

THE EFFECT OF GROWTH OPPORTUNITY AND COMPANY SIZE ON PROFITABILITY WITH COMPANY VALUE AS A MODERATING VARIABLE

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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh peluang pertumbuhan dan ukuran perusahaan terhadap profitabilitas, dengan nilai perusahaan sebagai variabel moderator, pada perusahaan makanan dan minuman yang terdaftar di Bursa Efek Indonesia pada periode 2020-2023. Penelitian ini merupakan penelitian kuantitatif dengan data diolah menggunakan SPSS 24. Populasi dalam penelitian ini adalah perusahaan makanan dan minuman yang telah go public di Bursa Efek Indonesia pada periode 2020-2023. Teknik sampling yang digunakan adalah sampling purposif. Dalam penelitian ini, terdapat 47 perusahaan sampel. Penelitian ini menggunakan analisis regresi linier berganda dan Analisis Regresi Moderat (MRA). Hasil penelitian ini menunjukkan bahwa peluang pertumbuhan memiliki pengaruh negatif yang signifikan terhadap profitabilitas. Ukuran perusahaan memiliki pengaruh negatif yang signifikan terhadap profitabilitas. Nilai perusahaan tidak mampu memoderasi pengaruh peluang pertumbuhan terhadap profitabilitas. Nilai perusahaan mampu memoderasi pengaruh ukuran perusahaan terhadap profitabilitas. Perusahaan harus memprioritaskan efisiensi operasional, pengendalian biaya, dan evaluasi menyeluruh terhadap setiap rencana ekspansi, sehingga pertumbuhan yang dicapai benar-benar berkontribusi positif terhadap profitabilitas dan keberlanjutan bisnis.

Kata kunci: Peluang Pertumbuhan, Ukuran Perusahaan, Profitabilitas, Nilai Perusahaan

Abstract

This study aims to analyze the influence of growth opportunity and company size on profitability with company value as a moderating variable for food and beverage companies listed on the Indonesia Stock Exchange from 2020 to 2023. This is a quantitative study with data processed using SPSS 24. The population in this study consists of food and beverage companies that have gone public on the Indonesia Stock Exchange during the period 2020-2023. The sampling technique used is purposive sampling. There were 47 company samples in this study. This study

used multiple linear regression analysis and Moderated Regression Analysis (MRA). The results of this study indicate that growth opportunity has a significant negative effect on profitability. Firm size has a significant negative effect on profitability. Firm value is unable to moderate growth opportunity on profitability. Firm value is able to moderate firm size on profitability. Companies must prioritize operational efficiency, cost control, and comprehensive evaluation of every expansion plan, so that the growth achieved truly contributes positively to profitability and business sustainability.

Keywords: *Growth opportunity, Company size, Profitability, Firm Value*

A. Introduction

Profitability is an important element for a company, indicating the proportion of profit compared to investment in assets, equity, or sales. Because only a stable economy with high profitability can provide sufficient financial resources for sustainable development, thus attracting attention and investment from domestic and international investors (Nguyen, 2020). The development of the food and beverage industry in Indonesia shows an important role in economic growth, the food and beverage industry consistently contributes significantly to Gross Domestic Product (GDP), in the non-oil and gas processing industry management sector. The Central Statistics Agency (BPS) shows that the food and beverage sector continues to grow significantly in 2023 totaling 4.85 million businesses with a workforce of 9.80 million workers, an increase of 20.48% compared to 2016 with a total of 8.13 million workers. It can be concluded that the adaptation and flexibility of the food and beverage industry continues to grow and develop. Growth opportunity is an important indicator that reflects the potential for growth of a company in the future, whether through business expansion, product development, or long-term investment, high growth opportunity faces challenges to maintain profitability.

Company profitability is also influenced by company size. Company size is crucial because large companies can produce goods at a much lower cost than smaller companies. Therefore, company size has become a popular variable in explaining profitability (Abeyrathna & Priyadharsana, 2019). The larger the company, the easier it is to obtain both internal and external funding sources, which can increase profitability. A common phenomenon affecting

profitability in the food and beverage manufacturing sector is a decline in consumer purchasing power. This decline indicates a reduced consumer ability to purchase goods and services, directly affecting market demand. When purchasing power declines, consumers tend to reduce spending and become more selective in meeting their needs, thus decreasing demand for the company's products and services. This condition causes business turnover to slow down, company revenues to decline, and directly limits the company's ability to invest and innovate, which are key assets in creating growth opportunities.

According to the statement of the Indonesian Minister of Finance, Sri Mulyani Indrawati, which was revealed by Nugroho(2024)The current global economic condition is in a "fragile and vulnerable" state due to various multidimensional crises, including the impact of the COVID-19 pandemic, climate change, and geopolitical conflicts, which have caused disruptions in supply chains and pressure on consumer purchasing power. The decline in people's purchasing power is a significant factor in economic dynamics, especially in developing countries like Indonesia. Consumer prices and income significantly influence the demand for goods and services, which are related to company performance in the market.(Adriani et al., 2022)If the decline in purchasing power continues in the long term, the company will experience a decline in performance which can lead to efficiency measures such as employee rationalization ((Nurkhanifah et al., 2023)In addition, the decline in household consumption, which contributes more than half of the national GDP, also triggered a slowdown in overall economic growth, increasing pressure on corporate sustainability and profitability.

Several previous studies on the influence of growth opportunities on profitability, including research conducted by Damayanti & Budiyanto(2015), and Govanni et al.,(2023), states that growth opportunities have a significant and positive effect on profitability. This indicates that better growth opportunities will increase profitability in food and beverage companies listed on the Indonesia Stock Exchange. Companies with high growth opportunities

have substantial investments, particularly in fixed assets with an economic life of more than one year.

Subsequent research conducted by previous researchers showed different results. Some of these studies include those conducted by Prasetyo & Sulastiningsih.(2022)and Mulyana (2021)found that growth opportunities had no effect on profitability. This lack of influence assumes that growth rates are not particularly high, but that operating levels require more funds to finance their growth. This encourages companies to continually require substantial funding, and internal funds are likely limited, which will influence capital structure or financing decisions.

Research conducted by Putra & Susila(2020), and Rantika et al.,(2022)states that company size has a positive and significant influence on profitability. Increasing company size will always lead to an increase in an industry's profitability. Every increase in company size and capital structure will have an impact on the company's profitability.

Quite different results were shown from research conducted by Ramadhantia et al.,(2021), and Arifianti et al.,(2021), stating that company size has no effect on profitability, his research explains that company size does not guarantee good performance, as reflected in company profits. Furthermore, companies may not necessarily be able to maximize their assets to achieve maximum profits.

Research conducted by Febriansyah et al.,(2012)and Susriany et al.,(2024)The study found that firm value influences profitability, demonstrating that high market confidence in a company can increase access to capital, enable business expansion, and drive operational performance improvements, all of which positively impact corporate profits. Furthermore, a high share price, as a component of firm value, reflects strong corporate fundamentals, which correlate with good profitability.

Meanwhile, according to research by Farizki et al.,(2021)This indicates that firm value has no effect on profitability, suggesting that the company is unable to utilize its assets

effectively and efficiently, thus preventing it from achieving high profits. High firm value does not necessarily mean high profitability. Even if firm value increases, this is not necessarily in line with an increase in net profit or profitability ratios such as Return on Assets (ROA). This explains why, in some empirical cases, firm value does not show a significant effect on profitability. Based on this background, previous research has yielded many discrepancies. This study aims to test and find empirical evidence.

regarding the influence of Growth Opportunity and Company Size on Profitability with Company Value as a Moderating Variable.

B. RESEARCH METHODS

This research was conducted on food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2020-2023 period. The data required for this study were accessed from www.idx.co.id, the official website of the Indonesia Stock Exchange (IDX). This study has a population of all food and beverage manufacturing companies listed on the Indonesia Stock Exchange during the 2020-2023 period. The sampling technique in this study was carried out using a purposive sampling method, namely selecting samples based on certain criteria, with a total of 47 companies resulting in a sample of 188 research samples.

Table 1. Research Sampling Criteria

NO	Information	Amount
1.	Food and beverage manufacturing companies that are currently and still listed on the Indonesia Stock Exchange for the 2020-2023 period.	84
2.	Food and beverage manufacturing companies that did not publish annual	(33)

	financial reports during the 2020-2023 period	
3.	Food sector manufacturing companies that present transactions and financial reports in dollars and companies that have incomplete data related to the variables required in this study.	(4)
	Number of manufacturing companies in the food and beverage sector that were sampled in the research	47
	Observation period (years)	4
	Amount of data	188

Source: Data processed 2025

The operational variables that will be used in this study are as follows:

1. Growth Opportunity

Growth opportunity, which is also often called growth opportunity, is an indicator used to assess the potential increase in a company's earnings per share in the future as the company's debt increases.

The measurement:

$$Growth\ opportunity = \frac{sales_t - sales_{t-1}}{sales_{t-1}}$$

2. Company Size

The size of a company is usually determined by its firm size. This size is generally divided into two categories: large companies and small companies. Several indicators can be used to measure company size, such as total assets and market value.

The measurement:

$$\text{Company size} = \text{Ln Total Assets}$$

3. Profitability

Profitability is a company's ability to generate profits and operational efficiency, as well as efficiently utilize its assets. This study uses Return on Assets (ROA) as a measure. The higher the ROA, the better the company's performance.

The measurement:

$$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

4. Company Values

Corporate value is an important indicator used by investors to assess a company. A higher investor valuation of a company can influence demand for its shares.

The measurement:

$$PBV = \frac{\text{Harga Saham}}{\text{Nilai buku per lembar saham}}$$

C. RESULTS AND DISCUSSION

Descriptive Statistical Test

Descriptive statistics include the process of presenting data in the form of tables, pie charts, graphs, and calculations of measures of central tendency such as mode, median, and

mean, as well as measurements of deciles, percentiles, percentages, and data distribution using standard deviation and mean. In SPSS version 24, collected data can be analyzed and presented systematically, either in the form of frequency tables, diagrams, or graphs, thus facilitating understanding of the characteristics of the data being studied.

Table 1. Descriptive Statistical Test

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Standard Deviation
X1	137	-0.4153	1,1019	0.104434	0.2176752
X2	137	24,6049	32,8599	28,908411	1.8340407
Y	137	0.0000	1,4241	0.091061	0.1773842
Z	137	0.0464	6,5511	2,102807	1,5041267
Valid N (listwise)	137				

Source: Data processed by IBM Statistics 24

The standard deviation for the Growth Opportunity variable is greater than the mean, indicating that the growth opportunity data tends to vary significantly. The standard deviation for the Company Size variable is smaller than the mean, indicating that the company size data is less variable. A standard deviation for the Profitability variable is greater than the mean, indicating that the profitability data has a fairly high level of variation. The Company Value variable tends to be more homogeneous than the other variables, as its standard deviation is smaller than the mean.

Classical Assumption Test Results

The results of the classical assumption test in this study are as follows:

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residual		
N		137
Normal Parameters ^{a,b}	Mean	-0.4288000
	Standard Deviation	1.83478459

Most Extreme Differences	Absolute	0.053
	Positive	0.053
	Negative	-0.049
Test Statistics		0.053
Asymp. Sig. (2-tailed)		0.200c,d

Source: Data processed by IBM SPSS statistics 24

The normality test results table above shows that the Asymp. Sig. value is 0.200. Therefore, this value is normally distributed because it is above 0.05.

Table 3. Multicollinearity Test Results

Coefficientsa			
Model		Collinearity Statistics	
		Tolerance	VIF
1	X1	0.997	1,003
	X2	0.999	1,001
	Z	0.996	1,004

Source: Data processed by IBM SPSS statistics 24

The table of results of the Multicollinearity test shows that multicollinearity between the independent variables was not found because the VIF value of each independent variable was greater than 0.10.

Table 4. Autocorrelation Test Results

Summary Model	
Model	Durbin-Watson
1	1,948

Source: Data processed by IBM SPSS statistics 24

Based on the test results above, the Durbin-Watson value (d) is 1.948 with a significance level of 0.05% and the number of samples (n) is 137 from 3 independent variables (K). So the value obtained is $dU < d < 4-dU$ is $1.75060 < 1.984 < 2.2494$, it can be concluded that this study does not experience negative or positive autocorrelation.

Table 5. Heteroscedasticity Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.002	0.001		2,210	0.029
	X1	-6.082E-5	0,000	-0.022	-0.259	0.796
	X2	-4.711E-5	0,000	-0.145	-1,694	0.093
	Z	1.862E-5	0,000	0.047	0.548	0.584

The table above shows that this study does not show heteroscedasticity or homoscedasticity, because the sig value is more than 0.05 or $0.796 < 0.05$

Multiple Linear Analysis

Table 6. Multiple Linear Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	0.359	0.105		3,408	0.001
	X1	-0.182	0.028	-0.475	-6,394	0,000
	X2	-0.009	0.004	-0.176	-2,366	0.019

Source: Data processed by IBM SPSS Statistics 24

The constant value is 0.359, so if the independent variable has a constant value, the Profitability will be 0.359. The growth opportunity regression coefficient value is 0.182 with a significance value of $0.000 < 0.05$. This value indicates that growth opportunity has a negative and significant effect on the dependent variable, meaning that every one-unit increase will decrease the dependent variable by 0.182 units (*ceteris paribus*). The Company Size variable has a coefficient of -0.009 and is statistically significant ($\text{sig. } 0.019 < 0.05$), so it has a negative and significant effect on the dependent variable. In other words, a one-unit increase will decrease the dependent variable by 0.009 units.

Hypothesis Testing

Table 7. T-Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.359	0.105		3,408	0.001
X1	-0.182	0.028	-0.475	-6,394	0,000
X2	-0.009	0.004	-0.176	-2,366	0.019

Based on the t-test results in the table, it is known that variable X1 has a regression coefficient value of -0.182 with a significance value of 0.000, while variable X2 has a regression coefficient of -0.009 with a significance value of 0.019. Because the significance values for both variables are smaller than the 0.05 significance level, the null hypothesis (H0) is rejected. Thus, variables X1 and X2 partially have a negative and significant effect on the dependent variable Y1.

Table 8. MRA Test Results

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1,171	0.409		2,866	0.005
X1	-0.030	0.126	-0.037	-0.237	0.813
X2	-0.038	0.014	-0.388	-2,682	0.008
Z	-0.534	0.202	-4,524	-2,645	0.009
X1Z	-0.007	0.042	-0.025	-0.156	0.876
X2Z	0.019	0.007	4,601	2,696	0.008

a. Dependent Variable: Y

Source: Data processed by IBM SPSS statistics 24

$X1*Z$ ($X1Z$) has a coefficient of -0.007 and is not significant ($p = 0.876 > 0.05$). This result indicates that the moderating effect of Z on the relationship between X1 and Y is not statistically significant. In other words, Z neither strengthens nor weakens the influence of X1 on Y. In contrast, the interaction $X2*Z$ ($X2Z$) has a coefficient of 0.019 and is significant ($p = 0.008 < 0.05$). This means that Z significantly moderates the relationship between X2 and Y. A positive sign indicates that the presence of Z strengthens the influence of X2 on Y — as the value of Z increases, the influence of X2 on Y tends to become stronger even though X2 directly has a negative influence on Y.

D. DISCUSSION

Based on the results of the hypothesis testing, the discussion in this study is as follows:

The influence of growth opportunities on profitability

The results of this study indicate a significance value of $0.000 < 0.05$, indicating that growth opportunity has a significant effect on profitability, thus rejecting H1. The growth opportunity coefficient is -0.182. A negative coefficient indicates an inverse relationship between growth opportunity and profitability; the higher the growth opportunity, the lower the profitability. This finding aligns with previous research by Sativani & Dewi (2024), which found that growth opportunity has a negative and significant effect on profitability.

The effect of company size on profitability

The hypothesis explained in this study is the variable of company size on profitability. The final results of this study indicate that the significance value is $0.019 < 0.05$ and the regression coefficient value is -0.009. Thus, company size has a significant negative effect on profitability, so H2 is rejected. The negative value of the company size coefficient indicates that there is an opposite direction between company size and profitability, the larger the company size, the lower the level of profitability. The results of this study are in line with previous research conducted by Maria et al., (2018) which stated that company size has a significant negative effect on profitability.

Firm value moderates growth opportunity on profitability

H1 states that growth opportunities have a significant negative effect on profitability. However, the researchers also wanted to determine whether the moderating variable, firm value, would

influence the interaction between growth opportunities and profitability. The results of this study indicate that the significance value of the interaction variable between growth opportunities and profitability is $0.876 > 0.05$, indicating that firm size is unable to moderate the effect of growth opportunities on profitability. H3 is rejected.

Firm value moderates firm size on profitability

The results of this study indicate that the significance value of the interaction variable between company size and profitability is $0.008 < 0.05$, which means that company value significantly moderates the relationship between company size and profitability, and H4 is accepted. This finding explains that the influence of company size on profitability becomes stronger as company value increases.

E. SUGGESTION

For further research, it is recommended to add other relevant variables that may influence profitability. Further researchers are also encouraged to seek additional literature, change the study population, add more years of study, and use different measures for the variables. For company management, the findings of this study can serve as considerations and recommendations for companies, particularly those in the food and beverage manufacturing sector.

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Suhi, GM, Binangkit, ID, & Fikri, KF (2023). The Effect of Working Capital Effectiveness and Growth Opportunity on Profitability in Consumer Goods Industry Companies Listed on the Indonesia Stock Exchange in 2019-2021. Proceedings of the National Seminar on Economics, Business & Accounting, 3(2016), 531–536. Working Capital Effectiveness, Growth Opportunity, Profitability%0AIntroduction