

ABSTRACT

ANDREW VANNESS TANLIM

03012210016

THE IMPACT OF LEVERAGE ON PROFITABILITY

(xv + 69 pages; 1 figures; 13 table; 4 appendixes)

This study aims to examine the impact of leverage on the profitability of manufacturing companies listed on the Indonesia Stock Exchange (IDX). The sample comprises 155 manufacturing companies listed on the *Bursa Efek Indonesia*, observed during the period from 2019 to 2023. The methodology employs multiple linear regression analysis, with the Debt to Equity Ratio (DER) as the main independent variable representing leverage and Return on Assets (ROA) as the main dependent variable representing profitability. Several control variables, including liquidity (current ratio), efficiency (inventory turnover), firm size (SIZE), and firm age (AGE), are incorporated to reduce potential biases. The F-test results confirm the overall significance of the model, while the t-test results indicate that leverage significantly influences profitability. The t-test results show that the hypothesis of the study is rejected, as the expected positive relationship between the leverage and the profitability of manufacturing companies is contradicted by the negative relationship found in the results. Specifically, higher DER tends to decrease ROA, suggesting that excessive debt can adversely affect profitability. This study contributes to the literature on the relationship between leverage and profitability and offers managerial insights for manufacturing firms in Indonesia.

Keywords: Leverage, Profitability, DER, ROA, Manufacturing Companies

References: 45 (2019-2024)

ABSTRAK

ANDREW VANNESS TANLIM

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DAMPAK LEVERAGE TERHADAP PROFITABILITAS

(xv + 69 halaman; 1 gambar; 13 tabel; 4 lampiran)

Penelitian ini bertujuan untuk mengkaji pengaruh leverage terhadap profitabilitas perusahaan manufaktur yang terdaftar di Bursa Efek Indonesia (BEI). Sampel penelitian terdiri dari 155 perusahaan manufaktur yang terdaftar di BEI, dengan periode pengamatan dari tahun 2019 hingga 2023. Metodologi penelitian menggunakan analisis regresi linier berganda, dengan Debt to Equity Ratio (DER) sebagai variabel independen utama yang merepresentasikan leverage, dan Return on Assets (ROA) sebagai variabel dependen utama yang merepresentasikan profitabilitas. Beberapa variabel kontrol, termasuk likuiditas (current ratio), efisiensi (inventory turnover), ukuran perusahaan (SIZE), dan usia perusahaan (AGE), dimasukkan untuk mengurangi potensi bias. Hasil uji F mengonfirmasi signifikansi model secara keseluruhan, sementara hasil uji t menunjukkan bahwa leverage secara signifikan memengaruhi profitabilitas. Hasil uji t menunjukkan bahwa hipotesis penelitian ditolak, karena hubungan positif yang diharapkan antara leverage dan profitabilitas perusahaan manufaktur bertentangan dengan hubungan negatif yang ditemukan dalam hasil penelitian. Secara spesifik, DER yang lebih tinggi cenderung menurunkan ROA, yang menunjukkan bahwa utang yang berlebihan dapat berdampak negatif pada profitabilitas. Penelitian ini memberikan kontribusi pada literatur mengenai hubungan antara leverage dan profitabilitas serta menawarkan wawasan manajerial bagi perusahaan manufaktur di Indonesia.

Kata Kunci: Leverage, Profitability, DER, ROA, Manufacturing Companies

Referensi: 45 (2019-2024)