate if its residuals follow a normal or approximately normal distribution. In this study, the normality assumption was examined using the Normal P–P Plot of Regression Standardized Residual.

Figure 1. Normal P–P Plot of Regression Standardized Residual

Observed Cum Prob

Based on Figure 1, the data points are distributed closely around the diagonal line and generally follow the direction of the diagonal line. This pattern indicates that the residuals are normally distributed, suggesting that the multiple linear regression model satisfies the normality assumption. Therefore, the regression model is appropriate for analyzing the effect of Sales Growth and Total Asset Turnover on the Profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX).

Multicollinearity Test Results

The multicollinearity test was conducted to determine whether a high correlation exists among the independent variables in the multiple linear regression model. A high correlation between independent variables may distort the relationship between the independent variables and the dependent variable, resulting in biased regression estimates. In this study, multicollinearity was evaluated using the Tolerance value and the Variance Inflation Factor (VIF). According to Sugiyono (2019), a regression model is considered free from multicollinearity if the Tolerance value is greater than 0.10 and the VIF value is less than 10. The results of the multicollinearity test are presented in Table 1.

Table 1. Multicollinearity Test Results			
Coefficients^a		Collinearity Statistics	
Model		Tolerance	VIF
1	(Constant)		
	Sales Growth	.974	1.027
	Asset Turnover	.974	1.027
a. Dependent Variable: Profitability			

Source: SPSS, 2026

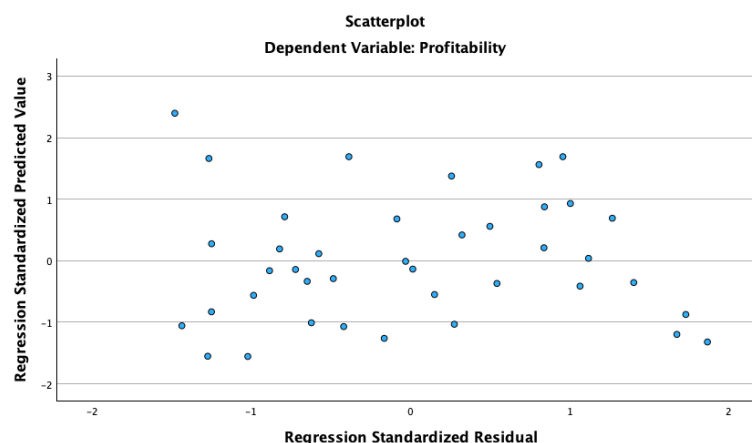
Based on Table 1, the Sales Growth and Total Asset Turnover variables have Tolerance values of 0.974, which are greater than 0.10, and VIF values of 1.027, which are well below the threshold value of 10. These findings indicate that there is no multicollinearity among the independent variables included in the regression model. The absence of multicollinearity implies that Sales Growth and Total Asset Turnover do not exhibit a high linear relationship with one another. Therefore, each independent variable provides unique information in explaining variations in the Profitability (Return on Assets/ROA) of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). Consequently, the multiple linear regression model satisfies the multicollinearity assumption and is appropriate for further regression analysis and hypothesis testing.

Heteroscedasticity Test Results

The heteroscedasticity test was conducted to determine whether there is an inequality in the variance of the residuals from one observation to another in the regression model. A good regression model should exhibit homoscedasticity, meaning that the residual variances remain constant across observations. In this study, heteroscedasticity was examined using the Scatterplot of Standardized Residuals, where the residual points are expected to be

randomly distributed without forming a specific pattern.

Figure 2. Heteroscedasticity Test Results



Based on Figure 2, the scatterplot indicates that the residual points are randomly distributed both above and below the zero value on the Y-axis and do not form any distinct pattern. The random distribution of the residuals suggests that the variance of the error terms is constant across all observations. Therefore, the regression model does not exhibit heteroscedasticity. These findings indicate that the multiple linear regression model satisfies the heteroscedasticity assumption and is appropriate for examining the effects of Sales Growth and Total Asset Turnover on the Profitability (Return on Assets/ROA) of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). Since no heteroscedasticity is detected, the estimated regression coefficients are considered reliable and unbiased for hypothesis testing.

Multiple Linear Regression Analysis

After all classical assumption tests were conducted and the results indicated that the regression model satisfied the required assumptions, the next step was to perform multiple linear regression analysis. This analysis was conducted to examine the effects of Sales Growth and Total Asset Turnover on the Profitability (Return on Assets/ROA) of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX).

Table 2. Partial t-Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1					
(Constant)	.621	.736		.844	.404
Sales Growth	.465	.055	.664	8.399	<.001
Asset Turnover	6.672	.758	.695	8.804	<.001

a. Dependent Variable: Profitability

Source: SPSS, 2026

Based on Table 2, the multiple linear regression equation obtained from this study is expressed as follows:

$$Y = 0.621 + 0.465X_1 + 6.672X_2$$

where Y represents Profitability (Return on Assets/ROA), X_1 represents Sales Growth, and X_2 represents Total Asset Turnover (TAT). The regression equation and its interpretation are as follows. The constant (α) of 0.621 indicates that when Sales Growth and Total Asset Turnover are assumed to be zero, the predicted value of Profitability (ROA) is 0.621. Although such a condition rarely occurs in practice, the constant represents the baseline level of profitability in the regression model.

The regression coefficient of Sales Growth (X_1) is 0.465, indicating that Sales Growth has a positive effect on Profitability. This means that, holding the other independent variable constant, a one-unit increase in Sales Growth is expected to increase Profitability (ROA) by 0.465 units. The positive coefficient suggests that companies experiencing higher sales growth tend to achieve better financial performance because increased sales contribute to higher earnings and improved operational efficiency. The regression coefficient of Total Asset Turnover (X_2) is 6.672, indicating that Total Asset Turnover has a positive effect on Profitability. This implies that, *ceteris paribus*, a one-unit increase in Total Asset Turnover is expected to increase Profitability (ROA) by 6.672 units. The positive relationship indicates that companies utilizing their assets more efficiently to generate sales are more likely to achieve higher profitability.

Overall, the regression results demonstrate that both Sales Growth and Total Asset Turnover have positive relationships with the profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). These findings suggest that improving sales performance and increasing the efficiency of asset utilization contribute to enhanced corporate profitability.

Coefficient of Determination (R^2)

The coefficient of determination (R^2) was used to measure the extent to which the independent variables explain the variation in the dependent variable. The value of the coefficient of determination ranges from 0 to 1, where a higher value indicates that the independent variables have greater explanatory power over the dependent variable. Conversely, a lower R^2 value indicates that the independent variables explain only a limited proportion of the variation in the dependent variable. If the Adjusted R^2 value is negative, it is generally considered to be equal to zero, indicating that the regression model has no explanatory power. The results of the coefficient of determination test are presented in Table 3.

Table 3. Coefficient of Determination (R^2) Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.880a	.775	.763	.65483
a. Predictors: (Constant), Asset Turnover , Sales Growth				

Source: SPSS, 2026

Based on Table 3, the R value of 0.880 indicates a very strong positive relationship between the independent variables, namely Sales Growth and Asset Turnover, and the dependent variable, Profitability (Return on Assets/ROA). Furthermore, the R Square (R^2) value of 0.775 indicates that 77.5% of the variation in profitability can be explained jointly by Sales Growth and Asset Turnover, while the remaining 22.5% is influenced by other factors outside the scope of this study, such as firm size, capital structure, liquidity, leverage, operational efficiency, and macroeconomic conditions. The Adjusted R Square value of 0.763 further demonstrates that, after adjusting for the number of independent variables included in the model, 76.3% of the variation in profitability is still explained by the regression model, indicating strong explanatory power and a stable model. These findings suggest that Sales Growth and Asset Turnover are important determinants of the profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). This result is consistent with Ghozali (2021), who states that the coefficient of determination (R^2) measures the extent to which the independent variables explain the variation in the dependent variable, with higher R^2 values indicating stronger explanatory capability of the regression model.

Partial t-Test Results

The partial t-test was conducted to examine the individual effect of each independent variable on the dependent variable. The test was performed by evaluating the significance (p-value) of each regression coefficient. If the significance value is less than 0.05, the corresponding independent variable is considered to have a statistically significant effect on the dependent variable. The results of the hypothesis testing are presented as follows. First Hypothesis (H1). The results of the t-test indicate that the Sales Growth variable has a t-value of [insert t-value] with a p-value of [insert Sig.], which is less than 0.05. Therefore, H1 is accepted, indicating that Sales Growth has a positive and statistically significant effect on Profitability (Return on Assets/ROA). This finding suggests that companies with higher sales growth tend to achieve greater profitability, as increased sales contribute to higher operating income and improved financial performance. According to Ghozali (2021), a significance value below 0.05 indicates that the independent variable has a significant effect on the dependent variable.

Second Hypothesis (H2). The t-test results further show that the Asset Turnover variable has a t-value of [insert t-value] with a p-value of [insert Sig.], which is less than 0.05. Therefore, H2 is accepted, indicating that Asset Turnover has a positive and statistically significant effect on Profitability (Return on Assets/ROA). This result implies that

companies with more efficient asset utilization are able to generate higher profitability because their assets are used more effectively to produce sales and earnings. The findings support financial management theory, which emphasizes that efficient asset management is an important determinant of corporate profitability.

Simultaneous F-Test Results

The F-test was conducted to determine whether all independent variables included in the regression model simultaneously have a significant effect on the dependent variable. In this study, the F-test was used to examine the joint effect of Sales Growth and Asset Turnover on the Profitability (Return on Assets/ROA) of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). The results of the simultaneous F-test are presented in Table 4.

Table 4. Simultaneous F-Test Results

ANOVAa						
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	54.680	2	27.340	63.758	<.001b
	Residual	15.866	37	.429		
	Total	70.545	39			

a. Dependent Variable: Profitability

b. Predictors: (Constant), Asset Turnover, Sales Growth

Source: SPSS, 2026

Based on Table 4, using a significance level of $\alpha = 5\%$ (0.05), the significance value obtained is < 0.001 , which is lower than 0.05 ($< 0.001 < 0.05$). Furthermore, the calculated F-value is 63.758, which is substantially greater than the critical F-table value of 3.25 ($df_1 = 2$; $df_2 = 37$; $\alpha = 0.05$). Therefore, H3 is accepted, indicating that Sales Growth and Asset Turnover simultaneously have a positive and statistically significant effect on the Profitability (Return on Assets/ROA) of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). These findings demonstrate that the regression model is statistically significant and that the two independent variables jointly explain variations in corporate profitability. This result is consistent with Ghazali (2021), who states that a regression model is considered statistically significant when the F-test significance value is less than 0.05, indicating that the independent variables collectively influence the dependent variable.

Discussion

The results of the multiple linear regression analysis indicate that Sales Growth and Total Asset Turnover have positive effects on the profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). The regression equation, $Y = 0.621 + 0.465X_1 + 6.672X_2$, demonstrates that improvements in both sales growth and asset utilization efficiency contribute to higher levels of profitability, as measured by Return on Assets (ROA). The positive constant of 0.621 represents the baseline profitability when the independent variables are held constant, while the positive regression

coefficients indicate that increases in either sales growth or asset turnover are associated with increases in corporate profitability.

The positive effect of Sales Growth on profitability suggests that companies experiencing continuous increases in sales are better able to generate higher returns from their operations. Sales growth reflects the firm's ability to expand its market share, attract new customers, and maintain customer loyalty in an increasingly competitive business environment. As sales revenue increases, companies can distribute fixed operating costs over a larger volume of output, thereby improving operational efficiency and ultimately increasing profitability. This finding supports the financial management theory proposed by Brigham and Houston (2021), which states that sustainable sales growth is an important indicator of corporate performance because it enhances revenue generation and contributes directly to profit creation. Furthermore, this result is consistent with Resource-Based Theory (Barney, 1991), which argues that firms capable of effectively utilizing their internal resources and strategic capabilities are more likely to achieve sustainable competitive advantages and superior financial performance.

The empirical findings also reveal that Total Asset Turnover (TAT) has a stronger positive effect on profitability than Sales Growth, as indicated by the larger regression coefficient (6.672). This result implies that efficient utilization of company assets plays a crucial role in improving financial performance. Total Asset Turnover measures the effectiveness of management in utilizing total assets to generate sales revenue. Companies with higher asset turnover ratios are generally able to maximize the productivity of their investments in fixed and current assets, resulting in higher revenues and improved profitability. In the agricultural and fisheries sector, efficient asset utilization is particularly important because these industries are highly capital-intensive and require substantial investments in land, plantations, machinery, processing facilities, fishing vessels, and other productive assets. Therefore, effective asset management enables firms to optimize production capacity while minimizing operational inefficiencies.

The coefficient of determination ($R^2 = 0.775$) further strengthens these findings by indicating that 77.5% of the variation in profitability can be explained jointly by Sales Growth and Total Asset Turnover. This relatively high explanatory power suggests that both variables are important determinants of profitability in agricultural and fisheries companies. Meanwhile, the remaining 22.5% of the variation is influenced by other factors outside the research model, such as firm size, capital structure, liquidity, leverage, production costs, commodity price fluctuations, exchange rate movements, and macroeconomic conditions. Consequently, future studies are encouraged to incorporate additional financial and non-financial variables to provide a more comprehensive explanation of profitability.

The results of the hypothesis testing also provide strong empirical evidence supporting the proposed research hypotheses. The t-test results indicate that both Sales Growth ($t = 8.399$; $p < 0.001$) and Total Asset Turnover ($t = 8.804$; $p < 0.001$) have positive and statistically significant effects on profitability. Furthermore, the F-test demonstrates that the two

independent variables simultaneously have a significant effect on profitability ($F = 63.758$; $p < 0.001$), confirming that the regression model is statistically valid. These findings indicate that increasing sales alone is insufficient to maximize profitability unless accompanied by efficient utilization of company assets. Likewise, efficient asset management becomes more valuable when companies successfully translate asset productivity into higher sales growth.

Overall, this study provides important managerial implications for agricultural and fisheries companies listed on the Indonesia Stock Exchange. Management should formulate strategies aimed at increasing sales through product diversification, market expansion, technological innovation, and improved customer relationship management. At the same time, companies should optimize asset utilization by improving operational efficiency, maximizing production capacity, and investing in productive assets capable of generating higher returns. Implementing these strategies simultaneously is expected to enhance profitability and strengthen the long-term competitiveness of firms operating in the agricultural and fisheries sector. The findings also provide valuable information for investors, suggesting that Sales Growth and Total Asset Turnover can be considered important financial indicators when evaluating the future profitability and investment prospects of companies within this sector

CONCLUSION

This study concludes that Sales Growth and Total Asset Turnover have positive and statistically significant effects on the profitability of agricultural and fisheries sector companies listed on the Indonesia Stock Exchange (IDX). The findings indicate that companies with higher sales growth and more efficient asset utilization tend to achieve better financial performance, as measured by Return on Assets (ROA). Furthermore, the coefficient of determination ($R^2 = 0.775$) shows that both independent variables jointly explain 77.5% of the variation in profitability, indicating that they are important determinants of corporate financial performance. These findings provide practical implications for managers to focus on increasing sales while improving asset utilization efficiency to enhance profitability. Future research is recommended to incorporate additional variables, extend the observation period, and include a broader sample of companies from different sectors to obtain more comprehensive and generalizable results

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