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The Effect Of Financial Ratios On Return On Assets (Roa) : Evidence From Pt Matahari Putra Prima Tbk (2018 – 2025)

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Abstract— This study aims to examine the effect of Debt to Equity Ratio (DER), Current Ratio (CR), Sales Growth (SG), and Total Asset Turnover (TATO) on Return on Assets (ROA) at PT Matahari Putra Prima Tbk during the 2018–2025 period. This research includes Total Asset Turnover (TATO) as an additional explanatory variable to provide a more comprehensive analysis of financial performance in the retail sector. This quantitative study uses secondary data from quarterly financial statements, with a total of 32 observations, analyzed using multiple linear regression in SPSS 25. The results indicate that DER, CR, SG, and TATO simultaneously have a significant effect on ROA, with an Adjusted R² of 55,2%. Partially, only TATO has a significant negative effect on ROA, while DER, CR, and SG have no significant effect. These findings are expected to assist management in improving asset utilization efficiency and serve as a reference for future research on factors affecting financial performance.

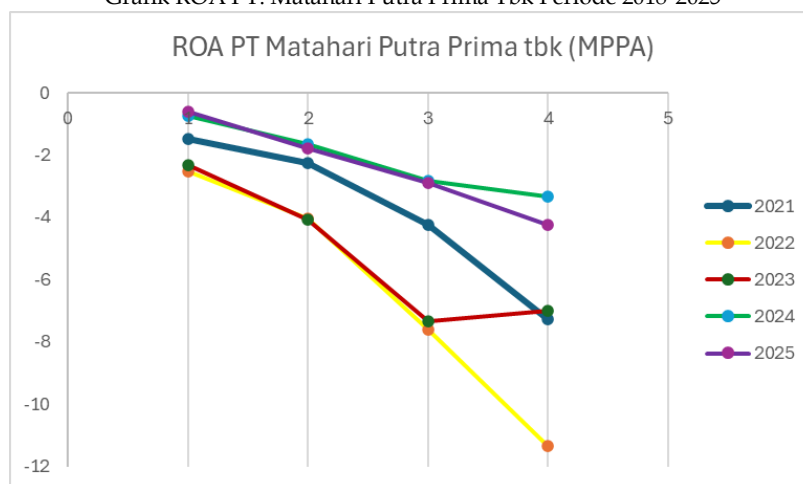
Keywords— DER, CR, SG, TATO, ROA

I. INTRODUCTION

In recent years, the retail industry in Indonesia has been in the public spotlight because some companies are still showing growth, although not as strong as in previous years. On the other hand, some retail companies have experienced a significant decline in performance, even having to implement cost-cutting measures by closing a number of stores (Lendrawati et al., 2021). PT Matahari Putra Prima Tbk (MPPA) is an Indonesian retail company established on March 11, 1986, and part of the Lippo Group. The company operates in the retail sector, providing a variety of daily necessities, such as food, clothing, cosmetics, household goods, and family entertainment centers (Pratama, 2022). As a retail company, MPPA faces various challenges, such as economic fluctuations, changes in consumer purchasing power, and industry competition, all of which can affect the company's financial performance.

Financial performance reflects a company's ability to manage its resources to generate profit (Sunjaya & Rizky, 2016). One indicator used to measure this is Return on Assets (ROA), which is the ratio of profit before interest expense divided by total assets for the same period. This ratio indicates the amount of income generated from invested assets (Surbakti et al., 2022). The ROA level is influenced by several factors, including the Debt-to-Equity Ratio, which is the comparison between total liabilities (total debt) and total equity. This ratio indicates the security provided by equity against the debt incurred by the company (Tasmil et al., 2019). Current Ratio, which is a ratio used to measure a company's ability to pay its short-term liabilities using its current assets (Siregar et al., 2022). Sales Growth, which refers to annual sales growth that is heavily influenced by the product life cycle (Sari & Berliani, 2024). and Total Asset Turnover, a ratio used to measure the effectiveness of a company's total assets in generating sales, or a ratio used to measure how much sales per rupiah invested in total assets will be generated (Sinaga et al., 2021).

Gambar 1.1
Grafik ROA PT. Matahari Putra Prima Tbk Periode 2018-2025



Based on Figure 1.1, PT Matahari Putra Prima Tbk's (MPPA) Return on Assets (ROA) showed a downward trend during the 2021–2025 period. Although there was a slight improvement in 2024 and 2025, the ROA remained negative. This indicates that the company has not yet been able to optimally utilize its assets to generate profits. This situation is worth investigating because, in theory, a company with sound financial management should be able to improve its financial performance, as reflected in a higher ROA.

This study uses Signaling Theory as its theoretical framework. This theory explains that information in financial statements can serve as a signal for investors and stakeholders in assessing a company's condition (Kusumawardani, 2023). Financial ratios such as DER, CR, SG, and TATO can provide insight into a company's financial condition and its ability to improve financial performance.

This study builds upon a previous research model (Yuliani, 2021) by adding Total Asset Turnover (TATO) as an independent variable and using PT Matahari Putra Prima Tbk as the research subject for the period 2018–2025. The TATO variable was added because the efficient use of assets is expected to influence a company's ability to generate profits, thereby providing a more comprehensive picture of the factors affecting the financial performance of retail companies.

Based on this description, this study aims to analyze the effects of the Debt-to-Equity Ratio, Current Ratio, Sales Growth, and Total Asset Turnover on financial performance—measured using Return on Assets (ROA)—at PT Matahari Putra Prima Tbk for the period 2018–2025.

II. METHOD

The research design used in this study is quantitative research (Sugiyono, 2023). This study was conducted by collecting data from PT Matahari Putra Prima Tbk for the years 2018–2025. The population for this study consists of the financial statements of PT Matahari Putra Prima Tbk, with a sample size of 32. Sampling was performed using purposive sampling, as defined by Putu Yumi Chandra Dewi & Ida Bagus Panji Sedana (2024), whereby the population selected for the sample must meet the criteria specified by the researcher. The criteria used include:

1. PT Matahari Putra Prima Tbk, which was listed on the Indonesia Stock Exchange during the 2018–2025 period
2. PT Matahari Putra Prima Tbk, which published financial statements consecutively during the 2018–2025 period
3. PT Matahari Putra Prima Tbk's financial statements that provide the data required to calculate the Debt-to-Equity Ratio (DER), Current Ratio (CR), Sales Growth (SG), Total Asset Turnover (TATO), and Return on Assets (ROA)
4. The financial statements of PT Matahari Putra Prima Tbk, available in the form of quarterly financial reports for the period 2018–2025

The type of data used in this study is secondary data obtained from the Indonesia Stock Exchange (IDX) in the form of income statements and balance sheets from the financial statements of PT Matahari Putra Prima Tbk for the period 2018–2025. Data collection was conducted using two methods: documentation and library research. In this study, the dependent variable is financial performance. The independent variables are the Debt-to-Equity Ratio, Current Ratio, Sales Growth, and Total Asset Turnover. The analytical model used in this study is multiple linear regression to determine the effect of the Debt-to-Equity Ratio (DER), Current Ratio (CR), Sales Growth (SG), and Total Asset Turnover (TATO) on financial performance, as measured by Return on Assets (ROA), using the following regression model formula:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e$$

Keterangan:

Y = Return On Assets

α = Konstanta

β_1X_1 = Koefisien Regresi

X1 = Debt To Equity Ratio

X2 = Current Ratio

X3 = Sales Growth

X4 = Total Assets Turnover

ε = Standard Error

III. RESULTS AND DISCUSSION

DESCRIPTIVE STATISTICAL TESTS

TABLE 1 RESULTS OF DESCRIPTIVE STATISTICAL TESTS

	N	Minimum	Maximum	Mean	Std. Deviation
Debt to equity ratio	32	232.33	160280.87	7620.2091	28109.93989

Current ratio	32	49.94	91.15	73.1034	10.63824
Sales growth	32	-31.65	10.60	-5.5516	11.56032
Total asset turnover	32	32.98	226.51	120.3319	58.97319
Return on assets	32	-18.68	-0.59	-5.0731	3.98898
Valid N (listwise)	32				

Source: Processed secondary data, 2026

The descriptive statistics for the financial performance variable (Return on Assets) show a mean of -5,0731 with a standard deviation of 3,98898. The minimum value is -18,68 and the maximum value is -0,59. The findings for the Debt-to-Equity Ratio (DER) show a minimum value of 232,33 and a maximum value of 160280,87, indicating that the proportion of debt held by PT Matahari Putra Prima relative to its equity is higher than that of the other data samples. The mean value of the Debt-to-Equity Ratio in this study is 7620,2091, with a standard deviation of 28109,93989. The Current Ratio results show a minimum value of 49,94 and a maximum value of 91,15, indicating that this data has the highest current ratio and the largest proportion of current assets to current liabilities compared to the other data samples. The mean value of the Current Ratio in this study is 73,1034, with a standard deviation of 10,63824. The Sales Growth results show a minimum value of -31,65 and a maximum value of 10,60, meaning this data set exhibits the highest sales growth compared to the other data samples. The mean value of Total Asset Turnover in this study is -5,5516, and its standard deviation is 11,56032. The TATO results show a minimum value of 32,98 and a maximum value of 226,51, indicating that this company achieved the highest TATO—reflecting the highest level of efficiency in generating revenue relative to its assets—compared to the other data samples. The mean value of Total Asset Turnover in this study is 120,3319, with a standard deviation of 58,97319.

Goodness of Fit Test (Uji F)

tabel 2 result of goodness of fit test

ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	300.753	4	75.188	10.545	.000 ^b
	Residual	192.518	27	7.130		
	Total	493.270	31			

Dependent Variable: ROA

Predictors: (Constant), TATO, SG, CR, DER

Source: Processed secondary data, 2026

The results show that the calculated F-value is 10,545 and the p-value (sig) is 0.000b. The table F-value for the regression model is 2,71, calculated using $df_1 = k-1 = 5-1 = 4$ and $df_2 = n-k = 32-4 = 28$. Thus, the calculated F-value of 10.545 is greater than the table F-value of 2,71, and the significance level is $< \alpha = 0,05$. It can be concluded that the independent variables are able to explain the changes occurring in the dependent variable. In other words, the regression equation model that was formed is proven to be a good fit.

Results of the Classical Assumptions Test

The results of the normality test show a significance level above $\alpha = 0,05$, specifically 0.200. Therefore, it can be concluded that in the regression model, the residuals are normally distributed. The multicollinearity test shows that all four independent variables have tolerance values $> 0,1$ and VIF values < 10 , making them suitable for further analysis. The heteroscedasticity test indicates that the scatterplots show a random distribution of data points without forming any specific pattern, meaning that the regression model does not exhibit heteroscedasticity..

Hypothesis Testing

The equation for multiple linear regression is formulated as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

$$Y = 0,296 + 2,893 X_1 + 0,013 X_2 + 0,085 X_3 - 0,051 X_4 + e$$

This can be interpreted as follows:

1. The constant (α) value of 0.296 (a positive value) indicates that when the independent variable is held constant ($X = 0$), the dependent variable increases by 0.296 units, assuming all other variables remain constant.
2. The DER variable has a regression coefficient of 2.893, meaning that a one-unit increase in the DER variable is followed by a 2.893 unit increase in ROA, assuming that the CR, SG, and TATO variables remain unchanged.
3. The CR variable has a regression coefficient of 0.013, which means that a one-unit increase in the CR variable is followed by a 0.013 unit increase in ROA, assuming that the DER, SG, and TATO variables remain constant.
4. The SG variable has a regression coefficient of 0.085, which means that a one-unit increase in the SG variable is associated with a 0.085 unit increase in ROA, assuming that the DER, CR, and TATO variables remain unchanged.
5. The TATO variable has a regression coefficient of -0.051, which means that a one-unit increase in the TATO variable is associated with a decrease in ROA of -0.051 units, assuming that the DER, CR, and SG variables remain unchanged..

T-test results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(constant)	.296	3.411		.087	.932
	DER	2.893E-5	.000	.204	1.628	.115
	CR	.013	.046	.035	.287	.776
	SG	.085	.042	.246	2.009	.055
	TATO	-.051	.008	-.747	-5.960	.000

Dependent Variable: Return On Assets

Source: Processed secondary data, 2026

1. The Effect of DER on ROA

The significance value obtained was $0.115 > \alpha = 0.05$ therefore, H_1 is rejected and H_0 is accepted. The DER variable has a calculated t-value of $1.628 < \text{the critical t-value of } 2.052$, meaning that the DER variable has no effect on ROA. These results indicate that changes in the debt-to-equity ratio have not been able to influence a company's ability to generate profit from its total assets.

Increased use of debt is not always accompanied by an increase in profit because companies must also bear financial burdens that can reduce the profit earned. Thus, a company's financial performance is not solely determined by its capital structure but is also influenced by the effectiveness of asset management and the company's ability to control costs. These findings are consistent with a study (Tania et al., 2021) which stated that the DER has no effect on ROA.

2. The Effect of CR on ROA

The sig value obtained was $0.776 > \alpha = 0.05$ therefore, H2 is rejected and Ho is accepted. The CR variable has a calculated t-value of $0.287 < \text{critical t-value of } 2.052$, meaning that the CR variable does not affect ROA. This indicates that a company's ability to meet its short-term obligations does not directly influence its ability to generate profits from its current assets. A company's financial performance can be influenced by other factors, such as operational efficiency, asset management, sales growth, and the company's management strategies and policies. This finding is also consistent with the research conducted by Fitriana & Imronudin (2025).

3. The Effect of SG on ROA

The significance value obtained is $0.055 > \alpha = 0.05$ therefore, H3 is rejected and Ho is accepted. The SG variable has a calculated t-value of $2.009 < \text{critical t-value of } 2.052$, meaning that the SG variable does not affect ROA. This indicates that an increase in sales does not necessarily directly enhance the company's ability to generate profit from its total assets. High sales growth is not always accompanied by an increase in profit because higher sales may be accompanied by rising operating costs, marketing expenses, or other expenses. Thus, sales growth must be balanced with effective cost control and asset management to enhance the company's profitability. These findings are consistent with those of Ramadina & Setiawati (2025).

4. The Effect of TATO on ROA

A significance value of $0.000 < \alpha = 0.05$ was obtained therefore, H4 is accepted and Ho is rejected. The t-value for the TATO variable is $-5.960 < \text{critical t-value of } 2.052$, meaning that the TATO variable has a significant negative effect on ROA. This finding indicates that an increase in TATO has not been able to improve ROA; in fact, it tends to be accompanied by a decline in financial performance. This may occur because high asset turnover is not always accompanied by an optimal approach. A company may be able to increase sales through the use of its assets, but if that increase in sales is accompanied by high operating costs and other expenses, the resulting profit may decline. Thus, the efficient use of assets to generate sales does not necessarily directly improve a company's ability to generate profit from its total assets; this finding is also consistent with previous research (Sinaga et al., 2021).

Test of the Coefficient of Determination (R^2)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.781 ^a	.610	.552	2.67026

Predictors: (Constant), Debt to Equity Ratio, Current Ratio, Sales Growth, Total Assets Turnover

Dependent Variable: Return On Assets

Source: Processed secondary data, 2026

The results of the coefficient of determination test show that the adjusted R^2 is 0.552, or 55.2%. This means that 55.2% of the variation in the dependent variable can be explained by the independent variables in this study, while 44.8% is explained by other variables not examined in this study.

IV. CONCLUSIONS

The results of this study indicate that, when considered individually, DER, CR, and SG do not have a significant effect on ROA. Meanwhile, TATO has a significant negative effect on ROA.

This study makes a theoretical contribution by adding empirical evidence regarding the impact of financial ratios on financial performance in retail companies, specifically PT Matahari Putra Prima Tbk. Furthermore, the results of this study support the application of Signaling Theory, which posits that information contained in financial statements can serve as signals for investors and stakeholders in assessing a company's condition. Practically, the results of this study can serve as a basis for company management to improve the effectiveness of asset management and for investors to evaluate the company's financial performance before making investment decisions.

This study has several limitations: it uses only one research subject – PT Matahari Putra Prima Tbk – with an observation period from 2018 to 2025, and it employs only four independent variables: DER, CR, Sales Growth, and TATO. Therefore, the results of this study cannot yet be generalized to all companies or other industrial sectors.

Future research is recommended to use a broader sample, extend the observation period, and include additional variables suspected of influencing financial performance, such as net profit margin, company size, operating costs, and macroeconomic factors. Thus, it is hoped that future research will provide more comprehensive results regarding the factors that influence a company's financial performance.

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