

ABSTRACT

Analysis of the Influence of Current Ratio, Debt to Equity Ratio, and Sales Growth on Return on Assets in Telecommunication Companies Listed on the Indonesia Stock Exchange During the 2019–2023 Period

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This study aims to analyze the influence of Current Ratio (CR), Debt to Equity Ratio (DER), and Sales Growth on Return on Assets (ROA) in telecommunication companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The background of this research is rooted in the importance of efficient financial management amid the dynamic and highly competitive telecommunication industry. A quantitative approach is applied using panel data regression. The sample includes 16 companies selected through purposive sampling. The results reveal that simultaneously, CR, DER, and Sales Growth do not have a significant impact on ROA. However, partially, only DER has a significant negative effect on ROA, while CR and Sales Growth show no significant influence. These findings suggest that a high debt structure tends to reduce the efficiency of asset utilization in generating profits. This study offers valuable insights for managers and stakeholders in the telecommunication sector to design more prudent and efficient capital structure strategies.

Keywords: Current Ratio, Debt to Equity Ratio, Sales Growth, Return on Assets, Telecommunication, Indonesia Stock Exchange.