The Effect of Sales on Net Profit of Food and Beverage Companies Listed on the Indonesian Stock Exchange

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Abstract

This research aims to determine the effect of sales on the net profit of food and beverage companies listed on the IDX. The variables of this research are: (1) Sales as the dependent variable (Y) which is measured by sales taken from sales contained in the profit/loss report, and (2) Net Profit as the independent variable (X). The population in this study is the report financial statements of food and beverage companies listed on the Indonesia Stock Exchange, while the sample in this study is the financial reports of food and beverage companies listed on the Indonesia Stock Exchange which published complete annual reports from 2016-2020 and obtained net profits from 2016-2020 which were taken using purposive sampling technique. Data collection was carried out using documentation techniques. Data analysis was carried out using simple linear regression analysis (t test and coefficient of determination test) using SPSS v 25. Based on the results of simple linear regression analysis, the equation Y = 23.556 + 0.046X was obtained, which means that when sales are zero and do not change, the net profit is equal to 23,556 and for every increase in sales (X) by one unit, the net profit variable (Y) will increase by 0.046. The results of the t test show a sig value <0.05 (000<0.05), which means that the hypothesis is accepted that sales have a positive and significant effect on the net profit of food and beverage companies listed on the Indonesia Stock Exchange. The results of the coefficient of determination test (r2) show an r2 value of 0.557 or 55.7%. This means that the magnitude of the influence of the independent variable (sales) on the dependent variable (net profit) is 55.7% while the remaining 44.3% is influenced by other factors outside of this research

Keywords: Sales, Net Profit, Food and Beverage, Companies, Stock Exchange

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Introduction

Business development experienced very significant growth (Jáki et al., 2023). This is because competition between business actors is very tight. The increasingly fierce business competition in the food and beverage business world requires company management to work more efficiently and more effectively so that the company can run as it should in the business world in Indonesia. In a company, the most complicated problem faced is the problem of selling company products, both company products in the form of services and company products in the form of trade. This sales activity requires very serious attention and a sales strategy so that it can achieve the targets set by the company (Jaeckel, 2016). A company is said to be successful if the company makes a profit in a sale, or in other words the company is able to get income from sales that is greater than the expenses incurred by the company. According to Zulkarnain(2012, p. 65) "Sales are very important because they provide a strong picture or signal about the product's position in the market as a result of the high level of competition that occurs."

In measuring sales, it can be described as feedback from marketing activities carried out to increase profits in each company that produces goods or services. Swastha and Irawan(2008, p. 403) States that:

Sales measurement can be done in two ways, namely based on the number of units sold, namely the number of real sales units of the company in a certain period and based on the value of products sold (Gottschalk et al., 2023), namely the total value of the company's real sales in a certain period. Sales are related to net profit. The higher the level of sales, the higher the profit a company will earn. On the other hand, the lower the level of sales, the lower the profits obtained by a company. According to Budi Raharjo(2000, p. 33) that :

There is a close relationship between sales and increasing the company's net profit (Su et al., 2023), because in this case profits will arise if product sales are greater than the costs incurred (Vatankhah et al., 2023). The main factor that influences the size of net profit is the result of sales of merchandise.

According to Khasmir (2016, p. 303) "Net profit is profit that has been deducted from costs which are the company's expenses in a period. Net profit can be measured using the net profit in the financial report of the Indonesia Stock Exchange (BEI) or Indonesia Stock Exchange (IDX) among them. Regarding the rules for submitting or publishing company financial reports on the Indonesian Stock Exchange set by the Financial Services Authority (OJK), late financial reports will give rise to asymmetric information. Thus we conclude that the timeliness of financial reports is very important for companies. (Anto, F, et al 2023)

The Indonesian Stock Exchange is an exchange resulting from the merger of the Jakarta Stock Exchange (BEJ) with the Surabaya Stock Exchange (BES). For the sake of operational and transaction effectiveness, the government decided to merge the Jakarta Stock Exchange as a stock market with the Surabaya Stock Exchange as a bond and derivative market to become the BEI. The exchange resulting from this merger began operating on December 1 2007.

Based on the results of observations made on sales and net profits in food and beverage

companies listed on the Indonesia Stock Exchange for five years, the average has increased every year. The following is an overview of sales and net profit for food and beverage companies listed on the Indonesia Stock Exchange obtained from financial reports via the website www idx.com

Based on Table 1, it can be seen that the ALTO company experienced a decline in sales in 2014 but the net profit obtained increased, namely respectively 487,200,477,334 and 16,305,675,308, and in 2015 the ALTO company experienced an increase in sales but the net profit obtained decreased namely 497,345,567,221 and 12,058,794,054 respectively. The MYOR company experienced a decrease in sales in 2014 but the net profit obtained increased, namely respectively 2,747,623,376,986 and 378,142,543,953, and in 2015 the company MYOR experienced an increase in sales but the net profit obtained decreased, namely respectively 5,139,974,954,774 and 346,728,545,034. The ULTJ company experienced an increase in sales in 2014 but experienced a decrease in the company's net profit, namely 3,916,789,366.42 and 325,127,420,664 respectively, and in 2015 the ULTJ company experienced a decrease in sales but the net profit obtained increased, namely respectively amounting to 3,460,231,249,075 and 283,360,914,211

This preliminary data shows that sales increased while net profit decreased and vice versa, sales decreased while net profit increased. This means that sales have a negative effect on the company's net profit. This is not in line with research conducted by Nurdila(2020) who said that sales had a positive effect on net profit in food and beverage companies listed on the Indonesian stock exchange for the 2015-2018 period.

Based on the description above, the author is interested in conducting research with the title "The Influence of Sales on Net Profit in Food and Beverage Companies Listed on the Indonesian Stock Exchange".

Literature Review

Sales

Sales is a transaction involving sellers and buyers in business activities in delivering products in the form of goods or services. In general, sales is one of the activities in marketing, in other words the main target of sales is to obtain an increase in sales over time within a certain period (Santos, 2023).

According to Moekijat(2014, p. 288) states that: "Sales (Selling) is an activity aimed at finding buyers, influencing and providing guidance so that buyers can adapt their needs to the production being offered, as well as making offers regarding prices to benefit both parties.

According to Tjiptono(2012, p. 310) "Sales are a source of income that is needed to cover costs in the hope of making a profit, cash/bank, inventory, receivables, short-term investments and prepaid expenses."

According to Pearson(2005, p. 1)Sales has several functions, namely the planning function, the function of creating demand and the function of holding negotiations. The factors

that influence sales were stated by Swastha and Irawan(Swastha & Irawan, 2008)are product, price, distribution and promotion.

A company has the main goal, namely increasing sales which can provide profits, which means it can generate optimal income and increase profits (Syah et al., 2023). Then sales are measured in two ways, namely based on the number of units sold, namely the number of actual sales units of the company in a certain period and based on the value of the products sold (Bravo Rojas et al., 2023).

Net profit

According to Ismaya(2010, p. 54)"Net profit is the difference between income and costs charged and which is the net increase in capital originating from business activities. Meanwhile, according to Fahmi(2012, p. 101)"Net income is profit after tax (earnings after tax), where profit is obtained after deducting tax. According to Khasmir(Khasmir, 2016) "Net profit (Net Profit) is profit that has been deducted from costs which are the burden of the company in a certain period, including taxes." Based on expert opinion, it can be concluded that net profit is the difference between income and costs originating from the work of a company in a certain period (Fatimah et al., 2023).

Furthermore, there are things that affect net profit that have been discovered byMulyadi(2014, p. 513) namely costs, selling prices and sales volume. There is a net profit indicator put forward by Khasmir(Khasmir, 2016) that net profit is profit that has been deducted from costs which are the company's expenses in a certain period, including taxes. Net profit can also be measured using Net Profit = Total Income − Total Expenses or Net Profit = Gross Profit − Expenses (Hajdari et al., 2023).

From this literature review, there is a relationship between sales and net profit, namely that the higher the sales, the higher the profit a company will earn. On the other hand, the lower the level of sales, the lower the profits obtained by a company. As stated by Budi Raharjo(Rahardjo, 2000) that there is a link between sales and increasing the company's net profit, because in this case profits will arise if product sales are greater than the costs incurred. The main factor that influences the size of net profit is the proceeds from sales of merchandise sales(Narula et al., 2023).

Research methods

This research is associative in nature which shows a causal relationship, namely a causal relationship between the independent variable and the dependent variable. This research was conducted to determine the effect of sales on net profit in food and beverage companies listed on the Indonesian Stock Exchange. This research is quantitative research because data presentation is carried out using statistical formulas. The data used in this research is secondary data.

The variables in this research are sales as the independent variable and net profit as the dependent variable. The population in this research is all financial reports of food and beverage

companies registered on the IDX. Meanwhile, the sample in this research is the financial reports of the last five years of food and beverage companies listed on the IDX.

The sampling technique uses a purposive sampling technique, where the entire population is taken based on criteria. The data collection technique used is documentation. The data analysis technique used is simple linear regression analysis, t-test and coefficient of determination.

Results

Data analysis

Simple Linear Regression Analysis

The results of the peer environment variable instrument test and student learning activeness are in table 1 below:

Table 1 Calculation Results of Simple Linear Regression Analysis

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
1 (Constant)	23,556	8,922		2,524	,014
SALE	,046	,005	,746	8,532	,000

a. Dependent Variable: NET PROFIT

Source: SPSS Version 25 Processed Data

Table 1 shows that based on the table of simple linear regression analysis calculation results above, it can be seen that the value of a is 23.556 and b is 0.046. If put into a simple linear regression equation, the following equation is obtained:

$$Y = 23.556 + 0.046X$$

From the results of the regression equation, it follows:

A constant value of 23.556 indicates that when sales are zero and do not change, the net profit value is 0.046X. The net profit coefficient value is positive, namely 0.046, indicating that sales have a positive influence on net profit. This means that for every one unit increase in sales (X), the net profit variable (Y) will increase by 0.046.

Table 2 Coefficient of Determination Test Results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,746a	,557	,549	3,777

a. Predictors: (Constant), SALES

Source: Processed results from SPSS version 25.00 for Windows, 2022

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Based on table 2, based on the calculation results above, the coefficient of determination (R2) is 0.557 or 55.7%. This means that the influence of the independent variable (sales) on the dependent variable (net profit) is 55.7%, while the remaining 44.3% is influenced by other factors outside of this research.

a. t-test

Table 3 Results of t-test analysis

ANOVAa					
Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	55,613	1	55,613	16,627	,000b
Residual	443,140	58	7,640		
Total	999,273	59			

Dependent Variable: NET PROFIT
Predictors: (Constant), SALES

Source: Processed results from SPSS version 25.00 for Windows, 2022

Based on table 3, it can be seen that the significant value of 0.000 is smaller than 0.05. Which means that the variable Sales have a significant effect on net profit in food and beverage companies listed on the stock exchange Indonesia. Therefore, it can be concluded that the hypothesis proposed in this research is that sales have a positive and significant effect on net profit which is declared "acceptable".

Conclusion

Based on the results of the data analysis and discussion previously described regarding the influence of sales on net profit for 12 food and beverage companies listed on the Indonesian Stock Exchange, it can be concluded that sales have a positive and significant effect.

Suggestion

Based on the results of research conducted by researchers, there are several suggestions that need to be considered for several parties to improve future research as well as for this researcher, as follows:

1. For food and beverage companies
   For food and beverage subsector manufacturing companies listed on the Indonesian Stock Exchange, it is hoped that they will incur as little costs as possible so that the profits obtained will be greater. The company also needs to increase sales so that it can further increase net profit in the following years.

2. Next Researcher
   It is better to carry out similar research with a wider range of objects such as adding other variables.

Conflict of Interest Statement

There are no conflicts of interest in this work.

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