

## **ANALYSIS OF THE EFFECT OF SALES GROWTH ON NET PROFIT GROWTH OF PT. MARTINA BERTO, TBK 2016-2024 PERIOD**

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### **Abstract**

This study investigates the relationship between sales growth and net profit growth of PT Martina Berto, Tbk over the period 2016–2024. As a key player in Indonesia's cosmetics and personal care industry, the company has faced various market challenges, including shifting consumer preferences, competitive pressures, and macroeconomic fluctuations, all of which have influenced its financial performance. Using a descriptive approach, this research draws on publicly available annual financial statements to examine year-on-year trends in sales and net profit. The analysis focuses on identifying patterns, inconsistencies, and potential contributing factors that may explain the divergence or alignment between revenue expansion and profitability outcomes. Although sales growth is often perceived as a positive indicator of business success, this study reveals that it does not consistently translate into proportional net profit growth. Operational efficiency, cost management, marketing effectiveness, and external economic conditions are among the key variables that may moderate this relationship.

### **Keywords:**

Effect Of Sales Growth, Net Profit Growth

### **Introduction**

In today's competitive business environment, sales growth serves as a key indicator of a company's marketing effectiveness and market competitiveness. However, an increase in sales does not always correspond directly to an increase in net profit, as it is influenced by various internal and external factors such as operational efficiency, cost structure, and managerial policies. Understanding the extent to which sales growth contributes to net profit growth is therefore essential for evaluating financial performance. PT Martina Berto, Tbk is a company operating in the cosmetics and personal care industry, with decades of experience in the Indonesian market. Over the years, the company has faced numerous challenges and market dynamics that have impacted its financial outcomes. This study analyzes the company's financial statements from 2016 to 2024 to examine the relationship between sales growth and net profit growth, while identifying patterns and contributing factors that may explain fluctuations in performance.

The findings of this research are expected to provide valuable insights for corporate management, investors, and academics in understanding the financial dynamics of PT Martina Berto, Tbk. Moreover, the study aims to serve as a strategic reference for decision-making processes focused on enhancing profitability and long-term business sustainability.

## **Theoretical Framework**

This study aims to examine the relationship between sales growth and net profit growth of PT Martina Berto, Tbk during the period 2016–2024. To support this analysis, several concepts and theories relevant to financial management and marketing are applied. In the context of a manufacturing company such as PT Martina Berto, sales growth may result from expanded distribution channels, product innovation, and promotional effectiveness. However, increased sales do not necessarily guarantee higher profits, as they must be viewed in relation to cost efficiency and resource management.

### **1. Sales Growth Theory**

Sales growth is a key indicator for evaluating marketing performance and a company's competitiveness in the market. According to Kotler and Keller (2016), rising sales reflect the success of marketing strategies, product development, and market penetration. Sales growth is often used as a benchmark for business expansion and strategic effectiveness.

### **2. Net Profit Theory**

Net profit is the difference between total revenue and total expenses incurred by a company within a given period. Based on financial accounting theory, net profit reflects a company's ability to manage its income and expenditures efficiently. Factors influencing net profit include production costs, operational expenses, taxation, and cost control strategies. Net profit also serves as a critical indicator for investors and stakeholders in assessing the financial health of a company.

### **3. Relationship Between Sales and Net Profit**

Theoretically, there is a positive relationship between sales growth and net profit growth. However, this relationship is complex and not always linear. Financial management theory suggests that increased sales can lead to higher profits if the company maintains operational efficiency and controls costs effectively. Conversely, if sales growth is accompanied by disproportionate increases in expenses, net profit may decline. Therefore, analyzing the relationship between these two variables is essential to understanding the overall financial performance of the company.

## **Method**

This study employs a descriptive research method to analyze the relationship between sales growth and net profit growth of PT Martina Berto, Tbk during the period 2016–2024. The descriptive approach is used to systematically observe, record, and interpret the financial data obtained from the company's published annual reports. This method enables the researcher to identify patterns, trends, and variations in the company's financial performance without manipulating any variables. The analysis

focuses on year-to-year comparisons of sales and net profit figures to provide a comprehensive understanding of their correlation and the underlying factors that may influence their movement.

### 1. Data Sources

The data used in this study are secondary in nature, obtained from the published annual financial statements of PT Martina Berto, Tbk for the period 2016–2024. These reports were accessed through the official website of the Indonesia Stock Exchange (IDX) and other publicly available financial databases. The data include key financial indicators such as sales revenue and net profit, which serve as the primary variables in this research.

### 2. Data Collection Techniques

Data collection was conducted through documentation review, which involved gathering, recording, and organizing relevant financial documents. The researcher systematically extracted quantitative figures related to sales and net profit from each year's financial report. This method ensures the reliability and authenticity of the data, as it is based on audited financial disclosure.

### 3. Data Analysis Procedures

The collected data were analyzed using descriptive analysis techniques. This involved calculating the annual growth rates of sales and net profit, followed by a comparative assessment to identify patterns, trends, and anomalies. The analysis was supported by visual tools such as tables and graphs to enhance clarity and interpretation. No inferential statistical methods were applied, as the study focuses on describing the observed financial behavior rather than testing hypotheses.

## Results

This section presents a descriptive analysis of PT Martina Berto, Tbk's financial performance over a nine-year period, focusing on the relationship between sales growth and net profit growth. The data were obtained from the company's audited annual financial statements published between 2016 and 2024.

### Sales and Net Profit Trends

- **2016-2018:** Sales showed modest growth, but net profit remained volatile. In 2017, despite a slight increase in sales, the company reported a net loss due to rising operational costs and marketing expenses.
- **2021-2022:** Sales began to recover, supported by digital marketing and product diversification. However, net profit growth lagged due to restructuring costs and inventory adjustments.
- **2023-2024:** Sales reached their highest levels in the observed period, driven by e-commerce expansion and seasonal campaigns. Net profit improved but remained below expectations, suggesting that cost control and operational efficiency were still challenges.

Year	Sales (In billion IDR)	Net Profit (in billion IDR)
2016	375.5	9
2017	386.3	(25)

<b>2018</b>	392.7	(114)
<b>2019</b>	379.1	(67)
<b>2020</b>	343.6	(203)
<b>2021</b>	354.2	(149)
<b>2022</b>	370.8	(42)
<b>2023</b>	398.4	(32)
<b>2024</b>	415.6	(4)

The financial performance of PT Martina Berto, Tbk from 2016 to 2024 presents a compelling illustration of the disconnect between sales growth and net profit realization. Over the nine-year period, the company's sales figures showed a generally upward trajectory, increasing from IDR 375.5 billion in 2016 to IDR 415.6 billion in 2024. This consistent growth in revenue reflects the company's ability to maintain market presence and expand its product reach. However, the net profit figures tell a contrasting story. Except for 2016, where the company recorded a modest profit of IDR 9 billion, all subsequent years were marked by net losses – ranging from IDR (25) billion in 2017 to a peak deficit of IDR (203) billion in 2020. Although the losses gradually declined in the following years, the company remained in negative territory until 2024, when it nearly broke even with a loss of only IDR (4) billion. This persistent gap between rising sales and declining net profit indicates that increased revenue did not translate into improved profitability. The primary contributing factors were high operational costs and substantial financial burdens. These included elevated production expenses, aggressive marketing and promotional spending, and significant administrative overhead. Such cost pressures consistently eroded profit margins, even in years when sales performance was strong. The trend suggests that PT Martina Berto, Tbk faced challenges in managing its internal cost structure effectively. While the company succeeded in driving top-line growth, it struggled to control bottom-line outcomes. The narrowing of losses in 2023 and 2024 may reflect early signs of operational recovery or strategic cost optimization, but the overall results emphasize that sales growth alone is not a sufficient driver of profitability.

## Discussion

The findings of this study reveal a significant disconnect between sales growth and net profit performance at PT Martina Berto, Tbk during the period 2016–2024. Although the company consistently increased its sales – from IDR 375.5 billion in 2016 to IDR 415.6 billion in 2024 – net profit remained negative for most of the observed years, with the exception of 2016. This indicates that revenue expansion alone was insufficient to generate sustainable profitability. From a financial management perspective, this phenomenon underscores the critical role of cost efficiency in translating sales into profit. The persistent net losses were primarily driven by high operational expenses and other financial burdens, including production costs, marketing expenditures, administrative overhead, and interest obligations. These factors significantly eroded the company's margins, even in years when sales performance was strong.

The gradual reduction in net losses in 2023 and 2024 suggests that the company may have begun implementing cost control measures or operational restructuring. However, the near break-even result in 2024 still reflects the need for deeper strategic adjustments to restore profitability. The data support the theoretical view that the relationship between sales and net profit is not linear, and that profitability depends on the company's ability to manage its internal resources effectively. In the context of a manufacturing firm operating in a competitive consumer market, such as PT Martina Berto, Tbk, sales growth must be complemented by disciplined financial planning and operational optimization. Without addressing inefficiencies in cost structure, increased sales may fail to deliver the expected financial outcomes. Therefore, this study reinforces the importance of integrating revenue strategies with cost management to achieve long-term financial sustainability.

## Conclusion

This study examined the relationship between sales growth and net profit growth at PT Martina Berto, Tbk over the period 2016–2024 using a descriptive approach. The findings reveal that while the company experienced consistent increases in sales, net profit remained negative for most of the observed years. This indicates that sales growth alone was not sufficient to drive profitability. The persistent net losses were primarily caused by high operational costs and other financial burdens, which significantly reduced the company's profit margins. Even in years with strong sales performance, the inability to manage expenses effectively hindered the achievement of positive net profit. The near break-even result in 2024 suggests early signs of financial recovery, but further strategic improvements are needed to ensure sustainable profitability. In conclusion, the study highlights the importance of integrating revenue generation with disciplined cost management. For PT Martina Berto, Tbk, future financial success will depend not only on expanding sales but also on enhancing operational efficiency and controlling expenditures. These insights are expected to support managerial decision-making and contribute to more effective financial planning in the years ahead.

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