

THE INFLUENCE OF FINANCIAL RATIO ON PROFIT GROWTH IN MINING COMPANIES IN INDONESIA

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ABSTRACT

The purpose of this research is to test empirically the impact of the Dividend Payout Ratio (DPR), Net Profit Margin (NPM), and Return on Assets (ROA) on company profit growth. The samples used in this study were 17 mining sector companies listed on the Indonesia Stock Exchange (IDX) in the 2017-2019 period. Samples were taken using a census (saturated sample), namely by using the entire population as the sample. The data used are secondary data obtained from the IDX and the Annual Reports of each sample company. The data analysis technique used is multiple linear regression analysis technique. The results showed that partially, the Dividend Payout Ratio (DPR) had a positive but not significant effect on profit growth, while Net Profit Margin (NPM) and Return On Assets (ROA) had a positive and significant effect on profit growth. Simultaneously, Return On Assets (ROA), Net Profit Margin (NPM), and Dividend Payout Ratio (DPR) have a positive and significant effect on profit growth.

Keywords : Net Profit Margin (NPM), Return On Assets (ROA), Dividend Payout Ratio (DPR), and Profit Growth

INTRODUCTION

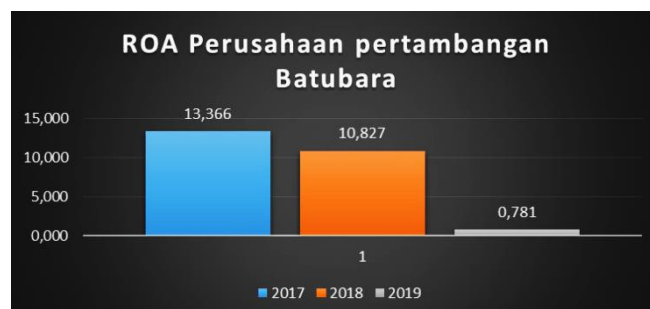
One of the very strategic industrial sectors in Indonesia is the mining industry sector, including the coal mining sector. For the State of Indonesia, the coal mining sector has a very vital role, because the coal mining sector is closely related to other industries, which are basically used for energy sources. Many industries in Indonesia use coal as an alternative energy source in addition to using electricity from PLN.

Indonesia is a country that is rich in coal mining deposits, therefore, many companies, both domestic and foreign companies, have been operating coal mining in Indonesia from the past until now. The mining industry sector is one of

the many industrial sectors listed on the Indonesia Stock Exchange (IDX).

The company's financing policy plays a crucial role in increasing the company's profits. In 2019, there were 24 coal subsector companies on the IDX out of a total of 17 companies that regularly reported financial reports for the period 2017 to 2019.

ROA is a useful financial indicator for calculating the net profit a company receives from using its assets. If the ROA value increases in each period, the company's profits will increase. The average ROA data for mining companies listed on the IDX for the 2017-2019 period can be seen in Figure 1 below.



Source: financial statements of coal mining companies issued by the Indonesia Stock Exchange in the 2017-2019 period

Based on the illustration in Figure 1 above, it can be seen that the percentage of ROA value in mining companies in 2019 shows symptoms of a decline compared to the period in 2018 and 2017. In this case, the rate of return on assets at the company cannot be separated from the company's profits on sales in each period. According to Subramanyam & Wild (2018), "profit or net income indicates the company's profitability. Profit reflects the return to equity holders for the period in question, while other items in the financial statements detail how profits are earned. For a company, profit growth can be used as an assessment tool for how the company's performance is. According to Stice, et al (2004: 225-226) "Research supports the FASB's statement that the best indicator of performance is profit. So understanding profit, what is measured by profit and its components is important to be able to understand and interpret the financial condition of a company. According to the Indonesian Accounting Association (2007) "net income (profit) is often used as a performance measure or as a basis for other measures such as return on investment or earnings per share."

Every business entity, whether in the form of a legal entity or an individual in carrying out its business activities, has a goal to be achieved. The main purpose of the company is basically to maximize the profits or profits it gets. Because with this profit, the company will be able to continue its business operations for the future. Profit growth from each company is very important for internal and external parties of the company. Therefore, the ability of the company's management to manage its assets and establish policies related to the company's operational activities plays a very important role in increasing company profits.

The increase in profits obtained by the company as a result of the company's operational management activities is a

reflection or picture of the company's financial performance. Profit growth that increases every year shows that the company is in good financial condition, and will increase the value of the company. The higher the profits obtained and/or generated by the company, the better the company's financial performance (Hapsari, Nuraina, & Wijaya, 2017). The company's ability to obtain maximum profit is very important, because basically stakeholders such as investors and creditors judge the company's success based on management performance in generating profits in the future.

In general, parties with an interest in the company will conduct financial ratio analysis to find out how much performance has been achieved by the company, besides that financial ratio analysis can also help internal management to predict various financial conditions in the future. Several financial indicators are considered effective and can be used to identify the company's profit growth rate, such as the Dividend Payout Ratio (DPR); Net Profit Margin (NPM); Return On Assets (ROA). In addition, analyzing several elements in the financial statements, such as paying special attention to the magnitude of changes in net sales each year, can help company management understand its relationship to profit growth. This is because the profit earned each year is the result of all economic activities that occur in the company's business, both those related to operations and non-operations.

By the company to determine how much percentage of profit will be distributed to shareholders. This policy affects investors' decisions in buying or selling company shares and can affect company liquidity. Therefore, it is important for companies to carefully consider the dividend policy that will be implemented with expensive financing because the company must provide funds with a large nominal amount for the

purposes of paying dividends (Werner R. Muhardi, 2018:4). For investors or share owners, dividends are the rate of return on their investment as proof of share ownership issued by other companies.

Profitability is a parameter that evaluates a company's ability to generate profits through all its activities and resources, including sales, cash flow, capital, number of workers, and number of branches owned (Harahap, 2008: 304). In this study, the ratio of ROA compared to NPM is used as an indicator to evaluate business profitability.

Based on the explanation above, the formulation of the problem in this study can be explained as follows: (1) How does the Dividend Payout Ratio (DPR) influence the company's profit growth; (2) How does the influence of Net Profit Margin (NPM) on the company's profit growth; (3) How does the effect of Return On Assets (ROA) on company growth; (4) Does the Dividend Payout Ratio (DPR), Net Profit Margin (NPM), and Return On Assets (ROA) collectively affect the company's profit growth. Given the importance of the company's profit growth rate and the many ratio sizes that can be used to determine a company's profit growth, the purpose of this study is to analyze the effect of the DPR, NPM, and ROA ratios separately on the profit growth variable as the dependent variable in listed mining companies. on the Indonesia Stock Exchange in the period 2017 to 2019.

THEORETICAL REVIEW

Deviden Payout Rasio

The profit sharing policy is related to the decision whether the profit earned will be distributed directly to the shareholders or kept as retained earnings for future investment. The dividend payout ratio is a financial indicator that shows the percentage of net profit that will be given to investors (shareholders) in the form of dividends every year or a certain period. Investors are very concerned about the dividend payout ratio because they want to get investment growth, so they will choose a company

with a low or minimal dividend payout ratio.

In general, each company will have differences in the way dividends are paid with other companies. Companies that are stable and have good financial conditions and have high net profits will generally have a high dividend payout ratio. Meanwhile, companies that are in unstable condition or have unfavorable financial conditions and new companies that are still looking for profit growth will have a low dividend payout ratio.

How to calculate the dividend payout ratio is net income divided by the number of sales or can concluded as follows:

$$\text{Deviden Payout Ratio} = \frac{\text{Deviden Per Share}}{\text{Earning Per Share}} \times 100\%$$

Net Profit Margin

The financial ratio needed to measure the percentage of a company's profit is the net profit margin. Net profit margin is net profit compared to net sales. Kasmir (2017) explains that net profit margin is a company's ability to gain profits in general, by comparing income after tax and interest with sales. NPM can also be compared to the industry average.

The greater the net profit margin that can be achieved by the company, the greater the profit that can be obtained and the more effective its operations. By reducing unnecessary costs, companies can increase their net profit.

The formula for calculating net profit margin is to divide net profit after tax by net sales revenue. Thus, it can be concluded that:

$$\text{Net Profit Margin (NPM)} = \frac{\text{Profit After Tax}}{\text{Sale}} \times 100\%$$

Return On Asset

Calculation of return on assets or return on assets is a financial indicator used to evaluate a company's success in

generating profits from the use of assets owned and expected in the future. Business assets include all assets obtained from own capital or investor loans used for business operations and used as company assets.

Kasmir (2017) explains that return on assets is a ratio that reflects the results obtained from all assets used in business activities. The higher the return on assets of a company, the better the company's performance. This shows the company's ability to return funds or assets owned is getting better.

To calculate the return on assets, it can be done by dividing the company's net profit by total assets and then expressed in the form of a percentage (%). Thus, it can be concluded that the higher the return on assets, the better the company's performance in managing its assets :

Return On Asset (ROA) = Profit After Tax x 100%

$$\frac{\text{Total Assets}}{\text{Assets}}$$

Profit Growth

Profit growth is an increase or decrease in profit per period. Profit growth in a positive direction proves that profits are increasing, this proves that the bank's performance is increasing. Good profit growth, prove that the bank has good financial performance. Increase in profit too reflects the level of dividend distribution to shareholders increases, which will eventually increase the value of banking. On the other hand, if profit growth leads to a negative direction, proving that the bank's performance is declining and can reduce the bank's opportunity to distribute dividends to shareholders or Investors (Surya et al., 2020).

Pertumbuhan pendapatan merupakan persentase peningkatan keuntungan atau pendapatan yang dihasilkan oleh perusahaan. Laba bersih (pendapatan) sering digunakan sebagai ukuran kinerja atau sebagai dasar metrik lain seperti laba atas investasi dan laba per saham. Pada umumnya kinerja suatu perusahaan dinilai dari pertumbuhan

labanya, dan semakin tinggi tingkat pertumbuhan laba maka semakin baik pula kinerja perusahaan tersebut, termasuk kinerja pimpinannya.

An encouraging increase in profit shows that the company manages and utilizes resources effectively to generate revenue and shows positive financial performance, and vice versa. (Rachmawati and Handayani, 2014 in Permata Sari, 2016).

Increasing the company's performance is always expected by every shareholder, especially in increasing profits. Because every increase in profit will have an impact on returns to shareholders, which will later affect the size of a dividend. Factors that affect profit growth in a company include: a). The size of the company, b). Company age, c). Leverage level, d). Sales rate, e). Changes in earnings in the past.

Harahap (2018) explains that profit growth can be calculated by subtracting this year's net profit from the previous year's net profit, then dividing it by the previous year's net profit, or it can be concluded as follows:

$$\text{Profit Growth} = \frac{\text{Profit } t_1 - \text{Profit } t_{-1}}{\text{Profit } t_{-1}} \times 100\%$$

The Relationship Between Dividend Payout Ratio With Profit Growth

The dividend payout ratio (DPR) is used to show the percentage of profit earned and distributed to shareholders in cash, by comparing dividends to net profit. The greater the DPR value, the higher the company's net profit. This is closely related to the development of company profits derived from net profit. Wulan Wulianti (2013) states that the price earning ratio significantly influences profit development. Companies that have a high price-earnings ratio indicate that the company has high development, which means the market expects profit development in the future, whereas companies with a low price-earnings ratio have low growth. D'Souza (2010) in Widyawati and Indriani (2019) revealed that the greater

the proportion of dividends distributed to shareholders, the greater the decrease in the proportion of profits used by companies for investment and business expansion. Therefore, companies that are growing and focusing on expansion will reduce the proportion of profit that will be distributed in the form of dividends to shareholders. Research by Adnan, Gunawan & Candrasari (2014) found results that company development significantly and negatively affects the Dividend Payout Ratio. However, the results of the research by Laim, Nangoy and Murni (2015) show that there is no significant relationship between company development and the Dividend Payout Ratio. Based on this empirical study, a research hypothesis can be built:

H1: Dividend payout ratio partially has a significant effect on profit growth in coal mining companies listed on the Indonesia Stock Exchange.

The Relationship Between Net Profit Margin And Profit Growth

Net profit margin (NPM) is the ratio between net profit and total revenue. If the NPM is high, it indicates that the company is able to generate large net profits from each sale. High NPM can also affect the company's profit growth. Werner (2018) states that "an increase in NPM will increase the company's profit growth." This is due to the company's ability to manage its operational costs efficiently so that sales can be converted into net profit. Suwarno (2004) found that net profit margin had a significant effect on profit growth, while Meyti (2005) found different results, namely net profit margin did not have a significant effect on profit growth. Therefore, it can be concluded that NPM has a positive influence on earnings changes. In the context of coal mining companies listed on the Indonesia Stock Exchange, the research hypothesis can be formulated as follows:

H2: The net profit margin has a significant effect on profit growth in

coal mining companies listed on the Indonesia Stock Exchange.

The Relationship Between Return On Assets With Profit Growth

ROA is used to evaluate a company's ability to generate net profit from the use of its assets. The higher the ROA value achieved by the company, the better the company's performance in generating net profit. With an increase in the company's ability to generate profits, the company's profit growth will also increase. Research conducted by Ari Pratama (2013) shows that return on investment does not have a significant effect on profit growth. However, ROA has a positive influence on profit growth. The higher the ROA, the greater the company's return on assets, so that the company's ability to increase profits will also increase. Conversely, the smaller the ROA, the smaller the company's ability to increase profit growth. Therefore, ROA has a positive influence on the company's profit growth. Research conducted by Susanti and Widyawati (2016) shows that partially, ROA has a negative and insignificant effect on profit growth. That is, ROA cannot be used as a tool to measure profit growth. The negative effect of ROA on profit growth indicates that good or bad ROA conditions do not have the potential to attract investors. Based on these findings, it can be hypothesized that ROA cannot be used to measure profit growth effectively.

H3: Return on assets partially has a significant effect on profit growth in coal mining companies listed on the Indonesia Stock Exchange.

The Relationship Between Return On Assets, Net Profit Margin, and Dividend Payout Ratio with Profit Growth

At the same time, the leverage ratio, total investment turnover, debt to equity ratio and dividend payout ratio have a significant impact on profit growth. Meanwhile, the dividend payout

ratio has a significant effect on profit growth (Fitri, N.Y., Kristanti, F.T. 2019). Return on assets has a negative and significant effect on profit growth. That is, when ROA decreases, profit growth increases. When testing the return on equity hypothesis on earnings growth, there is a positive and insignificant relationship between ROE and earnings growth. This means that if ROE increases, profit growth will not increase. When testing the net profit margin hypothesis on income growth, there is a positive and significant effect between NPM on income growth. That is, if NPM increases, profit growth will increase (Anggi Maharani Safitri and Mukaram, 2018). Based on this empirical study, the research hypothesis can be formulated:

H4: Return on Assets, Net profit margin, and Dividend payout ratio simultaneously has a significant influence on the profit growth of coal mining companies listed on the Indonesian Stock Exchange.

RESEARCH METHODS

Research design

The approach used in this study is associative which describes the relationship between the dependent and independent variables. Sugiyono (2017:21) states that: "associative research is research that aims to determine the relationship between two or more variables. In this research, a theory will be built that can function to explain, predict and control a symptom.

In this study, the associative method is used to explain the effect of Dividend Payout Ratio, Net Profit Margin, and Return On Assets on profit

growth of coal mining companies listed on the Indonesia Stock Exchange.

Population

The population is a generalization area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions (Sugiyono, 2017: 80). The population in this study are all coal sector mining companies listed on the Indonesia Stock Exchange for the 2017-2019 period.

While the sample is part of the number of characteristics possessed by the population (Sugiyono, 2017: 137). Sampling must be carried out in such a way that samples are obtained that can truly describe the actual or representative population.

The criteria for coal mining companies have the following characteristics:

1. Coal mining companies listed on the Indonesia Stock Exchange during 2017-2019.
2. Coal mining companies which IPO before 2017.
3. The financial statements of coal mining companies that have never been suspended during the observation period.

Referring to these criteria, there are 17 companies that meet the requirements. With a very small number of companies observed, this study used a census sampling technique. Saturated Sampling (census) is a sampling method when all members of the population are included in the sample. The following 17 mining companies in the coal sector are used as samples in this study.

Table 1
Coal mining companies listed on the Indonesia Stock Exchange for the period 2017-2019

No	Issuer Code	Company Name
1	ADRO	Adaro Energy Tbk
2	ARII	Atlas Resources Tbk
3	BOSS	Borneo Olah Sarana Sukses Tbk
4	BSSR	Baramulti Suksessarana Tbk

5	BUMI	Bumi Resources Tbk
6	BYAN	Bayan Resources Tbk
7	DEWA	Darma Henwa Tbk
8	DOID	Delta Dunia Makmur Tbk
9	DSSA	Dian Swastatika Sentosa Tbk
10	FIRE	Alfa Energi Investama Tbk
11	GEMS	Golden Energy Mines Tbk
12	HRUM	Harum Energy Tbk
13	INDY	Indika Energy Tbk
14	ITMG	Indo Tambangraya Megah Tbk
15	KKGI	Resources Alam Indonesia Tbk
16	MBAP	Mitrabara Adiperdana Tbk
17	MYOH	Samindo Resources Tbk

Analysis Model

Data analysis model is a technique used to answer problems in research. The purpose of data processing is to obtain conclusions from the research results. In this study, the data analysis model used for hypothesis testing is the multiple linear regression model. Multiple linear regression is a linear regression involving more than one independent variable. Multiple linear analysis technique aims to determine whether there is an influence between the independent variable and the dependent variable which shows a one-way relationship, in this study is to determine the effect of the variables X1 (Dividend Payout Ratio), X2 (Net Profit Margin), X3 (Return On Assets) and Y (Profit Growth) According to Sugiyono (2018: 188) the regression equation set is as follows:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + \epsilon$$

In the use of the multiple linear regression data analysis model, it is accompanied by several steps or stages of testing, including: Classical Assumption Test (which includes Normality, Multicollinearity, Autocorrelation, and Heteroscedasticity tests). Based on the test results, then the data is regressed for multiple linear regression test and partial test (t test) and simultaneous test (F test).

Variable Operational Definition

This study tries to analyze the effect of the independent variable on the dependent variable. The Independent

Variable (X) in this study, among others, consists of:

1. Dividend Payout Ratio (X1)
Dividend payout ratio (DPR) is part of the profit after tax that is distributed to shareholders during a certain period. Dividend payout ratio is measured by proxying the amount of dividends to net income.
2. Net Profit Margin (X2)
Net profit margin (NPM) is the share of a company's profit level on net sales. The measurement of net income is done by proxying net sales and net income (Kasmir, 2017).
3. Return On Asset (X3)
Return on Assets (ROA) is the level of the company's ability to generate profits from the assets used. The measurement is net income as a proxy for total assets, and the result is a ratio in the form of a percentage (Eduardus Tandelilin, 2019).

While the Dependent Variable (Y)

1. Profit Growth (Y)
Profit growth is the company's ability to tie net income compared to the previous year. The measurement is the previous year's net profit minus the current year's net profit proxy for the current year's net income.
Referring to the operational definition of the variables above, the conceptual framework of the research was then developed as illustrated in Figure 2 below.

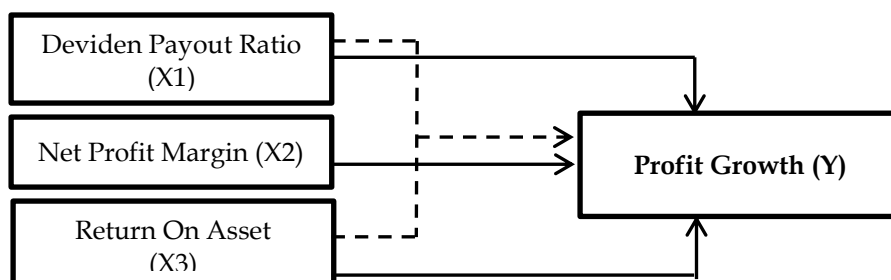


Figure 2 Research Conceptual Framework

Description :

-----> : Simultaneous Test
 -----> : Partial Test

Referring to the conceptual framework of the research above, it can be explained that profit growth is strongly influenced by the Dividend Payout Ratio, Net Profit Margin, and Return On Assets, either partially or simultaneously.

Data Collection Procedure

In obtaining the data needed for research, documentation is carried out. By paying attention to documents related to research. In this study, data on financial ratios such as dividend payout ratio (DPR), Net profit margin (NPM), Return on Assets (ROA) and profit growth were obtained from data published on the Indonesia Stock Exchange for the 2017-2018 period. Sources of data used in this study are secondary data sources. Secondary data is data related to the problem under study but is not obtained directly from respondents who are the object of research. Secondary data related to this

research, for example, financial statements, documents or records about coal mining companies listed on the Indonesia Stock Exchange, are taken from the website <http://www.idx.co.id/perusahaan-tercatat/laporan-keuangan-dan-tahunan/>

ANALYSIS AND DISCUSSION

Descriptive statistics

Descriptive statistics is a process for analyzing data which is done by describing or describing the data for each variable that has been collected in this study. The data presented in the form of minimum, maximum, average value, and standard deviation. The variables used are Divident Payout Ratio, Net Profit Margin and Return On Assets as Independent variables, while Profit Growth as the dependent variable. Based on the data from each variable, the descriptive statistical results can be obtained as follows:

**Table 2
Descriptive Statistics**

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Profit Growth	51	-458,39	2278,23	98,4708	404,54908
DPR	51	,04	3,54	1,2298	,78277
NPM	51	-,09	2,88	,6275	,61857
ROA	51	,01	2,18	,3636	,47989

Source: Results of SPSS data processing

Based on the illustration in table 2 above, it can be interpreted as follows.

1. Profit Growth

Based on the calculations in table 2, it is known that the minimum profit growth is -458.39 and the maximum

is 2278.23. The average value is 98.4708 with a standard deviation of 404.54908. The company with the highest profit growth value was Darma Henwa Tbk in 2018 which was 2278.23, and the company with the lowest growth was Alfa Energy Investama Tbk in 2019 which was -458.39.

2. Divident Payout Ratio

Based on the calculations in table 2, it is known that the minimum dividend payout ratio is 0.04 and the maximum is 3.54. The average value is 1.2298 with a standard deviation of 0.78277. The company with the highest Divident Payout Ratio value was Indika Energy Tbk in 2019 which was 19.60, and while the company with the lowest Divident Payout Ratio value was Alfa Energy Investama Tbk in 2019 which was -0.28.

3. Net Profit Margin

Based on the calculations in table 2, it is known that the minimum Net Profit Margin is -0.09 and the maximum is 2.88. The average value is 0.6275 with a standard deviation of 0.61857. The company with the highest Net Profit Margin value is Alfa Energy Investama Tbk in 2017 which is 1.54, and while the company with the lowest Net Profit

Margin value is Atlas Resources Tbk in 2019 which is -0.09.

4. Return On Asset

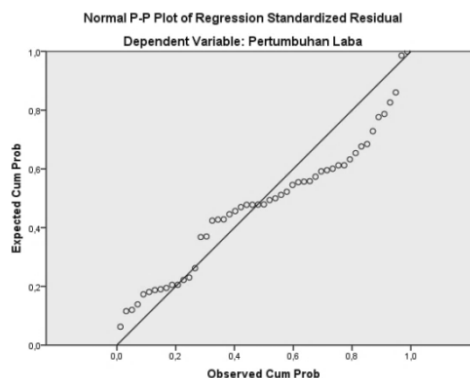
Based on the calculations in table 2, it is known that the minimum return on assets is 0.01 and the maximum is 2.18. The average value is 0.3636 with a standard deviation of 0.47989. The company with the highest Return On Asset value was Bayan Resources Tbk in 2019 which was 18.33, and while the company with the lowest Return On Asset value was Atlas Resources Tbk in 2019 which was -1.52.

Classic Assumption Test

Classical assumption test is a requirement that must be met if the research uses multiple linear regression analysis so that the model is valid as an estimator.

A. Normality Test

Normality test is a statistical test conducted to find out how the distribution of a data. In this study, researchers used 2 types of normality tests, namely, the normal propability plot test and the Kolmogorov Smirnov test. Normal probability test can be seen in the following figure:



Source: Results of SPSS data processing

Figure 3 Probability Plot Normal Test

Based on Figure 3, it can be seen that the distribution of the points is around the diagonal line and the distribution follows the direction of the diagonal line. It can be concluded that the

data distribution meets the normality requirements and the next researcher performs the Kolmogorov Smirnov test to ensure that the research data is

normally distributed. Kolmogorov Smirnov test can be seen in table 3 below:

Table 3

Kolmogorov Smirnov . test

One Sample	Unstandardized	Description
Kolmogorov_Smirnov Z	Residual	
Asymp.Sig (2-tailed)	,095	Normal

Source: SPSS Data Processing Results

Referring to table 3 above, the Kolmogorov Smirnov test can be seen that the data in this study is normally distributed. Value of Asymp. Sig (2-tailed) of 0.095 indicates a significant value greater than 0.05, which means that the data in this study are normally distributed.

B. Multicollinearity Test

Multicollinearity test aims to test whether the regression model found a correlation (strong relationship) between

independent variables or independent variables. If the tolerance value is greater than 0.10, it means that there is no multicollinearity in the regression model, whereas if the VIF value is less than 10.00, it means that there is no multicollinearity in the regression model. A good regression model should not have a correlation between the independent variables or there should be no multicollinearity symptoms. Multicollinearity test can be seen in the following table:

Table 4

Multicollinearity Test

Collinearity Statistics		
Variable	Tolerance	VIF
DPR	,581	1,723
NPM	,438	2,282
ROA	,681	1,469

Source: SPSS Data Processing Results

The illustration in table 4 shows that the data multicollinearity test meets the requirements because the tolerance value of each variable is greater than 0.10 and while the VIF value is less than 10.00 which means that the variable does not occur multicollinearity.

C. Autocorrelation Test

The autocorrelation test aims to test whether in the linear regression model there is a correlation between the swing error in period t and the swing error in period t-1 (previous).

Table 5

Autocorrelation Test

Durbin-Watson	Description
2,135	Does not have autocorrelation

Source: SPSS Data Processing Results

To ensure that there is no autocorrelation in the study, it can be known by doing a DW-Test with the provisions of $dU < d < 4-dU$, a good

regression model is one that does not have autocorrelation. The test results using the Durbin Watson table can be seen in the following table:

Table 6

Durbin-Watson Test

D	dL	dU	4-dL	4-dU
2,135	1,4273	1,6754	2,5727	2,3246

Source: SPSS Data Processing Results

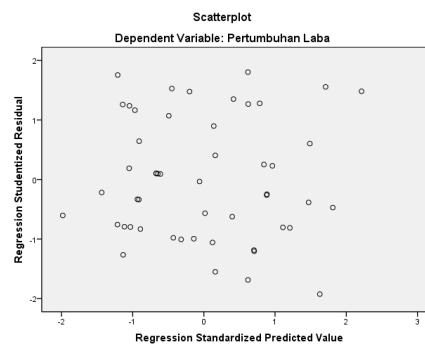
Referring to the illustration in table 5 above, it is known that the Durbin-Watson value is 2.135. This value will be compared with the value of the Durbin-Watson table at 5% significance by the formula $(k;N)$. The number of independent variables is 3 or "k" = 3, while the number of samples or "N" = 51, then $(k;N) = (3;51)$. Then found the dL value of 1.4273 and dU of 1.6754.

The Durbin-Watson (d) value of 2.135 is greater than the upper limit (dU) of 1.6754 and less than $(4-dU)$ of $4-1.6754=2.3246$. So as the basis for decision making in the Durbin-Watson

test above, it can be concluded that there are no autocorrelation symptoms.

D. Heteroscedasticity Test

Heteroscedasticity test is part of the classical assumption test in regression analysis which aims to test whether in the regression model there is an inequality of variation from the residual value of one observation to another. If the variation from the residual value of one observation to another is fixed, it is called homoscedasticity, but if it is the other way around it is called heteroscedasticity.



Source: Results of SPSS data processing

Figure 4 Probability Plot Normal Test

The illustration in Figure 4 shows that it can be seen that the points spread randomly and are spread both above and below point 0 on the Y axis. And there is no particular pattern generated from the dots, this concludes that there is no heteroscedasticity.

Multiple Linear Regression Analysis

Multiple linear regression analysis aims to see the influence between the independent variable and the dependent variable which shows a one-way relationship. The following table results from the analysis of multiple linear regression.

HYPOTHESIS TEST

**Table 7
Multiple Linear Regression Test**

Model	Unstandardized Coefficients B
(Constant)	-305,800
DPR	-,073
NPM	447,313
ROA	340,076

Source: SPSS Data Processing Results

Based on table 4.5, the linear regression equation can be obtained as follows:

$$Y = -305,800 - 0,073 X_1 + 447,313 X_2 + 340,076 X_3$$

Referring to the results of this multiple linear regression, it can be concluded that the DPR variable has a negative effect on profit growth, while NPM and ROA have a positive and direct effect on profit growth.

Based on table 8 the coefficient of determination test, it can be interpreted as follows: The results of the coefficient of determination test show that the R Square value is 0.354 or 35.4%. This means that the profit growth rate that can be explained by the independent variables (DPR, NPM, and ROA) is 35.4%, while the remaining 64.6% is influenced by other variables not examined in this study.

Table 8
Determination Test

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,595 ^a	,354	,312	335,46047	2,135

a. Predictors: (Constant), ROA, NPM, DPR

b. Dependent Variable: Profit Growth

Partial Test (t-test)

The t-test aims to test how the influence of each independent variable individually on the dependent variable. In this study, the test was conducted to test

the variables DPR, NPM, and ROA on profit growth. The test was carried out using a significance level of 0.05 (5%) with a one-way hypothesis. This research can be seen in the following table:

Tabel 9 Uji Parsial

Model	B	t	Sig	Description
(Constant)	-305,800	-1,653	,105	
DPR	-,073	-,001	,999	Not Significant
NPM	447,313	3,861	,000	Significant
ROA	340,076	2,838	,007	Significant

Source: SPSS Data Processing Results

The results of the t-test on the DPR variable (X1), the regression coefficient is -0.073, with t_{count} (-0.001) and sig (0.999). When compared with t_{table} (2.00958), then $t_{count} < t_{table}$ and $sig > 0.05$. This means that the Dividend Payout Ratio (DPR) variable has no significant effect on profit growth. Thus, hypothesis 1 which states that "Dividend Payout

Ratio has a significant positive effect on earnings growth" is not empirically proven.

The results of the t-test on the NPM variable (X2), the regression coefficient is 447.313 (positive), with t_{count} (3.861) and sig (0.000). When compared with t_{table} (2.00958), then $t_{count} > t_{table}$ and $sig < 0.05$. This means that the

Net Profit Margin has a significant positive effect on profit growth. Thus, hypothesis 2 which states that "Net Profit Margin has a significant positive effect on acceptable profit growth" is empirically proven.

The results of the t-test on the ROA variable (X3), the regression coefficient is 340.076 (positive), with t_{count} (2.838) and sig (0.007). When compared with t_{table} (2.00958), then $t_{count} > t_{table}$ and sig < 0.05 . This means that Return on Assets has a significant positive effect on profit growth. Based on this analysis, it can be concluded that the third hypothesis which states that Return

on Assets has a significant positive effect on acceptable profit growth. Thus hypothesis 3 is proven empirically true.

Simultaneous Test (F Test)

The F test aims to test how the overall effect of the independent variables simultaneously (together) on the dependent variable. In this study, the test was conducted to test the variables DPR, NPM, and ROA on profit growth. The test was carried out using a significance level of 0.05 (5%) with a one-way hypothesis. This research can be seen in the following table:

Table 10
F Test (Simultaneous Test)
ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2893912,911	3	964637,637	8,572	,000 ^a
	Residual	5289085,033	47	112533,724		
	Total	8182997,944	50			

a. Predictors: (Constant), ROA, DPR, NPM

b. Dependent Variable: Profit Growth

Referring to the illustration in table 10. The results of the F test (simultaneous test) above, can be interpreted as follows: Divident Payout Ratio, Net Profit Margin and Return On Assets have a significant positive effect on profit growth.

F test results show that F_{count} (8.572) and sig (0.000). When compared with F_{table} (2.80), then $F_{count} > F_{table}$ and sig < 0.05 , so it can be concluded that the model is significant. Based on this analysis, it can be concluded that the fourth hypothesis which states that the Divident Payout Ratio, Net Profit Margin and Return On Assets has a significant positive effect on profit growth, and is empirically proven.

CONCLUSIONS AND SUGGESTIONS

Conclusion

The results of the study partially show that the Divident Payout Ratio (X1) has a negative and insignificant effect on Profit Growth (Y), this can be proven by t_{count} (-0.001) $< t_{table}$ (2.00958) and sig

(0.999) $> (0, 05)$. This means that the high value of the Divident Payout Ratio will not be followed by increased profit growth in coal mining companies for the 2017 - 2019 period listed on the Indonesia Stock Exchange.

The results partially show that Net Profit Margin (X2) has a significant positive effect on Profit Growth (Y), this can be proven by t_{count} (3.861) $> t_{table}$ (2.00958) and sig (0.000) $< (0.05)$. This means that the high value of Net Profit Margin will be followed by increased profit growth in coal sector mining companies for the period 2017 - 2019 which are listed on the Indonesia Stock Exchange.

The results partially show that Return on Assets (X3) has a significant positive effect on Profit Growth (Y), this can be proven by t_{count} (2.838) $> t_{table}$ (2.00958) and sig (0.007) $< (0.05)$. This means that the high value of Return On Assets will be followed by increased profit growth in coal sector mining companies for the 2017 - 2019 period

which are listed on the Indonesia Stock Exchange.

Suggestion

For further researchers, the influence of the 3 variables is still relatively weak. It is proven by the coefficient of determination, R Square of 0.354 or 35.4%. This means that the profit growth rate that can be explained by the independent variables (DPR, NPM, and ROA) is 35.4%, while the remaining 64.6% is influenced by other variables outside the regression model used. Therefore, this is a research gap for further research by adding several related variables as independent variables, so it is hoped that the coefficient of determination will approach 1 or 100%.

For potential investors or related parties, it is recommended to invest in mining companies listed on the Indonesia Stock Exchange that have high NPM and ROA ratio values, because it is proven that these two variables have an effect on the average profit growth of coal mining companies. The profit earned by the company will be related to the amount of return in the form of dividends on the investment made and also have an impact on the value of the company's share price.

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