

The Effect Of Total Asset Turnover And Net Profit Margin On Profit Growth At Pt. Hutama Karya, Tbk

Sukma Aini, Department of Management, Universitas Lamappoleonro, Indonesia¹

Anggi Puspita Putri, Department of Management, Universitas Lamappoleonro, Indonesia²

Masyadi, Department of Management, Universitas Lamappoleonro, Indonesia³

Ika Mahkota Putri, Department of Magister Management, Universitas Lamappoleonro, Indonesia⁴

*Corresponding Author : sukma.aini@unipol.ac.id

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Abstract

To determine the effect of Total Asset Turnover on Profit Growth at PT. Hutama Karya, Tbk, To determine the effect of Net Profit Margin on Profit Growth at PT. Hutama Karya, Tbk. This research was conducted at PT. Hutama Karya, Tbk, but because PT. Hutama Karya, Tbk However, data collection was carried out by accessing the official website of PT. Hutama Karya, Tbk via the page <https://www.hutamakarya.com/>. the population in this study is all financial reports at PT. Hutama Karya, Tbk, Determination of the sample using the Purposive Sampling technique, the purposive sampling method is a sampling technique used based on certain criteria according to the purpose of the study. The use of the method so that the sample in this study is the Financial Report of PT. Hutama Karya, Tbk in 2020 to 2023. To determine the effect of Total Asset Turnover and Net Profit Margin on profit growth, multiple linear regression analysis is used. Based on the results of data analysis and hypothesis testing in the description that has been presented previously, the following conclusions are drawn: Total Asset Turnover (TATO) has a positive and significant effect on Profit growth at PT. Hutama Karya, Tbk, Net Profit Margin (NPM) has a positive and significant effect on Profit growth at PT. Hutama Karya, Tbk. Based on the results of the conclusion, the researcher provides the following suggestions: PT. Hutama Karya, Tbk should pay attention to the performance of company management in Total Asset Turnover (TATO) and Net Profit Margin (NPM) in order to achieve the company's goals. This can be done by recruiting expert and skilled financial personnel who have high dedication and loyalty to the Company. Investors should carefully assess the financial ratios in the form of TATO and NPM before investing in stocks so that the investment made can generate the expected profit.

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INTRODUCTION

Profit is the result of a company's operational activities calculated over a certain period. The higher the profit generated, the better the company's performance. Positive profit growth will

provide benefits not only for the company itself, but also for shareholders who will receive dividends. In addition, the company's management will also receive bonuses based on the achievement of maximum profit. In other words, profit is an important component in assessing a company's performance. Therefore, it is very important to monitor and analyze the profit growth achieved by the company to ensure the sustainability and development of the company in the future.

Assessment of company performance can be done using financial ratio analysis. In this study, the author will use two main types of ratios in assessing the performance of PT. Hutama Karya, Tbk, namely the activity ratio (Total Asset Turnover) and the profitability ratio (Net Profit Margin). Both of these ratios are believed to have an influence on the company's profit growth.

Total Asset Turnover (TATO) is a ratio that measures the efficiency of the use of all company assets in generating sales. This ratio shows how well the company manages its assets to generate revenue. High Total Asset Turnover indicates that the company is able to manage its assets effectively to create higher sales volumes, thus potentially increasing profits.

In addition, the Net Profit Margin (NPM) ratio is a profitability ratio that measures how much percentage of net profit is obtained from each sales unit. NPM illustrates the company's efficiency in managing operational costs and generating profits. The higher the NPM value, the more efficient the company is in running its operations and the greater the profit generated from existing sales. This ratio is very important for investors to assess the extent to which the company can maximize the profits obtained from each sales unit.

PT. Hutama Karya, Tbk as one of the largest construction companies in Indonesia, with a project portfolio that includes the construction of strategic infrastructure, such as toll roads, bridges, and buildings, certainly has an important role in the country's economy. With large assets and large-scale projects, this company has the potential to generate significant profits. However, based on researchers' observations of the company's financial data over the past few years, PT. Hutama Karya, Tbk's profit growth has not shown maximum results. In fact, the last few years have shown fluctuations that can affect the company's overall financial performance. This can be seen in the following table:

Table 1.Profit/Loss of PT. Hutama Karya, Tbk (2020 – 2023)

No	Year	Profit/Loss (Rupiah)
1	2020	Rp. - 2,034,646,000,000
2	2021	Rp. - 2,408,296,000,000
3	2022	Rp. - 189,163,000,000
4	2023	Rp. - 271,647,000,000

Source: Processed Data, 2025

Based on table 1, it can be seen that PT. Hutama Karya, Tbk experiences losses (losses) every year, both in 2020, 2021, 2022, and 2023. Although there was a decrease in the amount of losses from year to year, the company was still recorded as experiencing significant losses throughout the four years. There was a significant decrease in losses from 2021 to 2022, but there was a slight increase again in 2023.

This phenomenon is interesting to study further, whether factors such as Total Asset Turnover (TATO) and Net Profit Margin (NPM) can have a significant effect on profit growth at PT. Hutama Karya, Tbk. Therefore, this study aims to analyze the effect of these two ratios on the company's profit growth, with the hope of providing a clearer picture of the factors that

influence the company's profit performance in the construction sector. Based on the description above, the author is interested in conducting a study entitled: "The Effect of Total Asset Turnover and Net Profit Margin on Profit Growth at PT. Hutama Karya, Tbk".

Based on the background that has been stated previously, the formulation of the problem that will be discussed in this study is:

1. Does Total Asset Turnover affect Profit Growth at PT. Hutama Karya, Tbk?
2. Does Net Profit Margin affect Profit Growth at PT. Hutama Karya, Tbk?

The objectives of this study are:

1. To determine the effect of Total Asset Turnover on Profit Growth at PT. Hutama Karya, Tbk.
2. To determine the effect of Net Profit Margin on Profit Growth at PT. Hutama Karya, Tbk.

According to Harris in (Masyadi et al., 2025) defines financial management as a process that includes planning, budgeting, controlling, and allocating financial resources with the aim of increasing the value of the company. Financial management is responsible for deciding how best to use limited financial resources to achieve the company's long-term goals. Meanwhile, according to Eston and Brigham in (Masyadi et al., 2023) defines financial management as the process of planning and controlling financial activities in an organization. They emphasize the importance of wise capital management and investment decisions to ensure the survival and growth of the company.

Financial management is a process in regulating financial activities or activities in an organization, which includes planning, analysis, and control of financial activities which are usually carried out by financial managers. JF Bradley in (Andi Sudirman et al., 2024) states that Financial management is a field of business management that is aimed at the wise use of models & careful selection of capital sources to enable spending units to move towards achieving their goals.

Then Sutrisno in (Aini et al., 2024) stated that Financial Management is all company activities with efforts to obtain company funds at low cost and efforts to use and allocate these funds efficiently. (Bouaziz et al., 2024) continued that Financial Management is an effort to provide money and use money to obtain or acquire assets. Financial management is the management of financial functions. These financial functions include how to obtain funds (raising of funds) and how to use these funds (allocation of funds) Erlina, SE in (Aini, Andi Sudirman, et al., 2022)

A company in achieving its desired goals, the company must carry out its functions properly. Financial management has an important meaning in all types of businesses, such as banking and other financial institutions as well as industrial and retail companies. Financial management is all company activities related to how to obtain funds, and manage assets according to the company's overall goals according to (Chen, 2024).

Furthermore, according to (Aini, Putranto Saban, et al., 2022), the term financial management can be interpreted as fund management, both related to the allocation of funds in various forms of investment effectively and efforts to collect funds for investment financing or spending efficiently. The implementer of financial management is a financial manager. Although the function of a financial manager in each organization is not necessarily the same, in principle the main function of a financial manager is to plan, find, and utilize in various ways to maximize the efficiency (usefulness) of the company's operations.

According to Riswan in (Indriakati et al., 2022) Financial reports are records of a company's financial information in an accounting period that can be used to describe the company's performance. Financial reports are part of the financial reporting process. The financial condition of a company can be seen from the company's financial reports, which consist of a balance sheet, profit and loss statement and other financial reports. Furthermore, (Duan et al., 2022) defines financial reports as a summary of a recording process, a summary of financial transactions that occurred during the relevant fiscal year.

Financial reports are the result of an accounting process that can be used as a tool to communicate between a company's finances or activities with parties interested in the company's data or activities quoted from Munawir in (Aini et al., 2023)

The definition of financial reports according to the (Isnawati, 2024) is "Financial reports are part of the financial reporting process". A complete financial report usually includes: balance sheet, income statement, statement of changes in financial position (which can be presented in several ways) for example: as a cash flow statement or fund flow statement, notes to the financial statements and other reports and explanatory materials that are an integral part of the financial statements. In addition, it also includes schedules and additional information related to the financial statements.

According to Fahmi in (Dr. Helin G. Yudawisastra., S.E. et al., 2025) stated that the financial ratio is an analysis of the financial condition of the Company. Meanwhile, according to (Trihatmoko & Susilo, 2023) that the financial ratio is an activity of comparing the numbers in the financial report by dividing one number by another. Furthermore, according to (Ha et al., 2018) stated that the ratio can be said to be an analysis to determine the relationship of certain items in the balance sheet or profit/loss individually or a combination of the two reports. Based on the above understanding, it can be concluded that the financial ratio is an activity to analyze financial information in the form of numbers in the financial report in order to determine the financial performance of a company.

Profit is the main key in every company, profit itself is used to support the establishment of a company besides being used to fight competition with other companies. Profit is income obtained if the financial amount (money) of net assets at the end of the period (excluding distribution and contributions from company owners) exceeds the net assets at the beginning of the period (Andi, 2025)

Profit is a basis for measuring performance for the company's management ability in running its company assets. So that profit needs and of course must be planned as well as possible so that management can achieve it well. (Zhu & Zhu, 2014) argues that the ability in a company that can increase net profit compared to the previous year is called profit growth. According to (Wiśniewski, 2023) stated that profit growth indicates the percentage of profit increase that can be generated by the company in the form of net profit. So it can be concluded that profit growth is a company's ability to optimize the profit obtained and then compared with the profit in the previous year.

Profit growth can indicate good company performance conditions, if the economy is good it will have an impact on the growth of profits obtained. Therefore, profit becomes a measure of a company's performance. The profit growth achieved by the company shows that the better the company's performance, the more investors will be interested in investing capital or investing in shares.

METHOD

Type of Research

This research uses a descriptive method that is quantitative because it is related to the object of research, namely the company with a certain period of time by collecting data and information related to the company and adjusted to the objectives of the research.

In this study, the author uses a quantitative approach to process data obtained from the research location, where the quantitative data is obtained through secondary data. By using the mix method, it is intended that the data obtained through quantitative approach instruments in this case secondary data, namely data obtained from company documents.

This research was conducted to analyze the Effect of Total Asset Turnover (TATO) and Net Profit Margin (NPM) on Profit Growth at PT. Hutama Karya, Tbk, while the type of data in this study is quantitative data.

Population and Sample

A population is a group from which a researcher will obtain research results that can be generalized. The population to be studied in this study is the entire Financial Report of PT. Hutama Karya, Tbk.

A sample is a subgroup of the population selected in the study. The determination of the sample uses a non-random sampling technique with the Quota sampling type, namely a sampling method based on samples that have been determined by the researcher. so that the sample for this study is the complete financial report for the period 2020-2023, namely at PT. Hutama Karya, Tbk.

Data Collection Method

In this writing, the researcher uses the following data collection methods: Documentation, namely a data collection technique by viewing and studying documents and records about PT. Hutama Karya, Tbk., such as balance sheets, profit/loss reports obtained from <https://investing.com> and <https://www.hutamakarya.com/>.

Data Analysis Technique

This study uses descriptive analysis techniques where data obtained in the field are processed in such a way as to provide systematic, factual and accurate data regarding the problems to be studied.

2. Multiple Linear Regression Analysis

The multiple linear regression equation is an equation model that describes the relationship between several independent variables/predictors (X) with one dependent variable/response (Y), which is usually described by a straight line, with the formula:

$$Y = a + b_1X_1 + b_2X_2 + e$$

Where:

Y	= Profit Growth
X ₁	= Total Asset Turnover
X	= Net Profit Margin
a	= Constant
b ₁ , b ₂	= Regression coefficient
e	= Standard Error.

RESULTS AND DISCUSSION

Result

1. Total Asset Turnover (TATO)

Total Asset Turnover (TATO), is the total asset turnover itself has two indicators, namely, sales and total assets. Sales are activities or businesses selling products or services. While total assets themselves are all activities owned by PT. Hutama Karya, Tbk. The Total Asset Turn Over (TATO) formula is as follows:

$$\text{Total Asset Turnover} : \frac{\text{Penjualan}}{\text{Total Aktiva}}$$

Based on the Total Asset Turnover Formula, the Total Asset Turnover value can be measured as follows:

Table 2.Total Asset Turnover of PT. Hutama Karya, Tbk (2020-2023)

Year	Sales (Juta Rupiah)	Total Assets (Juta Rupiah)	Return On Assets
2020	23,401,032	114,111,479	20,51
2021	20,484,998	132,917,503	15,41
2022	24,082,441	156,319,418	15,41
2023	26,926,321	169,739,487	15,86
Average			16,80

Source: Processed data, 2025

Based on Table 2, it presents the development of the Total Asset Turnover (TATO) value of PT. Hutama Karya, Tbk over a four-year period, from 2020 to 2023. TATO is a financial ratio that shows the company's ability to use all of its assets to generate sales. In other words, this ratio illustrates how efficient management is in managing the company's assets to generate revenue from operational activities.

In 2020, PT. Hutama Karya recorded sales of IDR 23,401,032 million and total assets of IDR 114,111,479 million, resulting in a TATO value of 20.51%. This value shows that for every 100 rupiah of assets owned, the company is able to generate revenue of 20.51 rupiah. This figure is the highest in the research period, indicating that in that year the efficiency of asset management in generating sales was at its optimal point.

However, in 2021, there was a decrease in efficiency. Sales fell to IDR 20,484,998 million, while total assets increased to IDR 132,917,503 million. As a result, the TATO value dropped drastically to 15.41%. This decline reflects that the company is facing challenges in generating sales that are comparable to its asset growth. Although assets have increased, they have not been effectively converted into optimal revenue, which could be due to major projects that are still under construction or delayed revenue realization.

Interestingly, in 2022, although sales increased to IDR 24,082,441 million, the TATO value remained stagnant at 15.41%. This indicates that the increase in sales was offset by the increase in total assets, so there was no significant increase in the efficiency of asset use. In other words, the assets owned by the company have not been maximized optimally to drive greater revenue growth.

In 2023, PT. Hutama Karya recorded improved performance with sales increasing to IDR 26,926,321 million and total assets reaching IDR 169,739,487 million. The TATO value increased slightly to 15.86%. Although the increase is not significant, this trend can be considered a positive

signal that the company is starting to show improvements in asset management efficiency to support business income.

When viewed as a whole, the average TATO value during the period 2020 to 2023 was 16.80%. This figure indicates that in general, the company is only able to generate income of approximately IDR 16.80 for every IDR 100 of assets owned. This figure is still relatively low, especially for companies that manage large assets such as PT. Hutama Karya which is involved in long-term infrastructure projects.

The fluctuation and downward trend in TATO from 2020 to the following years illustrates the challenges in asset management. In the context of a construction company, this could be due to the high proportion of non-current assets such as properties under construction (construction in progress) that are not yet able to generate income in the near future. However, the gradual improvement reflected in 2023 is commendable. This reflects management's efforts to optimize operations and accelerate the completion of projects that ultimately contribute to sales. If this trend can be maintained or improved, the company has the potential to improve its financial position and increase its competitiveness in the infrastructure sector.

2. Net Profit Margin (NPM)

Net Profit Margin (NPM) is a comparison between net profit and sales generated by the company. This measurement will show how much net profit can be generated by the sales level of PT. Hutama Karya, Tbk. The Net Profit Margin (NPM) ratio is obtained by calculating as follows:

$$\text{Net Profit Margin} : \frac{\text{Net Profit}}{\text{Total Sales}}$$

Based on the Net Profit Margin Formula, the Debt to equity ratio value can be measured as follows:

Table 3. Net Profit Margin of PT. Hutama Karya, Tbk (2019-2022)

Year	Profit / Loss (Rupiah)	Total Sales (Rupiah)	Net Profit Margin (%)
2020	(1,884,669)	23,401,032	-8,05
2021	(2,204,374)	20,484,998	-10,76
2022	2,330,574	24,082,441	9,68
2023	3,226,633	26,926,321	11,98
Average			0,71

Source: Processed data, 2025

Based on Table 3, it presents the development of Net Profit Margin (NPM) of PT. Hutama Karya, Tbk during the period 2020 to 2023. Net Profit Margin is a financial ratio that describes the company's ability to generate net profit from every rupiah of sales. The higher the NPM value, the more efficient and profitable the company's operations.

In 2020, the company recorded a loss of IDR 1,884,669 million, while total sales reached IDR 23,401,032 million. This resulted in a negative NPM value of -8.05%, which means the company lost IDR 8.05 for every 100 rupiah of sales generated. This value indicates an unhealthy financial condition, and reflects that the company's operational or financing expenses are still greater than the income earned.

The financial condition worsened in 2021, when losses increased to IDR 2,204,374 million, while total sales fell to IDR 20,484,998 million. This year's NPM was recorded at -10.76%,

indicating that the loss per unit of sales is increasing. This decline could be due to a decrease in project revenue, an increase in construction costs, or the ongoing impact of the COVID-19 pandemic on project operations. With an increasingly negative NPM, this is a signal that the company is under serious financial pressure that year.

However, in 2022, PT. Hutama Karya managed to turn its performance around. The company recorded a net profit of IDR 2,330,574 million with sales of IDR 24,082,441 million. With this achievement, NPM jumped to 9.68%. This means that the company was able to make a profit of IDR 9.68 for every 100 rupiah of sales. This is an important turning point and reflects the success of management in reducing costs, improving efficiency, or completing projects that ultimately contribute to profits.

Performance improvements continued in 2023, with profits increasing to IDR 3,226,633 million and sales reaching IDR 26,926,321 million. This year's NPM rose to 11.98%, meaning the company is increasingly efficient in generating profits. This increase is a signal that the company has successfully passed the financial crisis and is starting to enter a more stable growth phase. A net profit margin of almost 12% in the construction industry is a relatively strong achievement, considering that this sector tends to be capital intensive and has narrow margins.

Overall, the average NPM over the past four years was 0.71%, reflecting a performance that is still very volatile. This is due to the first two years being full of pressure with a record of losses, and the last two years showing significant recovery. The low average is due to the accumulation of losses in the early days of the pandemic which put pressure on overall margins.

The sharp fluctuation in the NPM value indicates that PT. Hutama Karya is in a transition phase from a problematic financial condition to recovery and growth. Negative values in 2020 and 2021 indicate that the company has not been able to cover its principal costs and other operating expenses. Conversely, positive values that continue to increase in 2022 and 2023 indicate a management transformation in improving operational efficiency.

These positive changes can be attributed to management strategies that are more focused on timely project completion, budget efficiency, cash flow improvement, and financing restructuring. In addition, the government's success in encouraging infrastructure development also provides wider opportunities for companies to increase their income.

3. Profit growth (Y)

profit growth is a company's ability to optimize the profit obtained and then compared with the profit in the previous year at PT. Hutama Karya, Tbk. Based on the Profit/Loss of PT. Hutama Karya, Tbk, the Profit Growth value can be measured as follows:

Table 4. Profit Growth at PT. Hutama Karya, Tbk (2020-2023)

Tahun	Laba	Pertumbuhan Laba
2020	(1,884,669)	-107,14%
2021	(2,204,374)	16,96%
2022	2,330,574	-205,72%
2023	3,226,633	38,45%

Source: Processed data, 2025

Based on Table 4, it shows the profit growth data of PT. Hutama Karya, Tbk during the period 2020 to 2023. Profit growth is an important indicator that shows changes in the company's financial performance over time, especially in generating net profit after all expenses and obligations are met. The profit growth figure is calculated as a percentage, which shows the extent

of the increase or decrease in profit compared to the previous year.

In 2020, the company recorded a negative profit (loss) of IDR 1,884,669 million, and experienced a profit growth of -107.14%. This figure shows that the company's losses worsened significantly compared to the previous year (2019). Profit growth that is negative and exceeds 100% reflects a fairly critical financial condition. This is most likely due to the impact of the COVID-19 pandemic, project cost overruns, or delays in the realization of revenue from strategic projects.

Entering 2021, PT. Hutama Karya still experienced a loss of IDR 2,204,374 million, but profit growth was recorded at +16.96%. This means that although the company is still making a loss, the value of the loss has decreased compared to the previous year, so that there is a relative improvement in performance. The positive profit growth figure is an early indication of recovery, which shows that the company has started taking efficiency measures or has started receiving payments from previously worked on projects. A very significant change occurred in 2022, where the company managed to reverse its financial position from a loss to a profit of IDR 2,330,574 million. However, mathematically, profit growth was recorded at -205.72%. This large negative figure seems contradictory, but this can happen because the comparison is made against the loss value (negative figure) in the previous year. In this context, the profit growth figure does not reflect a decline, but rather a transformation from negative to positive conditions, which is actually a big leap in the company's financial performance. This interpretation shows that in reality, 2022 is a turning point for PT. Hutama Karya, where the company started to generate net profit after two years of losses.

The improvement continued in 2023, with profit increasing to IDR 3,226,633 million, and profit growth reaching 38.45%. This is a strong positive growth and consistent with the recovery trend that has occurred since 2021. This profit increase can be attributed to several factors, such as cost efficiency, project optimization, increased cash flow from toll road and strategic infrastructure projects, and improvements in overall financial management. This positive performance also reflects increased partner trust, timely project completion, and the company's increased ability to manage operations sustainably.

When viewed as a whole, PT Hutama Karya's profit growth data over the past four years reflects a challenging recovery phase but shows a positive direction. The company, which experienced great pressure with deep losses in 2020 and 2021, has started to turn around and become an entity that returns to profit in 2022 and strengthens its performance in 2023. The sharp fluctuation in profit growth from extreme negative to positive indicates a high level of volatility in financial performance, which is common for large construction companies with long-term project portfolios. However, the consistent recovery and growth trend in the last two years provides a strong signal of optimism for management, investors and other stakeholders.

4. Multiple Linear Regression

Data processing and hypothesis testing in this study used multiple linear regression analysis techniques which are equation models that describe the relationship between several independent variables/predictors (X) with one dependent variable/response (Y), in this study Total Asset Turnover and Net Profit Margin as Independent Variables (X) and Profit Growth as the dependent variable (Y), The results of the multiple linear regression analysis using SPSS are as follows:

Table 5. Multiple Linear Regression Analysis

		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	.931	623.951		.652	.441
	Total Asset Turnover	6.851	240.413	.504	3.31	.003
	Net Profit Margin	5.514	8.546	.056	.435	.039

a. Dependent Variable: Profit Growth

Table 5 shows the results of multiple linear regression analysis used to measure the effect of Total Asset Turnover (TATO) and Net Profit Margin (NPM) on Profit Growth. This study aims to determine the extent to which the two financial ratios play a role in increasing or decreasing the company's profit growth during the observation period.

The constant value (intercept) in the regression model is recorded at 0.931, which indicates that if the TATO and NPM values are considered zero, then profit growth is predicted to be 0.931 units. Although this value is relatively small, this constant still provides an illustration that in ideal conditions without the influence of independent variables, the company has a positive fundamental profit growth tendency, although very weak.

The Total Asset Turnover (TATO) variable has a regression coefficient of 6,851 with a significance level of 0.003. This significance value is far below the threshold of 0.05, which means that statistically TATO has a positive and significant effect on profit growth. In other words, the higher the level of efficiency of the company in using its assets to generate sales, the greater the possibility of the company experiencing positive profit growth.

The coefficient of 6.851 also shows that every one-unit increase in TATO will be followed by an increase in profit growth of 6.851 units, assuming other variables remain constant. This result confirms that operational efficiency plays a very important role in driving profitability and company growth, especially in the construction and infrastructure sector such as PT. Hutama Karya.

Furthermore, the Net Profit Margin (NPM) variable shows a regression coefficient of 5.514 with a significance value of 0.039. This value is also below the limit of 0.05, so it can be concluded that NPM also has a positive and significant effect on profit growth, although its influence is not as strong as TATO. This means that the higher the company's ability to generate net profit from its sales, the greater the potential for profit growth over time.

This coefficient shows that every one-unit increase in NPM will cause profit growth to increase by 5.514 units. This shows that operational profitability has a real contribution to profit growth, although in this case, the influence of asset utilization efficiency (TATO) is still more dominant.

The T-statistic value for TATO is 3.31 and for NPM is 0.435. TATO has a higher T value, indicating a greater influence on the dependent variable. Although the T value for NPM is not large, because the significance value is below 0.05, its influence is still stated as statistically significant.

The standardized coefficients (Beta) value also shows that TATO has a greater Beta value (0.504) than NPM (0.056), strengthening the evidence that the relative influence of TATO on profit growth is greater than the influence of NPM. Thus, TATO is the dominant variable in this

model, which means that the efficiency of asset use is the main key in driving the company's profit growth.

Overall, the results of this regression prove that both independent variables, namely TATO and NPM, have a positive and significant effect on the profit growth of PT. Hutama Karya, Tbk. This model shows that profit growth can be explained by operational effectiveness (TATO) and the ability to generate profits from sales (NPM).

Discussion

Based on the research results that have been described statistically, in order to obtain a more comprehensive picture, the results of this study will be further examined according to the underlying financial aspects.

1. The Effect of Total Asset Turnover (TATO) on Profit Growth

Total Asset Turnover (TATO) is a financial ratio that measures a company's efficiency in using its assets to generate sales. In this study, TATO was tested for its effect on the profit growth of PT. Hutama Karya, Tbk as an independent variable that is suspected of playing a major role in driving the company's financial performance. The results of the regression analysis showed a TATO regression coefficient of 6.851 with a significance value of 0.003. This significance value is far below the significance level of 0.05, which indicates that the effect of TATO on profit growth is very statistically significant

The positive coefficient of 6.851 means that every one unit increase in TATO will be followed by an increase in profit growth of 6.851 units, assuming other variables remain constant. This shows a strong relationship between the efficiency of asset use and the profit results obtained. Efficiency in asset use is very crucial, especially in the construction and infrastructure sectors such as PT. Hutama Karya, where fixed assets and working capital play an important role in supporting operations and generating revenue. Effective use of assets can accelerate capital turnover and increase sales volume without having to significantly increase assets, thereby increasing profitability and profit growth.

This finding is in line with the theory of financial management which states that the asset turnover ratio is the main indicator of management effectiveness in managing company resources optimally. In the context of PT. Hutama Karya, good asset management allows the company to maximize the use of heavy equipment, property, and other inventory so that it can increase revenue without cost overruns. The T-statistic value of 3.31 on TATO indicates a high level of confidence in the influence of this variable, emphasizing that TATO is a key factor in spurring the company's profit growth

Thus, companies that are able to increase the TATO ratio indirectly increase operational efficiency, which has a positive and significant impact on profit growth. Asset efficiency can also reduce the risk of wasting resources and over-investment, which if uncontrolled can reduce the company's profitability in the long term. A significant increase in TATO can be achieved through optimizing production capacity, routine asset maintenance, and effective inventory management so that existing assets are used optimall

Companies also need to pay attention to the sales cycle and credit policy to accelerate cash inflow, which also supports the increase in the asset turnover ratio. Furthermore, increasing TATO not only affects current profit growth, but can also provide a positive signal to investors and stakeholders about the company's efficient and sustainable performance. However, companies must be careful in increasing TATO without sacrificing product or service

quality that can damage customer reputation and loyalty. In conclusion, the positive and significant influence of TATO on profit growth confirms that efficient asset management is the main strategy of PT. Hutama Karya in improving the company's financial performance and profit growth sustainably.

2. The Effect of Net Profit Margin (NPM) on Profit Growth

Net Profit Margin (NPM) is a ratio that describes a company's ability to generate net profit from each unit of sales. In this study, NPM was tested for its effect on profit growth of PT. Hutama Karya, Tbk as the second independent variable. The regression results show that the NPM coefficient is 5.514 with a significance value of 0.039, which is still below the threshold of 0.05 so that the effect of NPM on profit growth can be said to be statistically significant. The positive coefficient of 5.514 indicates that every one unit increase in NPM will increase profit growth by 5.514 units, assuming other variables remain constant. This proves that the company's operational profitability plays an important role in profit growth.

A high NPM ratio reflects the company's ability to control costs and generate optimal profits from each sale of products or services. In the context of a construction company such as PT. Hutama Karya, a good net profit margin indicates effective cost management, be it raw material costs, labor costs, or other overhead costs. Tight cost control will maximize net profit, so that profit growth can be achieved without having to significantly increase sales volume. In addition, increasing NPM can also be achieved with the right pricing strategy, product innovation, and increasing operational efficiency across all business lines.

Although the NPM coefficient is smaller than TATO, its influence is still significant and should not be ignored in the company's efforts to increase profit growth. The T-statistic value of 0.435 is indeed lower than TATO, but because the significance value is below 0.05, the influence of NPM remains valid and statistically significant. This indicates that although asset efficiency has a dominant influence, the profitability of each sale also makes a real contribution to PT Hutama Karya's profit growth.

Thus, the company must pay attention to the balance between increasing sales volume and controlling profit margins so that profit growth can be optimal. In addition, improving NPM can be supported by good risk management, including managing the risk of raw material prices, labor costs, and other external factors that can affect profitability. Increasing NPM also provides a positive signal to investors that the company is not only focused on revenue growth, but also maintaining profit quality and financial stability.

The company can also utilize the positive results of this profit margin management for reinvestment, financing expansion, or strengthening financial position to support long-term growth. Overall, the positive and significant influence of NPM on profit growth shows that operational profitability management is an important factor that must continue to be developed so that PT. Hutama Karya's profit growth remains sustainable and stable.

CONCLUSIONS AND SUGGESTION

Based on the results of data analysis and hypothesis testing in the description that has been presented previously, the following conclusions are drawn : Total Asset Turnover (TATO) has a positive and significant effect on Profit growth at PT. Hutama Karya, Tbk. Net Profit Margin (NPM) has a positive and significant effect on Profit growth at PT. Hutama Karya, Tbk

PT. Hutama Karya, Tbk should pay attention to the performance of company management in Total Asset Turnover (TATO) and Net Profit Margin (NPM) in order to achieve

the company's goals. This can be done by recruiting expert and skilled financial personnel who have high dedication and loyalty to the Company. Investors should carefully assess the financial ratios in the form of TATO and NPM before investing in stocks so that the investment invested can generate the expected profit

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