

The Influence of Current Ratio (CR), Total Asset Turnover (TATO) and Debt to Equity Ratio (DER) on Profit Growth (PG) at PT Kalbe Farma Tbk for the 2015-2024 Period

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Article History:

Received : 03-10-2026

Revised : 21-10-2026

Accepted : 22-10-2026

Keywords: Current Ratio, Debt to Equity Ratio, Financial Performance, Profit Growth, Total Asset Turnover

Abstract : The pharmaceutical industry has a strategic role in supporting the health system, while companies face challenges in maintaining sustainable profit growth amidst changing economic and business conditions. This study aims to analyze the effect of Current Ratio (CR), Total Asset Turnover (TATO), and Debt to Equity Ratio (DER) on Profit Growth (PG) at PT Kalbe Farma Tbk for the period 2015–2024. The study uses a quantitative approach with a causal associative method. The study population consists of the company's officially published quarterly and annual financial reports, while the sample consists of the financial position report and income statement for the period 2015–2024. Data were collected through indirect observation and document study, then analyzed using descriptive statistics, classical assumption tests, multiple linear regression, t-tests, F-tests, correlation analysis, and coefficients of determination with SPSS 25. The results of the study indicate that CR, TATO, and DER partially have no significant effect on PG with significance values of 0.385, 0.386, and 0.721, respectively. Simultaneously, the three variables also did not significantly influence PG with an F value of 0.864 and a significance level of 0.509. In conclusion, CR, TATO, and DER were not significant determinants of profit growth during the observation period.

How to Cite: Lintang Yuniya Rahayu, Fakung Rahman. (2026) *The Influence of Current Ratio (CR), Total Asset Turnover (TATO) and Debt to Equity Ratio (DER) on Profit Growth (PG) at PT Kalbe Farma Tbk for the 2015-2024 Period*. 4(4). pp.784-799. <https://doi.org/10.61536/escalate.v4i4.822>



<https://doi.org/10.61536/escalate.v4i4.822>

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Introduction

The global pharmaceutical industry plays a strategic role in supporting the stability and effectiveness of healthcare systems through research, production, and distribution of drugs to meet the therapeutic needs of the population. In 2024, the global pharmaceutical industry demonstrated strong growth driven by increasing demand for healthcare services, therapeutic innovation, and the development of drugs for chronic and complex diseases. IQVIA reports that the global pharmaceutical

market, at a price level, is expected to grow by around 5 to 8% annually through 2028, indicating that the pharmaceutical industry remains on a positive expansionary trend. This development is also accompanied by changes in demand patterns and therapeutic focus, particularly the increasing need for chronic disease therapies, biological innovations, and specialized therapies across various disease areas. Therefore, the development of the pharmaceutical industry is not only related to increasing sales volumes, but also to the company's ability to produce product innovations with strategic value.

As it develops, the global pharmaceutical industry continues to face various challenges, particularly related to post-pandemic health financing pressures, adjustments in government health spending, and issues with access and distribution of health products. The WHO highlights that these conditions can impact access, procurement, and market sustainability of pharmaceutical products in various countries. Domestically, the Indonesian pharmaceutical industry is experiencing expansion supported by demographic growth, increasing public awareness of health, equitable distribution of health care facilities, and improvements to the national health insurance program. The government, through the Ministry of Industry, has also positioned the pharmaceutical industry as one of the pillars of national priority industries. Nevertheless, the national pharmaceutical industry still faces structural challenges such as dependence on imported raw materials, reaching over 90%, exchange rate fluctuations, disruptions to the global supply chain, strict regulations, the need for research and development capital, and intensifying competition. Technological developments and digitalization are also encouraging pharmaceutical companies to increase innovation, efficiency in production, distribution, and health services.

In this context, PT Kalbe Farma Tbk is one of the major companies in the Indonesian pharmaceutical industry that consistently demonstrates competitive and stable financial performance. However, global and national economic dynamics continue to pose challenges for the company in maintaining sustainable profit growth. Profit growth is an important indicator in assessing a company's financial condition because it reflects the company's ability to improve operational results over time. Consistent and growing profitability performance is also related to the company's attractiveness to investors and increases its market value. Therefore, profit growth needs to be viewed through various financial factors, including liquidity, activity, and solvency ratios. This study focuses on the Current Ratio (CR), Total Asset Turnover (TATO), and Debt to Equity Ratio (DER) as indicators used to assess PT Kalbe Farma Tbk's profit growth during the period 2015 to 2024.

The research problem is evident in the fluctuations in PT Kalbe Farma Tbk's Profit Growth during the observation period. Profit Growth was recorded at a negative 3.06% in 2015, then increased to 14.25% in 2016, but slowed again from 2017 to 2019. Profit growth increased again in 2020 and 2021, before experiencing a sharp decline in 2023 to negative 19.47% and then recovering to 16.85% in 2024. These changes do not always follow the development of financial ratios. In 2023, for example, the Current Ratio reached its highest level of 490.81%, while the Debt to Equity Ratio fell to 17.03%, but Profit Growth decreased to negative 19.47%. Conversely, in 2024, Profit Growth increased to 16.85%, while the Current Ratio decreased to 410.62%, Total Asset Turnover reached 1.11 times, and the Debt-to-Equity Ratio increased to 19.68%. This situation demonstrates a mismatch between changes in financial ratios and the company's profit growth.

This issue is increasingly relevant because the relationship between the Current Ratio, Total Asset Turnover, Debt to Equity Ratio, and Profit Growth has not shown a consistent pattern based on previous research. Rahman (2025) found that the Current Ratio, Total Asset Turnover, and Debt to Equity Ratio did not significantly influence Profit Growth, either partially or simultaneously. Different results were shown by Hasibuan and Situmorang (2022), who found that the Current Ratio had no effect on Profit Growth, while Total Asset Turnover and Debt to Equity Ratio had a significant effect partially. The study also showed that all three variables simultaneously had a significant effect on profit growth. These differences in results indicate inconsistencies in empirical findings regarding the influence of liquidity, activity, and solvency ratios on profit growth.

Based on the phenomenon of fluctuation in Profit Growth of PT Kalbe Farma Tbk and the



existence of research gaps from the inconsistency of previous research results, this study aims to determine the effect of Current Ratio, Total Asset Turnover, and Debt to Equity Ratio on Profit Growth, both partially and simultaneously, at PT Kalbe Farma Tbk for the period 2015 to 2024. The urgency of the research lies in the need to obtain empirical evidence regarding the relationship between the three financial ratios and the company's profit growth during the observation period which shows quite dynamic changes. The novelty of this research lies in testing the three ratios together on Profit Growth with the object of PT Kalbe Farma Tbk and the period 2015 to 2024, so that the research is expected to provide an empirical picture of the relationship between liquidity, activity, and solvency ratios with profit growth in the company that is the object of the research.

Research Methods

This study uses a quantitative approach with a causal associative research type. The quantitative approach is used because the research data is in the form of numerical data that is analyzed statistically, while the causal associative type is used to test the relationship and influence of independent variables on dependent variables. According to Sugiyono (2023: 16), "Quantitative research methods can be interpreted as research methods based on the philosophy of positivism, used to research certain populations or samples, data collection using research instruments, data analysis is quantitative or statistical, with the aim of testing predetermined hypotheses". This study examines the effect of Current Ratio (CR), Total Asset Turnover (TATO), and Debt to Equity Ratio (DER) as independent variables on Profit Growth (PG) as a dependent variable at PT Kalbe Farma Tbk during the period 2015 to 2024.

The research instruments were annual reports and financial statements of PT Kalbe Farma Tbk for the period 2015 to 2024. Data were collected through indirect observation, document study, and cross-checking or triangulation with official publication sources. Document study was conducted by downloading, recording, and reviewing annual financial statements and audited financial statements obtained through information disclosure on the Indonesia Stock Exchange and the company's official website. The data were used to obtain the components needed to calculate the Current Ratio, Total Asset Turnover, Debt to Equity Ratio, and Profit Growth. Data analysis was performed using descriptive statistics, classical assumption tests including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, and multiple linear regression. Hypothesis testing was conducted through t-tests and F-tests, then supplemented with correlation coefficient and determination coefficient analyses. The research population consists of all quarterly and annual financial reports of PT Kalbe Farma Tbk that have been audited by an independent Public Accountant and officially published since the company first listed its shares on the Indonesia Stock Exchange until the most recent reporting period. The research sample is determined in the form of financial statements of financial position and profit and loss statements used for the observation period 2015 to 2024. The determination of the sample is adjusted to the research needs in obtaining data used to calculate the variables Current Ratio, Total Asset Turnover, Debt to Equity Ratio, and Profit Growth. According to Sugiyono (2023:127), "In quantitative research, a sample is part of the number and characteristics possessed by the population."

The research procedure begins with determining the object and observation period, then identifying the financial statements of PT Kalbe Farma Tbk that are relevant to the research variables. Next, secondary data is collected through the company's annual report and financial statements, then recorded and processed to obtain the values of Current Ratio, Total Asset Turnover, Debt to Equity Ratio, and Profit Growth. The collected data is then analyzed using descriptive statistics and tested through the classical assumption test to ensure the feasibility of the regression model. After that, multiple linear regression analysis is conducted to determine the effect of the three independent variables on Profit Growth, followed by a t-test to determine the partial effect and an F-test to determine the simultaneous effect. Correlation coefficient analysis and determination coefficient analysis are used to complete the interpretation of the relationship and the ability of the independent variables to explain variations in Profit Growth.



Results and Discussion

Research Data

Table 1. Results of Current Ratio (CR) Calculation of PT Kalbe Farma Tbk 2015-2024 (in Rupiah)

YEAR	CURRENT ASSET	CURRENT LIABILITIES	CR (%)
2015	8,748,491,608,702	2,365,880,490,863	369.78
2016	9,572,529,767,897	2,317,161,787,100	413.11
2017	10,043,950,500,578	2,227,336,011,715	450.94
2018	10,648,288,386,726	2,286,167,471,594	465.77
2019	11,222,490,978,401	2,577,108,805,851	435.47
2020	13,075,331,880,715	3,176,226,387,674	411.66
2021	15,712,209,507,638	3,534,656,089,431	444.52
2022	16,710,229,570,163	4,431,038,459,634	377.12
2023	15,917,724,100,860	3,243,168,544,925	490.81
2024	17,187,668,427,724	4,185,749,488,069	410.62
AVERAGE		426.98	

Source: Secondary Data 2015-2024, processed by the author

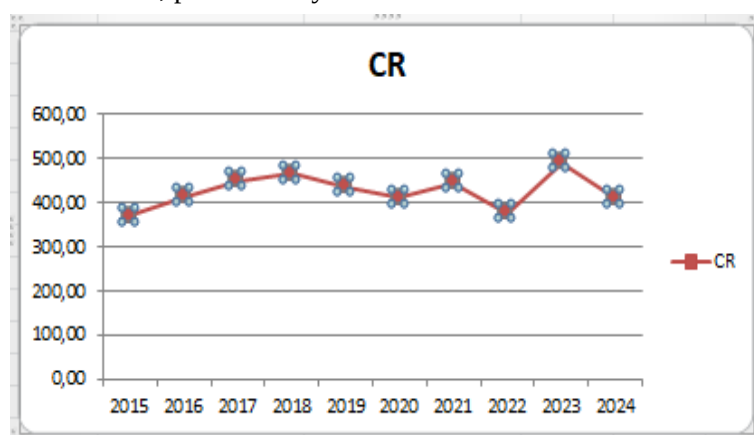


Figure 1. Current Ratio (CR) graph

Based on Table 1 and the graph, the Current Ratio (CR) of PT Kalbe Farma Tbk for the period 2015–2024 fluctuated, with the lowest value of 377.12% in 2022 and the highest of 490.81% in 2023. The average CR of 426.98% (4.27) indicates that the company's liquidity is in the above average category and is generally very good in meeting short-term obligations.

A high CR is primarily influenced by the growth of current assets, such as cash, receivables, and inventory, which is greater than current liabilities. However, an excessively high CR also requires attention, as it can indicate under-productive current assets, such as excess cash, slow-collecting receivables, or accumulating inventory. Therefore, companies need to maintain a balance between liquidity security and efficient asset use to avoid compromising profitability.

Table 2. Results of Total Asset Turnover (TATO) Calculation of PT Kalbe Farma Tbk for the 2015-2024 Period

Year	NET SALES	TOTAL ASSETS	TATTOO (x)
2015	17,887,464,223,321	13,696,417,381,439	1.31
2016	19,374,230,957,505	15,226,009,210,657	1.27
2017	20,182,120,166,616	16,616,239,416,335	1.21
2018	21,074,306,186,027	18,146,206,145,369	1.16
2019	22,633,476,361,038	20,264,726,862,584	1.12



Year	NET SALES	TOTAL ASSETS	TATTOO (x)
2020	23,112,654,991,224	22,564,300,317,374	1.02
2021	26,261,194,512,313	25,666,635,156,271	1.02
2022	28,933,502,646,719	27,241,313,025,674	1.06
2023	30,449,134,077,618	27,057,568,182,323	1.13
2024	32,627,776,108,026	29,429,727,898,195	1.11
AVERAGE			1.14

Source: Secondary Data 2015-2024, processed by the author

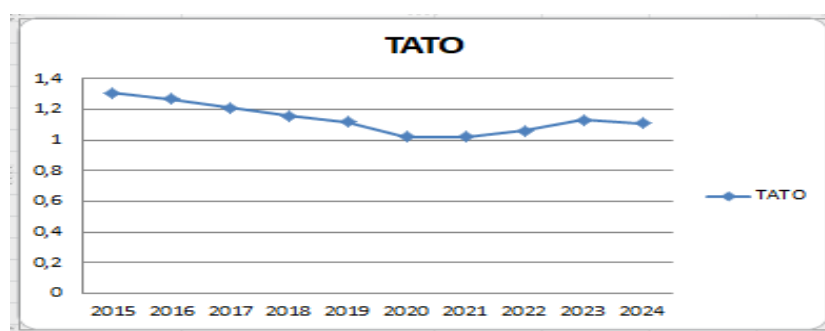


Figure 2. Total Asset Turnover (TATO) Graph

Based on Table 2 and the graph, the Total Asset Turnover (TATO) of PT Kalbe Farma Tbk for the period 2015–2024 fluctuated with an average of 1.14. The highest TATO value was recorded in 2015 at 1.31, then decreased to the lowest point of 1.02 in 2020 and 2021. Furthermore, TATO increased again to 1.06 in 2022, 1.13 in 2023, and 1.11 in 2024. All TATO values are above 1.00 so that based on Kasmir's criteria (2019), this ratio is included in the above average category and indicates relatively good asset usage efficiency in generating sales.

The decline in TATO in 2015–2021 was primarily due to faster growth in total assets compared to net sales growth, including an increase in assets of approximately IDR 25.66 trillion in 2020–2021. Conversely, the increase in TATO in 2022–2024 indicates an improvement in the effectiveness of asset utilization as net sales increased, reaching IDR 32.62 trillion in 2024. This condition indicates that previously invested assets are starting to provide more optimal sales productivity, although the company still needs to balance asset expansion with sales growth to maintain asset turnover efficiency.

Table 3. Results of Debt to Equity Ratio (DER) Calculation of PT Kalbe Farma Tbk 2015-2024 (in Rupiah)

Year	Total Debt	Total Equity	DER (%)
2015	2,758,131,396,170	10,938,285,985,269	25.22
2016	2,762,162,069,572	12,463,847,141,085	22.16
2017	2,722,207,633,646	13,894,031,782,689	19.59
2018	2,851,611,349,015	15,294,594,796,354	18.64
2019	3,559,144,386,553	16,705,582,476,031	21.31
2020	4,288,218,173,294	18,276,082,144,080	23.46
2021	4,400,757,363,148	21,265,877,793,123	20.69
2022	5,143,984,823,285	22,097,328,202,389	23.28
2023	3,937,546,172,108	23,120,022,010,215	17.03
2024	4,839,294,087,709	24,590,433,810,486	19.68
AVERAGE			21.11

Source: Secondary Data 2015-2024, processed by the author



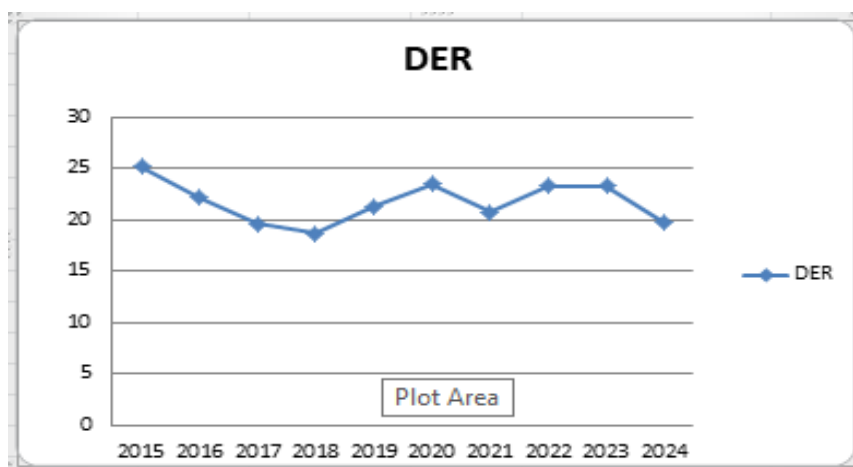


Figure 3. Debt to Equity Ratio (DER) Graph

Based on Table 3 and the graph, PT Kalbe Farma Tbk's Debt to Equity Ratio (DER) fluctuated from 2015 to 2024, averaging 21.11% (0.21). The highest DER was recorded in 2020 at 23.46%, while the lowest was in 2023 at 17.03%. All DER values were below 100%, thus falling below average, indicating a healthy, stable capital structure with a relatively low level of financial risk, as the company's financing predominantly came from equity rather than debt.

The decline in DER in 2015–2018 indicates faster equity growth than debt, while the increase in 2019–2022 is related to increased liabilities to support expansion, investment, and working capital needs. Nevertheless, the company's capital structure remains manageable as the increase in debt is offset by equity growth. This condition indicates that PT Kalbe Farma Tbk has the ability to maintain a healthy capital structure and a relatively safe level of financial risk.

Table 4. Profit Growth of PT Kalbe Farma Tbk for the Period 2015-2024
(In Rupiah)

YEAR	PREVIOUS YEAR'S PROFIT	THIS YEAR'S PROFIT	PG (%)
2015	2,122,677,647,816	2,057,694,281,873	-3.06
2016	2,057,694,281,873	2,350,884,933,551	14.25
2017	2,350,884,933,551	2,453,251,410,604	4.35
2018	2,453,251,410,604	2,497,261,964,757	1.79
2019	2,497,261,964,757	2,537,601,823,645	1.62
2020	2,537,601,823,645	2,799,622,515,814	10.33
2021	2,799,622,515,814	3,232,007,683,281	15.44
2022	3,232,007,683,281	3,450,083,412,291	6.75
2023	3,450,083,412,291	2,778,404,819,501	-19.47
2024	2,778,404,819,501	3,246,569,754,197	16.85
AVERAGE			4.88

Source: Secondary Data 2015-2024, processed by the author



Figure 4. Profit Growth (PG) Graph

Based on Table 4 and the graph, PT Kalbe Farma Tbk's Profit Growth (PG) fluctuated from 2015 to 2024, averaging 4.88%. The lowest profit growth occurred in 2023 at -19.47%, while the highest was in 2024 at 16.85%. Overall, these averages indicate the company's ability to maintain positive profit growth over the long term, despite experiencing declines in some periods.

Profit growth fluctuations are influenced by the company's ability to improve cost efficiency, sales, and market penetration, as well as internal and external pressures such as rising cost of goods sold, fluctuating exchange rates for imported raw materials, and rising operating costs. Profit growth, which returned to 16.85% in 2024, demonstrates the company's ability to recover profitability after experiencing a sharp decline in 2023.

Research Discussion

Table 5. Results of Statistical Data Description (Descriptive Statistics)

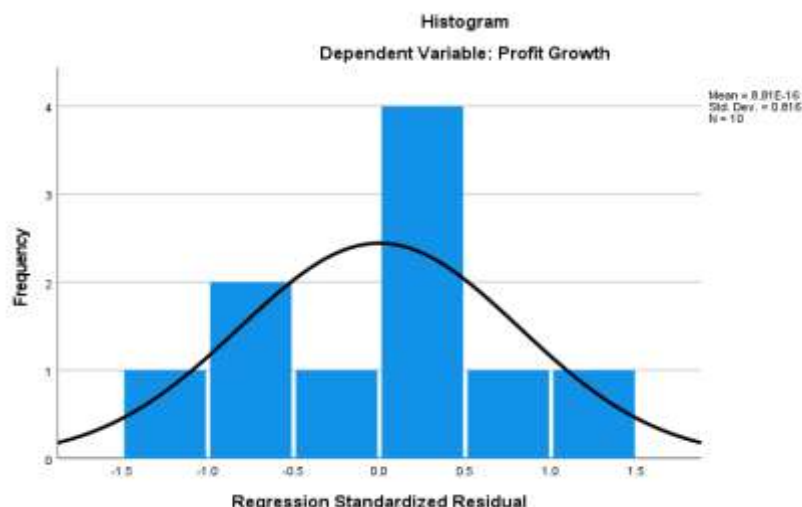
Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
CR	10	369,78	490,81	426,9750	37,98090
TATO	10	1,02	1,31	1,1410	,09871
DER	10	17,03	25,22	21,1060	2,48428
PROFIT GROWTH	10	-19,47	16,85	4,8850	10,81261
Valid N (listwise)	10				

Based on the explanation of Table 5 above, it can be seen that the Current Ratio (CR) variable during the ten-year period recorded a standard deviation value of 37.98090%, which is smaller than the average value (mean) of 426.9750%. This condition indicates the absence of significant deviations in the Current Ratio (CR) variable data due to the relatively even distribution of data, thus reflecting the homogeneous nature of the data. X_1X_1

The standard deviation value for the Total Asset Turnover (TATO) variable over a ten-year period was recorded at 0.09871 times, smaller than its average value of 1.1410 times. This confirms that the data variation in the Total Asset Turnover () variable is very controlled and even, indicating that the variable is homogeneous. X_2X_2

Similarly, the Debt to Equity Ratio (DER) variable recorded a standard deviation of 2.48428%, lower than the mean of 21.1060%. This indicates that the distribution of data in the Debt to Equity Ratio (DER) variable is relatively even and controlled without any extreme deviations, thus reflecting homogeneous data characteristics. X_3X_3

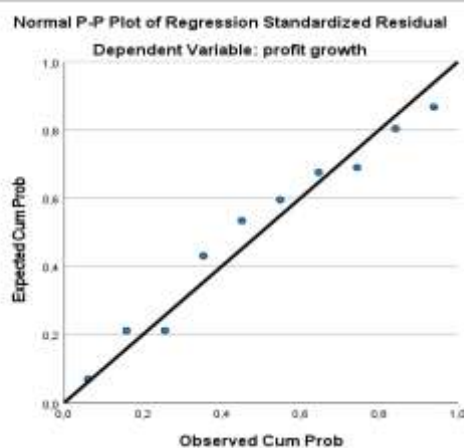
In contrast, for the Profit Growth variable over a ten-year period, the standard deviation value was recorded at 10.81261%, exceeding the mean value of 4.8850%. This condition indicates a fairly wide variation or deviation in the data in the Profit Growth variable () due to uneven data distribution, thus reflecting the heterogeneous characteristics of the data. YY



Source: SPSS 25 output

Figure 5. Histogram Graph of Normality Test

Based on the histogram graph in Figure 4.6 above, it is clear that the empirical data is normally distributed. This is characterized by the distribution of residual values that form a bell-shaped curve and are harmoniously concentrated around the midpoint. Most observations are concentrated in the central area, while the data volume on both sides (left and right) gradually decreases proportionally. This symmetrical pattern indicates that the data distribution is not excessively skewed to one side. To strengthen the validity of this visual analysis, further evaluation is carried out using a Normal Probability Plot graph of the standardized regression residuals, as presented in the following figure:



Source: SPSS 25 output

Figure 6. Normal Probability Plot Graph

Based on the illustration of the Normal Probability Plot graph in Figure 4.7, it appears that the residual data distribution points are close together around the diagonal line and move in the same direction as the line. This constellation of observation points does not show any extreme deviations from the diagonal line, thus further confirming that the residual values of the model are normally distributed. In addition to the graphic visualization, the normality test is strengthened through the Kolmogorov–Smirnov test, the results of which are presented in the following table:

Table 6. Results of the Normality Test with Kolmogorov–Smirnov
One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			10
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviation		9.03593390
Most Extreme Differences	Absolute		.142
	Positive		.136
	Negative		-.142
Test Statistic			.142
Asymp. Sig. (2-tailed) ^c			.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.		.820
	99% Confidence Interval	Lower Bound	.811
		Upper Bound	.830

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 299883525.

Source: SPSS 25 output

Based on the results of the Kolmogorov–Smirnov test in Table 6, the Asymp. Sig. (2-tailed) value obtained is 0.200. This figure clearly exceeds the established significance level of 0.05 (). Therefore, it can be confirmed that the residual data is normally distributed. $0.200 > 0.05$

Thus, the statistical test results confirm that all data in this study met the assumption of normality. This quantitative finding is further strengthened by the consistency of the histogram and Normal Probability Plot, which previously indicated a normal distribution pattern.

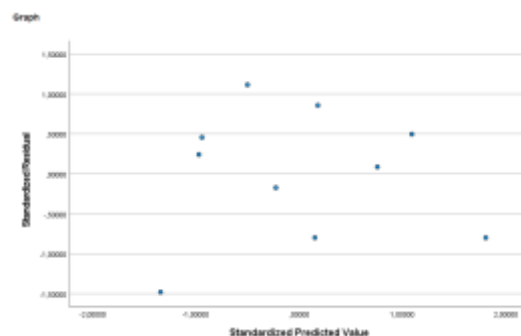
Table 7. Multicollinearity Test Results

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
		B	Std. Error	Beta				
1	(Constant)	164,437	173,868		.946	.381		
	CR	-.214	.229	-.753	-.937	.385	.180	5.554
	TATO	-35,412	37,919	-.323	-.934	.386	.971	1.029
	DER	-1,308	3,495	-.300	-.374	.721	.181	5.540

a. Dependent Variable: Profit Growth

Source: SPSS 25 output

Based on the explanation of Table 7 above, it can be seen that all independent variables in this research have Tolerance values and VIF values. In detail, the Current Ratio variable recorded a Tolerance value of 0.180 with a VIF value of 5.554; the Total Asset Turnover variable recorded a Tolerance value of 0.971 with a VIF value of 1.029; and the Debt to Equity Ratio variable showed a Tolerance value of 0.181 with a VIF value of 5.540. Thus, it can be concluded that the regression model in this study is free from multicollinearity symptoms. $> 0.10 < 10$.



Source: SPSS 25 output

Figure 7. Heteroscedasticity Test (Scatterplot Graph)

Referring to the heteroscedasticity test results in the graph in Figure 7, it can be seen that the residual point constellation is randomly distributed and does not indicate a specific geometric pattern. The data distribution is evenly distributed above and below the zero line on the Regression Studentized Residual axis and along the Regression Standardized Predicted Value axis. Based on these findings, it is confirmed that the regression model meets the requirements for homoscedasticity and is free from heteroscedasticity problems.

As a supporting test, the heteroscedasticity analysis in this study was further strengthened using the Glejser Test. The decision-making process was based on a significance level at the 0.05 threshold. If the significance value is less than 0.05, it indicates the presence of heteroscedasticity. However, if the significance value is greater than 0.05, it is concluded that there is no heteroscedasticity in the model. $Sig. < 0,05$; $Sig. > 0,05$

Table 8. Heteroscedasticity Test Results

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1							
	(Constant)	18.185	88.016		.207		
	CR	-.024	.116	-.187	.208	-.308	.259
	TATO	14.433	19.195	.291	.752	-.32.536	61.403
	DER	-.813	1.769	-.412	.662	-5.143	3.516

a. Dependent Variable: AbsRES

Source: SPSS 25 output

Based on the presentation of Table 8, it is known that all independent variables in this study recorded a significance value above 0.05. In detail, the Current Ratio variable recorded a significance value of 0.842; the Total Asset Turnover variable of 0.481; and the Debt to Asset Ratio variable of 0.662. Thus, referring to the results of the Glejser Test, it can be concluded that the regression model in this study is free from heteroscedasticity symptoms in this study based on the Glejser Test.

Table 9. Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.549 ^a	.302	-.048	11.06671	2.016

a. Predictors: (Constant), DER, TATO, CR

b. Dependent Variable: Profit Growth

Source: SPSS 25 output

Based on the presentation of Table 9, it is known that the Durbin-Watson (DW) statistical value generated from this regression model is 2.016. Theoretically, the decision-making criteria state that if the DW value is between the upper limit () and four minus the upper limit (), then the regression model is declared free from autocorrelation interference. To determine the presence of autocorrelation, the value is compared with the number obtained from the DW table, which is based on the number of samples (n) = 10, the number of independent variables (k) = 3, and a significance level of 5% (0.05). $dU < d < 4 - dU$

Referring to the Durbin-Watson reference table, the value is recorded at 0.5253. Through further calculations, the value is obtained. From this range parameter, the autocorrelation status in the regression model can be evaluated using standard testing rules. As a visual reference, the following table shows the decision criteria. $4 - dU = 4 - 0,5253 = 3,4747$ Durbin-Watson:

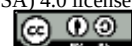


Table 10. Decision criteria

Hipotesis Nol	Keputusan	Jika
Tidak ada autokorelasi positif	Tolak	$0 < d < d_L$
Tidak ada autokorelasi positif	Tidak ada keputusan	$d_L \leq d \leq d_U$
Tidak ada autokorelasi negatif	Tolak	$4 - d_L < d < 4$
Tidak ada autokorelasi negatif	Tidak ada keputusan	$4 - d_U \leq d \leq 4 - d_L$
Tidak ada autokorelasi positif atau negatif	Tidak ditolak	$d_U < d < 4 - d_U$

Ket : d : Durbin Watson, d_U : Durbin Watson upper, d_L : Durbin Watson lower

The table shows that the results of $4 - d_U \leq d \leq 4 - d_L = 1.9837 \leq 2.016 \leq 3.4747$ show results that meet the Durbin-Watson criteria. Thus, it can be concluded that the decision from this autocorrelation test is that the test does not produce a conclusive decision because the test value falls into the gray area or inconclusive region.

Based on the overall evaluation results, the Durbin-Watson value is in a gray area or an area of uncertainty. This condition causes the test to not produce a conclusive decision regarding the existence of autocorrelation in the research model. Therefore, to strengthen the analysis and obtain certainty regarding the residual pattern, a Runs Test was conducted. This test is a non-parametric statistical method specifically designed to investigate whether the residual values in a regression model are randomly distributed or indicate a certain regularity pattern. By testing the independence between residuals, the Runs Test provides more accurate information in detecting potential autocorrelation. The test results can be seen in the table below:

Table 11. Results of Runs Test

Runs Test	
	Unstandardized Residual
Test Value ^a	1,81295
Cases < Test Value	5
Cases >= Test Value	5
Total Cases	10
Number of Runs	6
Z	,000
Asymp. Sig. (2-tailed)	1,000

a. Median

Source: SPSS 25 output

Based on the SPSS test results above, it is known that the Asymp. Sig. (2-tailed) value obtained is 1.000. This figure far exceeds the standard significance level set, namely 0.05 (), so the null hypothesis is statistically accepted. Thus, it can be confidently concluded that the residual values in this regression model are randomly distributed without any structured pattern. Consequently, the regression model is declared clean and free from all symptoms of autocorrelation, both positive and negative. $1,000 > 0,05$

Linear Regression Test

1. Simple Linear Regression Analysis

Simple linear regression analysis is applied to investigate the specific effect of a single independent variable on a single dependent variable. This analytical approach aims to evaluate the form of a causal relationship while simultaneously measuring the direction and magnitude of the independent variable's influence on the dependent variable. Furthermore, the simple linear regression model is also used to project or predict the estimated value of a dependent variable based on the value level of the independent variable.

Because this study involves more than one independent variable that simultaneously influences the dependent variable, a simple linear regression model is not appropriate. Instead, the researchers used a multiple linear regression analysis approach to accommodate the complexity of the relationships between these variables.



2. Multiple Linear Regression Analysis

Multiple linear regression analysis is applied to measure and determine the effect of two or more independent variables on a single dependent variable. This approach aims to test for a simultaneous relationship between all independent variables and the dependent variable, while also identifying which variable plays the most dominant role or influence within the model.

The output of a multiple linear regression analysis is represented through a regression equation function that summarizes the constant and coefficient values of each independent variable. The regression coefficients measure the direction and strength of the independent variable's influence on the dependent variable, with a positive coefficient indicating a unidirectional correlation and a negative coefficient indicating an inverse correlation. Furthermore, the results of this analysis are also used as an empirical basis for hypothesis testing to evaluate the statistical significance of the independent variable's influence.

Table 12. Multiple Linear Regression Test
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	164.437	173.868		.946	.381
	CR	-.214	.229	-.753	-.937	.385
	TATO	-35.412	37.919	-.323	-.934	.386
	DER	-1.308	3.495	-.300	-.374	.721

a. Dependent Variable: Profit Growth

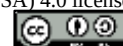
Source: SPSS 25 output

Based on the results of the multiple linear regression test in table 11 above, the constant value is 164.437, the value of variable X1 (CR) is -0.214, variable X2 (TATO) is -35.412 and for variable X3 (DER) is -1.308. From the data above, multiple linear equations can be made as follows:

$$Y = 164.437 + -0.214X_1 + -35.412X_2 - 1.308X_3$$

The regression equation can be explained as follows:

- 1) The constant value of 164.437 reflects the estimated Profit Growth (Y) condition when the Current Ratio (X1), Total Asset Turnover (X2), and Debt to Equity Ratio (X3) variables are constant at zero. Substantively, this constant number serves as the starting point or intrinsic value of the company's profit growth before being influenced by the dynamics of changes in the three independent variables.
- 2) The regression coefficient of the Current Ratio (CR) variable (X1) of -0.214 indicates that assuming the value of other independent variables remains constant, every increase of one unit (1%) in the Current Ratio (CR) is projected to trigger a decrease in Profit Growth of 0.214%. This negative coefficient records a negative relationship between CR and profit growth; in other words, the higher the level of a company's Current Ratio, the more likely Profit Growth will weaken or decline.
- 3) The regression coefficient of the Total Asset Turnover (TATO) variable (X2) of -35.412 indicates that assuming the value of other independent variables remains constant, every 1 unit (1x) increase in TATO will cause a 35.412% decrease in Profit Growth. This negative coefficient indicates a negative relationship between TATO and Profit Growth, which means that the higher the TATO value, the Profit Growth tends to decrease.
- 4) The regression coefficient of the Debt to Equity Ratio (DER) variable (X3) of -1.308 indicates that assuming the value of other independent variables remains constant, every 1 unit (1%) increase in DER will cause a decrease of 1.308% in Profit Growth. This negative coefficient



indicates a negative relationship between DER and Profit Growth, which means that the higher the DER value, the Profit Growth tends to decrease.

Hypothesis Testing

Table 13. Results of the t-Test (Partial)

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	164.437	173.868		.946	.381
	CR	-.214	.229	-.753	-.937	.385
	TATO	-35.412	37.919	-.323	-.934	.386
	DER	-1.308	3.495	-.300	-.374	.721

a. Dependent Variable: Profit Growth

Source: SPSS 25 output.

- 1) The results of the t-test, Current Ratio (CR) variable has a t-value of -0.937 and a significance value of 0.385. The t-value of $-0.937 < t\text{-table } 2.365$ and a sig. value of $0.385 > 0.05$. Therefore, CR has no effect on Profit Growth. Thus, the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. This means that CR partially has no effect on Profit Growth.
- 2) The results of the t-test, the Total Asset Turnover (TATO) variable has a t-value of -0.934 and a significance value of 0.386. The t-value of $-0.934 < t\text{-table } 2.365$ and a sig. value of $0.386 > 0.05$. Therefore, TATO has no effect on Profit Growth. Thus, the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. This means that TATO partially has no effect on Profit Growth.
- 3) The results of the t-test, the Debt to Equity Ratio (DER) variable has a t-value of -0.374 and a significance value of 0.721. The t-value of $-0.374 < t\text{-table } 2.365$ and a sig. value of $0.721 > 0.05$. Therefore, DER has no effect on Profit Growth. Thus, the null hypothesis (H_0) is accepted and the alternative hypothesis (H_a) is rejected. This means that DER partially has no effect on Profit Growth.

Table 14. F-Test Results (Simultaneous)

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	317.380	3	105.793	.864	.509 ^b
	Residual	734.833	6	122.472		
	Total	1052.213	9			

a. Dependent Variable: Profit Growth

b. Predictors: (Constant), DER, TATO, CR

Source: SPSS 25 output

Based on the results of the ANOVA (Analysis Of Variance) test or F test displayed in table 4.13, it is known that the calculated F value is 0.864 with a significance value of 0.509. To determine the F table value, the numerator degrees of freedom (df_1) = 3 and the denominator degrees of freedom (df_2) = 6 are used at a significance level (α) = 0.05, so that the F table value is 4.76.

The comparison results show that the calculated F value is $0.864 < \text{the F table value of } 4.757$ and the sig. value is $0.509 > 0.05$, so it can be concluded that H_0 is accepted and H_a is rejected. This means that the Debt to Equity Ratio (DER), Total Asset Turnover (TATO), and Current Ratio (CR) variables simultaneously have no effect on Profit Growth.

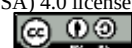


Table 15. Correlation Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.549 ^a	.302	-.048	11.06671

a. Predictors: (Constant), DER, TATO, CR

Source: SPSS 25 output

Based on the data presented in the Model Summary table (Table 4.14) above, it is known that the correlation coefficient value () obtained is 0.549. This figure is in the interval range of 0.400 to 0.599, which indicates that the Debt to Equity Ratio (DER), Total Asset Turnover (TATO), and Current Ratio (CR) variables simultaneously have a moderate level of relationship or correlation with the dependent variable. This finding indicates that the variations that occur in the three independent variables have a strong level of association in influencing the movement of the dependent variable, so that all three play an important role in influencing the movement of the company's dependent variable.*R*

Table 16. Results of the Determination Coefficient (R²) Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.549 ^a	.302	-.048	11.06671

a. Predictors: (Constant), DER, TATO, CR

Source: SPSS 25 output

Based on the coefficient of determination test output in Table 16 (Model Summary), the Adjusted R-Square figure obtained is (assumed to be 0). This empirical finding indicates that the Debt to Equity Ratio (DER), Total Asset Turnover (TATO), and Current Ratio (CR) variables collectively have no explanatory power or influence on the Profit Growth (PG) variable in the model. -0,048

Data Analysis Conclusion

The Effect of Current Ratio on Profit Growth

Based on the results of the partial hypothesis test, the Current Ratio (CR) variable is proven to show a negative and insignificant influence on PT Kalbe Farma Tbk's Profit Growth during the 2015–2024 period. This empirical validation is based on a comparison of statistical values where () is smaller than (), as well as a significance probability value that is greater than the significance level. Thus, the test decision accepts the null hypothesis () and rejects the alternative hypothesis (), concluding that partially CR does not have a significant impact on the company's profit growth. $t_{hitung} - 0,937 > t_{tabel} 2,4470,3850,05 H_0 H_a$

A negative CR regression coefficient indicates an indirect relationship, where the CR value is not yet a significant stimulus or determining factor influencing the company's profit growth. Investors tend to view high company liquidity, reflected in a high CR, as not necessarily a guarantee of efficiency in generating operational profits, but rather, it could indicate the presence of unproductive, idle funds.

These results align with previous research conducted by Fakung Rahman (2025), Mutia Risti Adriyanti and Adriyani Hapsari (2021), Yuslinda Nasution and Guston Sitorus (2022), Budiman et al. (2023), and Shinta Estininghadi (2019), which found that the Current Ratio (CR) partially had no significant effect on Profit Growth. These empirical findings further strengthen the argument in this research that the level of short-term liquidity, as represented by the Current Ratio (CR), is not a primary fundamental factor that serves as a reference or essential consideration for the market in evaluating a company's future profit growth prospects.



The Effect of Total Asset Turnover on Profit Growth

Based on the results of the partial hypothesis test, the Total Asset Turnover (TATO) variable is proven to show a negative and insignificant influence on the Profit Growth of PT Kalbe Farma Tbk during the 2015–2024 period. This empirical validation is based on a comparison of statistical values where t_{hitung} is smaller than t_{tabel} , as well as a significance probability value that is greater than the significance level. Thus, the test decision accepts the null hypothesis (H_0) and rejects the alternative hypothesis (H_a), concluding that partially TATO does not have a significant impact on the company's profit growth. $t_{hitung} = 0,934$ $t_{tabel} 2,4470,3860,05H_0H_a$

The negative TATO regression coefficient indicates that the company's total asset turnover has not significantly impacted profit growth. This reflects that although the company's assets are circulating to generate sales, the efficiency of that sales volume is not optimal in generating a net profit margin that could significantly increase profit growth, likely due to the company's high operating expenses.

These results align with previous research conducted by Fakung Rahman (2025), Mutia Risti Adriyanti and Adriyani Hapsari (2021), and Ika Novita and Dicky Arisudhana (2024), which found that Total Asset Turnover (TATO) had no significant effect on Profit Growth. This suggests that high or low asset turnover does not necessarily translate directly into changes in profit growth in the market, given that fluctuations in company profit are significantly influenced by various other external factors, such as broader macroeconomic conditions and competitive dynamics within the relevant industrial sector.

The Effect of Debt to Asset Ratio on Profit Growth

Based on the results of the partial hypothesis test, the Debt to Equity Ratio (DER) variable is proven to show a negative and insignificant influence on PT Kalbe Farma Tbk's Profit Growth during the 2015–2024 period. This empirical validation is based on a comparison of statistical values where t_{hitung} is smaller than t_{tabel} , as well as a significance probability value greater than the significance level. Thus, the test decision accepts the null hypothesis (H_0) and rejects the alternative hypothesis (H_a), concluding that partially DER does not have a significant impact on the company's profit growth. $t_{hitung} = 0,374$ $t_{tabel} 2,4470,7210,05H_0H_a$

The analysis results show that the size of the capital structure or financial leverage (DER) does not directly influence fluctuations in a company's profit growth. The insignificant negative coefficient indicates that the company's use of debt, whether large or small, does not directly suppress or increase profit growth. Investors and management appear to view the capital structure and debt risk as still within tolerable or absorbable limits. company operations, so as not to drastically disrupt the stability of profit growth.

These results align with previous research conducted by Fakung Rahman (2025), Mutia Risti Adriyanti and Adriyani Hapsari (2021), and Yuslinda Nasution and Guston Sitorus (2022), which found that the Debt-to-Equity Ratio (DER) had no significant effect on profit growth. These findings reaffirm that, in the context of this research, changes in DER are not always accompanied by significant changes in profit growth, as capital markets and internal corporate stakeholders also focus on other direct profitability indicators.

Conclusion

This study shows that the Current Ratio (CR), Total Asset Turnover (TATO), and Debt to Equity Ratio (DER) partially have no significant effect on Profit Growth (PG) of PT Kalbe Farma Tbk during the period 2015–2024. CR has a negative regression coefficient of -0.214 with a significance value of 0.385, TATO of -35.412 with a significance of 0.386, and DER of -1.308 with a significance of 0.721. Simultaneously, the three variables also have no significant effect on PG, indicated by the F-value of 0.864 and a significance of 0.509. The Adjusted R-Square value of -0.048 which is assumed to be 0 indicates that CR, TATO, and DER do not have explanatory power towards the variation of profit growth in the research model. The limitations of this study lie in the use of one company as the research object and the limited observation period of 2015–2024, so the results cannot be generalized to other pharmaceutical companies.

Practically, the research results indicate that the management of PT Kalbe Farma Tbk cannot use CR, TATO, and DER as the sole indicators in controlling profit growth, so it is necessary to pay



attention to other factors related to the company's profitability. For investors, these results indicate that evaluating profit growth prospects requires a more comprehensive consideration of financial information and company conditions. Future research is recommended to expand the research object by involving several pharmaceutical companies, extending the observation period, and considering other financial variables that have the potential to explain changes in Profit Growth. Thus, future research is expected to produce broader empirical evidence regarding the factors influencing profit growth in the pharmaceutical industry.

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