



**OPERATIONAL EFFECTIVENESS AND LEVERAGE ON PROFITABILITY:
THE MODERATING ROLE OF SALES GROWTH IN ASEAN
TECHNOLOGY COMPANIES****Reza Ananda Setya¹****Universitas Negeri Surabaya, Surabaya, Indonesia**rezaananda.22013@mhs.unesa.ac.id**Loggar Bhilawa²****Universitas Negeri Surabaya, Surabaya, Indonesia**loggarbhilawa@unesa.ac.id

Abstract

The main objective of the research is to analyze how operational efficiency and leverage affect profitability with ASEAN technology companies in 2024, using sales growth as a moderating variable. This study utilizes secondary data, covering all technology companies in ASEAN listed in the Osiris database in 2024. The sample was determined using specific criteria, resulting in 87 samples from a population of 288. The research methodology employs a quantitative approach through statistical analysis using Moderated Regression Analysis (MRA). The findings of the study show that operational effectiveness has a positive impact on profitability, while leverage has an effect on profitability. Furthermore, sales growth does not moderate the effect of operational effectiveness and leverage on profitability. These findings identify that in increasing profitability, technology companies rely more on internal funding. Therefore, the more effectively a company utilizes its resources in carrying out operational activities, the greater its level of profitability will be.

Keywords: Operational Effectiveness, Leverage, Sales Growth, Profitability



INTRODUCTION

Technological transformation is accelerating rapidly, marked by fast-paced innovation, digital transformation, and a growing number of tech firms aiming to take advantage of new opportunities (Tanjung, 2025). This phenomenon is characterized by the presence of startup companies with unicorn status-firms valued at over 1 billion US dollars. According to Google, Temasek, and Bain & Company's e-Conomy SEA 2025 report, Southeast Asia's digital economy is predicted to reach Gross Merchandise Value (GMV) of more than USD 300 billion by 2025. Total revenue in the region is projected to amount to USD 135 billion in the same year. However, amidst this digital economic growth, there exists a paradox that can lead to a profitability dilemma: burn money. Burn money is a practice where companies incur operational expenses funded by investor capital before generating profits.

The imbalance between revenue generation and a company's capacity to utilize assets for operations negatively affects profitability. Moreover, burn money activities, funded by investors, also influence leverage-the level of debt or dependence on external capital. Burn money can increase leverage. Consequently, many ASEAN based startup aiming to dominate the market have gone bankrupt due to the burn money strategy.

Empirical evidence highlights profitability pressures in ASEAN technology companies. According to The Diplomat (2023), one of the largest technology companies in the region reported a pre-tax of IDR 40.4 trillion (USD 2.7 billion) in 2022 despite a 150% increase in net revenue, caused by massive marketing expenditures. Sea Limited also experienced losses, with its e-commerce and digital banking divisions jointly losing USD 2.3 billion, leading to layoffs and cost-cutting. Ideally, achieving optional profitability reflects a company's success. One way to enhance profitability is by generating returns from stored assets (Susilawati & Purnomo, 2023). However, in reality, many ASEAN technology firms fail to improve operational efficiency. Without operational effectiveness, high leverage becomes a burden in the form of interest expenses.

Operational effectiveness is the degree to which a business makes profitable use of its resources. A study by (Alarussi, 2017) shows that operational effectiveness, measured using total Asset Turnover (ATO), exerts a positive influence on profitability. From the research also concluded that large-scale firms that develop efficient asset management can boost operating income and profitability. Conversely, (Angelina et al., 2020) found that operational



effectiveness proxied by ATO does not significantly affect profitability. Context of technology firms with high burn money strategies, operational effectiveness is crucial to ensure that every expenditure delivers value to the company.

Furthermore, the use of debt is projected to increase company revenue because company assets are utilized to generate profits (Arifianti et al., 2021). In technology firms using burn money strategies funded by external capital, failing to increase profitability can raise leverage due to interest expenses that compress profitability. According to (Susilawati & Purnomo, 2023), leverage is assessed using the Debt to Equity Ratio (DER) affects profitability because operational activities can be funded through debt, and the resulting profits are expected to generate cash flows for debt repayment. On the other hand, increased leverage can lower profitability-firms with high DER tend to have low Return on Asset (ROA), while firms with low DER tend to have high ROA (Bintara, 2020; Papadimitri et al., 2021).

An increase in a company's sales compared to the prior period is referred to as positive sales growth (Ainniyya et al., 2021). Sales growth can signal strong and profitable performance. However, in technology firms, sales growth achieved through massive promotions can trigger burn money. Many rapidly growing companies that adopted burn money strategies ultimately fail when funding weakens (Berlin et al., 2025). This occurs due to insufficient financial planning. Therefore, firms must also prepare sustainable growth strategies. According to the pecking order, a corporation should prioritize using internal funding sources for operational tasks before turning in outside finance.

The research gap in this study arises from inconsistency of previous empirical findings. For example, (Alarussi, 2017) found that asset turnover positively affects profitability, while (Angelina et al., 2020) reported no significant effect. Similarly, some studies have shown that leverage negatively affects profitability (Bintara, 2020; Papadimitri et al., 2021), yet other found no significant effect (Alfahruqi et al., 2022). Furthermore, the moderating role of sale growth remains underexplored in the post-burn-money era. Therefore, this study aims to : (1) examine the effect of operational effectiveness on profitability; (2) examine the effect of leverage on profitability; (3) to examine the role of sales growth as a moderating variable in the connection between operational effectiveness and profitability; (4) to examine the role of sales growth as a moderating variable in the connection between leverage and profitability. The contribution of this research aims to provide empirical evidence on financial and operational strategies for technology firms in emerging markets.



LITERATURE REVIEW

Pecking Order Theory

The explanation of Pecking order theory is the decision-making process undertaken by companies regarding their corporate financial. According to (Bontempi, 2002), firms follow a hierarchical order in their financial preferences, prioritizing internal funds over external funds to finance their investments. Companies first attempt to utilize internal funding sources, namely retained earnings, that issue debt, and only as a final option, to issue equity (Jahanzeb et al., 2014).

Trade-Off Theory

The Trade off theory explains that capital structure presents a situation where debt provides benefits to companies because interest payments can be deducted from taxable income, but debt also gives rise to costs associated with actual or potential bankruptcy (Maryanti, 2016). Corporate managers evaluate and analyze the various cost and benefits of alternative leverage plans (Jahanzeb et al., 2014).

Resource Based View (RBV) Theory

Definition of Resource Based View (RBV) Theory is an research approach that explains the company as a collection of resources that serve as the foundation for long-term competitive advantage and performance. According to (Barney, 1991), competitive advantage can be achieved when a company possesses and from a strategic viewpoint, handles resources that are valuable, rare, hard to copy, and cannot be easily substituted.

Profitability

A company with high profitability can serve as an indicator of fundamental strength in its financial position (Chandra et al., 2019). High profitability implies that the company's performance is satisfactory, whereas a low level of profitability suggests that the company's performance falls short of adequate requirements (Adi et al., 2017). The indicator used is Return on Asset (ROA), employed to determine the amount of net income that can be derived from the company's operations using all of its assets.

$$ROA = \frac{Net\ Income}{Total\ Asset}$$

Operational Effectiveness

A company's total assets can be measured using total Asset Turnover (ATO). Asset turnover is one of the determinants of company performance. This ratio can be employed to evaluate a company's ability to generate revenue



(Ahmad et al., 2015). According to Rizqullah (2024), these total assets are anticipated to produce profit. Which in turn enhances the company's profitability.

$$ATO = \frac{Net\ Sales}{Total\ asset}$$

Leverage

Leverage describes the degree to a company's assets are acquired or funded through debt (Wiranata & Nugrahanti, 2013). Higher leverage is associates with increased investment risk, whereas companies with lower leverage ratios tend to face relatively lower levels of risk (Adi et al., 2017). Companies must pas interest on their borrowings, so companies with relatively high debt tend to experience lower profitability (Shahniah et al., 2020). The following proxy is used to calculate leverage using the debt to equity ratio (DER), which measures the connection among total debt and equity :

$$DER = \frac{Total\ Liabilities}{Total\ equity}$$

Sales Growth

One indicator of a business's sales performance is sales growth (Ainniyya et al., 2021). A company's sales growth is measured as the average growth rate of the company's sales revenue over the last three years (Clovin et al., 2006). A company can more easily estimate future sales growth based on its sales increase in the last quarter when it has just reported earnings for the recently concluded period (Faradilla & Bhilawa, 2022). In the study, sales growth is used as a moderating variable. Measured by comparing the sales value of the present period relative to the prior period (Winanty et al., 2025). The formula used is :

$$Sales\ Growth = \frac{Sales\ t - Sales\ t-1}{Seles\ t-1}$$

Research Hypotheses

According to (Sugiyono, 2023), a hypothesis which takes the form of declarative phrases, can offer a provisional solution to the study issue statement. Therefore, the hypotheses in this study are derived from the relationship between variables and the theoretical foundation previously outlined. Thus, the research hypotheses can be formulated as follows:

H1: Operational effectiveness has a positive and significant effect on profitability

H2: Leverage has a negative and significant effect on profitability

H3: Sales growth significantly moderates the effect of operational effectiveness on profitability

H4: Sales growth significantly moderates the effect of leverage on profitability



RESEARCH METHOD

The present study is used on a quantitative research methodology. According research from (Sugiyono, 2023), quantitative data are defined as data described in numerical form or as quantitative data converted into numerical form/scoring. This study uses the corporate financial statement database for the year 2024, which constitutes secondary data sourced from the OSIRIS database available on the OSIRIS website (<https://login.bvdinfo.com/R1/OsirisNeo>). Sample selection was determined using purposive sampling technique, described as a method for selecting samples with particular considerations (Sugiyono, 2023). This study only uses the year 2024 because it represents the post COVID 19 pandemic period, characterized by the normalization of global monetary policy, leading technology companies to implement various strategies, one of which is the practice of burning money. Based on these conditions, the year 2024 is the most relevant period for observation. The population in this article consists of 288 technology companies in ASEAN in 2024, while the sample used comprises 87 company data chosen using purposive sampling according to the specified criteria. The data processing stage involves a series of classical assumption tests, including tests for normality, multicollinearity, and heteroscedasticity, and is continued with regression analysis using two models.

RESULTS AND DISCUSSION

Descriptive Statistical Test

Table 1.
Descriptive Analysis Result

	N	Minimum	Maximum	Mean	Std. Deviation
ATO	87	.06	3.31	.8805	.59727
DER	87	-7.35	7.28	.8426	1.48473
ROA	87	-1.63	.18	-.0044	.19934
Sales Growth	87	-.64	1.20	.0627	.30447
Valid N (listwise)					

Source: Processed data results, 2026

In 2024, there was a technology company with lowest ATO value of 0.06, while the technology company with the highest ATO value reached 3.31. the mean ATO for all companies was 0.8805, a standard deviation of 0.59727. in 2024, technology companies had the lowest DER of -7.35, while the highest DER value was 7.28. the mean DER was 0.8426, a standard deviation of 1.48473. in 2024, the technology company with the lowest ROA value was -1.63, while another technology company had the highest ROA value of 0.18. the mean ROA was -



0.0044, a standard deviation of 0.19934. Finally, the technology company with the lowest sales growth value was -0.64, while in 2024 the technology company with the highest sales growth was 1.20. the mean sales growth was 0.0627, with a standard deviation of 0.30447.

Classical Assumption Test

Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		87
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.18202320
Most Extreme Differences	Absolute	.232
	Positive	.164
	Negative	-.232
Test Statistic		.232
Asymp. Sig. (2-tailed)		.000 ^c

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.

Figure 1.

Normality Test Results before outlier remove

Source: Processed data results, 2026

The table above shows that the normality test using a total of 87 observations, produced a significant result below 0.05 at 0.00. this indicates that the data is not normally distributed. Therefore, an outlier remove method using a boxplot technique was applied. Outliers can violate the assumption of normality, so outliers were removed to ensure that the data became normally distributed. As a result, the total number of observations decreased to 67.

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		67
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.05437213
Most Extreme Differences	Absolute	.073
	Positive	.039
	Negative	-.073
Test Statistic		.073
Asymp. Sig. (2-tailed)		.200 ^{c,d}

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

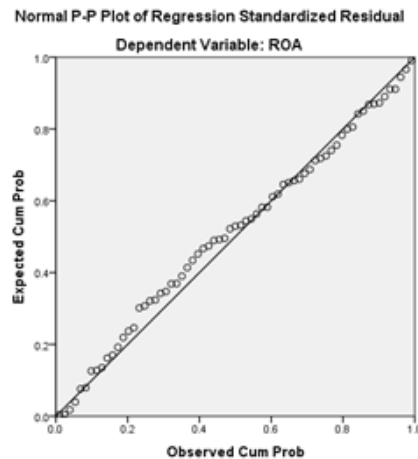
Figure 2.

Normality Test Results after outlier remove

Source: Processed data results, 2026



From the data presented above that the normality test has a significance score of 0.200, which exceeds 0.05, suggesting in the data meets the normal distribution assumption.

**Figure 3****P-Plot Normality Test Results**

Source: Processed data results, 2026

The image above shows a P-P plot indicating that most of the regression residuals follow the diagonal line, suggesting that the data is approximately normally distributed. Thus, the assumption is met.

Multicollinearity Test**Table 2.****Multicollinearity Test Results Before Outlier Remove**

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
ATO	.944	1.060
DER	.927	1.073
Sales Growth	.977	1.023

Source: Processed data results, 2026

The results above are from the multicollinearity test conducted before outlier remove. To ensure that there is not impact on the stability of the regression model, outlier remove was performed. The table below presents the result of the multicollinearity test after outlier remove.



Table 3.
Multicollinearity Test Results After Outlier Remove

Model	Collinearity Statistics	
	Tolerance	VIF
(Constant)		
ATO	.740	1.351
DER	.718	1.393
Sales Growth	.964	1.037

Source: Processed data results, 2026

The table above presents the result that every variable tested obtained tolerance values higher 0.100 and the VIF score are below 10.00. These results show that this study model is multicollinearity free.

Heteroscedasticity Test

Table 4.
Heteroscedasticity Test Results Before Outlier Remove

Model	t	Sig
(Constant)	2.770	.007
ATO	.708	.481
DER	-.894	.374
Sales Growth	-1.282	.203

Source : Processed data results, 2026

The table above presents the result of the heteroscedasticity test before outlier remove. To ensure that there is not impact on the stability of the regression model, outlier removal was performed. In this table below presents the result of the heteroscedasticity test after the outlier.

Table 5.
Heteroscedasticity Test Results Before Outlier Remove

Model	t	Sig
(Constant)	5.608	.000
ATO	.375	.709
DER	-1.894	.063
Sales Growth	-1.532	.131

Source : Processed data results, 2026



The table above displays the outcomes of the heteroscedasticity test conducted using the Glejser test method following the removal of outlier. The test results for all variables yielded significance values exceeding 0.05, indicating that the model shows no evidence of heteroscedasticity.

Regression Test

Multiple Linear Regression Analysis

Table 6.

Multiple Linear Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	.001	.014	
ATO	.054	.018	.411
DER	-.020	.012	-.221

Source: Processed data results, 2026

The results of the analysis of the regression equation model are as follows :

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e \dots\dots\dots(\text{Model 1})$$

$$Y = 0,001 + 0,054X_1 - 0,020X_2 + e$$

The constant term stands is 0.001, meaning that the dependent variable profitability will have a value of 0.001 when every independent variable are held at zero. From the result of the regression coefficient for operational effectiveness, proxied by ATO, is 0.054, indicating a positive effect. Thus, each an increases of one unit in ATO, the dependent variable, profitability, will increase. The DER proxied regression coefficient for leverage is -0.020, indicating a negative effect. This shows that each one unit improvement in DER, the dependent variable will decrease by -0.020.

Moderated Regression Analysis (MRA)

Table 7.

Moderated Regression Analysis Test Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
(Constant)	-.002	.015	
ATO	.053	.019	.404
DER	-.018	.013	-.190
Sales Growth	.051	.081	.178
X1M	-.013	.097	-.038



X2M	-.001	.070	-.003
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Source : Processed data results, 2026

$$Y = -0,002 + 0,053ATO - 0,018DER - 0,013X1M - 0,001X2M \text{ (Model 2)}$$

The constant term stands is -0.002, indicating that when all independent variable are held at zero, from of value of the dependent variable is projected to be -0.002. The regression coefficient for operational effectiveness, measured by ATO is 0.053, meaning that every an increase of one unit in ATO leads to an increase in the dependent variable of 0.053. The regression analysis result for leverage, measured by DER, shows a coefficient value of -0.18, meaning that an rise in DER units will result in a decrease in the dependent variable of 0.018. The X1M variable yields a regression coefficient of -0.013, which indicates that sales growth weakens the effect of operational effectiveness on profitability. The X2M variable has a regression coefficient of -0.001, identifying that sales growth weakens the effect of leverage on profitability.

Hypothesis Testing

Multiple Linear Regression Hypothesis Testing

T-Test

Table 8.
Multiple Linear Regression T-Test Results

Model	t	Sig
(Constant)	.085	.932
ATO	3.030	.004
DER	-1.631	.108

Source : Processed data results, 2026

Operational effectiveness, proxied by Total Asset Turnover (ATO), shows reveal a t-statistic of 2.863 accompanied by a significance score of 0.004 ($< 0,=.05$). This provides evidence that operational effectiveness exerts positive and statistically significant effect on profitability. Conversely, leverage measured produces a t-value of -1.359 with a significance threshold of 0.108 by the debt to equity ratio (DER), indicating that leverage has no statistically significant impact on profitability.



F-Test

Table 9.
Multiple Linear Regression F-Test Results
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	.029	2	.014	4.597	.014 ^b
Residual	.029	64	.003		
Total	.228	66			

Source: Processed data results, 2026

A shown in the table, result of the ANOVA F-test, showing an F-statistic of 4.597 with a significance score of 0.014 (<0.05). In this suggests that the variables tested concurrently have an impact on the dependent variable, namely profitability.

Determination test

Table 10.
Multiple Linear Regression Determination Test Results
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error Of the Estimate
1	.354 ^a	.126	.098	.05584

Source: Processed data results, 2026

According to the table result presented in the table shows an Adjusted R Square score of 0.098, showing that 9.8% of the variance in the study's dependent variable, profitability, can be associated with the independent variable, operational effectiveness and leverage. Meanwhile, the remaining 91% of the variance is caused by external variable not included or tested in the research model.

Moderated Regression Hypothesis Test

T-Test

Table 11.
Moderated Regression T-Test Results

Model	t	Sig
(Constant)	-.121	.904
ATO	2.863	.006
DER	-1.359	.179
Sales Growth	.631	.531



X1*M	-.135	.893
X2*M	-.014	.989

Source: Processed data results, 2026

According t-test result presented, the third hypothesis obtained t-value score of -0.135 with a significance score is 0.893, suggesting that sales growth does not moderate the impact of operational effectiveness on profitability. Result the fourth hypothesis test a t-statistical of -0.014 with a significance score of 0.989, showing that sales growth does not moderate effect of leverage on profitability.

F-Test

Table 12.
Moderated Regression F-Test Results
ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig
Regression	.033	5	.007	2.073	081 ^b
Residual	.195	61	.003		
Total	.228	66			

Source: Processed data results, 2026

As shown in the table above, the result obtained shows a significance value exceeding 0.05, specifically 0.081. It is concluded that the independent and moderating variables tested are unable to demonstrate a simultaneous effect on profitability as the dependent variable.

Determination Test

Table 13.
Moderated Regression Determination Test Results
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error Of the Estimate
1	.381 ^a	.145	.075	.05655

Source: Processed data results, 2026

The test result presented in the table indicates an Adjusted R Square level is 0.075, suggesting that 7.5% of the variance in profitability is accounted for by the independent variable in the model, the remaining portion is influenced by other factors the model that were not analyzed.

The Effect of Operational Effectiveness on Profitability

The regression test result show that operational effectiveness, represented by total asset turnover, yields a coefficient of 0.054, a t-test of 3.030, with a significance of 0.004 (<0.05). Thus, H1 is accepted. It can be inferred that



operational effectiveness has a significant positive directional effect on profitability.

The research consistent with Resource-Based View (RBV) Theory, that the use of owned resources can increase company profitability if used effectively. Meanwhile, the Pecking Order Theory also provides an explanation that to fund operational activities, the company's internal funds can be used so that it does not rely on debt or external funds. Technology companies have asset characteristics that are predominantly intangible, such as software, platform, patents, and licenses. Companies can turn over their assets by optimizing platform efficiency and increasing GMV transaction, which is done to accelerate asset turnover. This allows companies to reduce cost and maximize output from their operational effectiveness. This study consistent with (Subari & Sudarsi, 2024), which a positive connection among total asset turnover and ROA, meaning that as assets turnover increases, operations become more effective and efficient, which in turn impacts the company's profit margin.

The Effect of Leverage on Profitability

The regression test results confirm that Debt to Equity (DER) represented for leverage has a coefficient value of -0.018, a t-test value of -1.631 with a significance score is 0.108 (>0.05). Thus, H2 is rejected. Accordingly, leverage exhibits the previously predicted negative coefficient direction, it has no discernible effect on profitability.

These findings align with Pecking Order theory, which provides an explanation of a hierarchical order in the use of funding sources, where companies prioritize internal funds over debt to financial operational activities. In 2024, ASEAN technology companies are estimated to still be in the post burn money phase, thus they are more focused on operational efficiency rather than debt based expansion. Furthermore, the obligation to pay fixed interest expenses, even when the company is not yet profitable serve as a hindering factor for the use of debt. This study consistent with Alfahruqi et al. (2022) that DER cannot demonstrate an effect on ROA, especially when companies increase their equity portion.

Sales Growth Moderates the Effect of Operational Effectiveness on Profitability

The moderated regression test result obtained a significance score of 0.893 (>0.05) and a coefficient score of -0.013. This suggests that sales growth does not



moderate the effect of operational effectiveness on profitability. Thus, H3 is rejected.

Drawing from Resource Based View (RBV) theory perspective, profitability is more grounded in the company's internal capability to manage unique, rare, inimitable, and valuable resources. Sales growth is an external indicator that does not automatically strengthen or weaken the contribution of operational effectiveness to profits. Technology companies that experience high sales growth due to massive promotional strategies (burn money) are often not accompanied by efficient cost management. Consequently, increased sales do not impact profitability. This finding aligns with Nainggolan et al. (2022) that sales growth requires substantial funds, so without proper cost management, profitability may actually be suppressed.

Sales Growth Moderates the Effect of Leverage on Profitability

The moderated regression test result yield a significance score of 0.989 (>0.05) with a coefficient score of -0.001. This finding suggests that sales growth does not moderate the effect of operational effectiveness on profitability. Thus, H4 is rejected.

The magnitude of sales growth does not affect the association among leverage and profitability. Through the Trade-Off Theory, debt provides tax shield benefits while also posing potential bankruptcy costs. In the context of ASEAN technology companies in 2024, investors and creditors tend to remain skeptical of technology company debt in the post burn money era. Even when sales grow, interest expenses must still be paid, which does not automatically increase profitability. This finding supports the research of Widyaswari & Utomo (2024) that sales growth is not used as a primary basis for companies in determining the use of debt, because the risk of financial distress remains regardless of sales growth.

CONCLUSION

According on the findings of the analysis and discussion, here's what we can conclude : operational effectiveness, proxied by Total Asset Turnover (ATO), show a positive and statistically significant directional effect on profitability, thus **H1 is accepted**. The Debt to Equity Ratio (DER), serving as a represented for leverage, demonstrates a negative but insignificant directional effect on profitability, therefore **H2 is rejected**. Sales growth is not founds to as a moderating the effect of operational effectiveness on profitability, consequently,



H3 is rejected. Sales growth is not found to be a moderating effect of leverage on profitability, thus **H4 is rejected.** This is subject to several limitations, including the use of single period data for one year namely 2024, which cannot capture the dynamic profitability trends of ASEAN technology companies. Furthermore, the Adjusted R Square value is only between 7.5%-9.8%, indicating that there are other factors outside the model affecting profitability. Additionally, the removal of outliers, reducing the sample from 87 to 67 observations, affects the generalizability of the research results. The management of technology companies should focus more on improving operational effectiveness (asset efficiency) rather than relying on debt or spurious sales growth. A burn money strategy that is not accompanied by proper cost management will not enhance profitability. Therefore, future research is advised to use panel data (multi-year), incorporate other variables such as liquidity, firm size, or operating cash flow, and may apply more robust analytical methods such as dynamic panel regression or structural equation modeling (SEM).

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