

A STUDY ON THE EFFECT OF SALES GROWTH AND RECEIVABLES MANAGEMENT ON COMPANY PROFIT AT PT MAYORA INDONESIA

Juniar Ismi Fahrulroji^{1*}, Mirah Sari Qalbu², Aicha Fatih Jolie³

Pamulang University, South Tangerang¹²

Kütahya Dumlupınar University, Turkey³

juniarismifahrulroji@gmail.com

Abstract

This study analyzes the effect of sales growth and receivables turnover on the profitability of MYOR during the 2020–2024 period. Increasing sales indicate the success of marketing strategies and market expansion; however, this must be supported by effective receivables management to maintain cash flow and company profits. The study employs a quantitative approach using secondary data from financial reports and statistical analysis through SPSS. The results show that sales growth and receivables turnover simultaneously influence profitability, although their impact is not always statistically significant. These findings emphasize the importance of synergy between sales growth and receivables management efficiency in achieving optimal profitability. The results of this research provide strategic insights for management to enhance the company's financial performance and competitiveness.

Keywords:

Sales growth, Receivables Turnover, Profitability, Financial Management

Introduction

Sales growth and accounts receivable turnover are two crucial factors that significantly influence a company's profitability. MYOR, as one of the leading companies in the Fast-Moving Consumer Goods (FMCG) sector, faces challenges in maintaining sales growth while simultaneously managing receivables effectively to enhance profitability. Sales growth reflects the company's ability to expand market share and increase sales volume, which directly impacts revenue. However, increasing sales must be accompanied by proper receivables management to avoid the risk of bad debts that can undermine both liquidity and profitability. A high receivables turnover indicates the company's efficiency in collecting receivables and converting them into cash, which can then be used for operations or investments. In contrast, a low turnover rate may lead to cash flow problems and negatively affect financial performance, including profit margins. Therefore, the relationship between sales growth and receivables turnover in relation to profitability becomes a key focus in corporate financial management.

In the context of MYOR, a dynamic market environment and intense competition demand effective strategies to boost sales and optimize receivables management. In addition to external factors such as economic conditions and consumer behavior, internal management of credit policies and collection processes plays a decisive role in sustaining profitability. Previous studies have shown that sales growth, if not supported by efficient receivables management, can increase the risk of uncollectible accounts and lead to financial losses. On the other hand, optimal receivables turnover can improve the structure of working capital and enhance operational efficiency, thereby strengthening the company's profitability performance. Understanding the combined impact of these two aspects is essential for MYOR to develop sustainable financial management strategies.

Profitability is a key indicator of operational success, reflecting a company's ability to generate income from sales and other business activities. In a manufacturing and distribution business such as MYOR, profitability demonstrates how effectively the company manages its resources and financial risks. A decline in profitability may signal problems in managing sales or receivables, while an increase indicates efficient business operations. Examining the relationship between sales growth and receivables turnover in relation to profitability is therefore not only important for performance analysis but also for making strategic decisions in navigating market competition.

Theoretical Framework

In a manufacturing company like MYOR, sales growth is a key indicator of the success of marketing strategies and market expansion. According to Kotler & Keller (2016), sales are one of the main activities of a company that reflect success in reaching consumers and meeting market needs. Consistent sales growth is expected to increase operational revenue and subsequently have a positive impact on company profits. However, an increase in sales does not necessarily guarantee profit growth if it is not accompanied by operational efficiency and good asset management.

One important asset closely related to sales is accounts receivable. Receivables arise as a consequence of credit sales, which is a common practice in many companies to encourage increased sales volume. Good receivables management is necessary to maintain healthy cash flow and avoid the risk of uncollectible accounts. Brigham and Houston (2014) state that the effectiveness of receivables management can be seen from the receivables turnover rate, credit policy, and the efficiency of the collection process. Poorly managed receivables can cause losses, delays in payment, and even decreased profits due to increased bad debt expense.

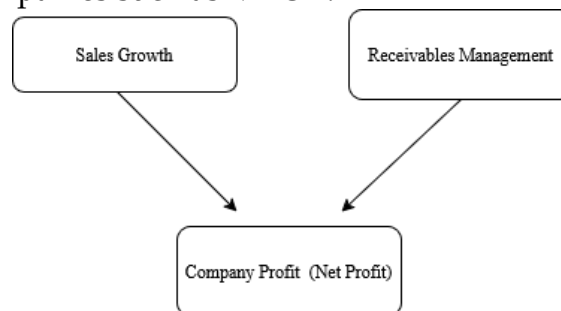
Company profit is the end result of all the company's economic activities. Horngren et al. (2015) reveal that profit is the main measure to assess financial performance and managerial efficiency of a business entity. Therefore, to maintain sustainable profit growth, companies must not only focus on sales growth but also on the quality of those sales, including the effectiveness of receivables management that accompanies it.

Based on this reasoning, it can be assumed that there is a significant relationship between sales growth and receivables management on company profit. Healthy sales growth will contribute positively to profit if supported by an efficient receivables management system so that the company not only earns revenue but also secures cash inflow. Thus, the combination of sales growth strategy and control over receivables quality becomes a crucial foundation in maintaining the profitability of companies like MYOR.

This study is based on the assumption that sales growth and receivables management play important roles in influencing company profit. Sales growth is considered the main driver of revenue increase, while receivables management is viewed as a tool to control financial risks related to cash flow and operational efficiency. Both independent variables are hypothesized to have partial and simultaneous effects on the dependent variable, which is company profit.

The relationship among the variables in this theoretical framework indicates that sales growth (X1) and receivables management (X2) play important roles in influencing company profit (Y). Good sales growth reflects the company's success in increasing revenue through market expansion and effective marketing strategies. However, such sales growth will have a positive impact on profit only if it is supported by efficient receivables management.

Effective receivables management helps maintain smooth cash flow, reduce the risk of uncollectible accounts, and ensure that revenue from sales is actually received in cash. Therefore, sales growth (X1) and receivables management (X2) both partially and simultaneously affect company profit (Y), where the effectiveness of managing these two independent variables becomes a key factor in maintaining and enhancing the profitability of companies such as MYOR.



Information:

X1 : Sales Growth

X2: Receivables Management

Y: Company Profit Net Profit)

Method

The research method used in the study titled "The Effect of Sales Growth and Accounts Receivable Turnover on Profitability at MYOR" combines both quantitative and qualitative approaches. The quantitative approach is applied to analyze the relationship between variables using numerical data processed through SPSS

(Statistical Package for the Social Sciences), while the qualitative approach is used to describe and interpret the statistical findings based on relevant theories and literature. The object of this research is MYOR, with data obtained from the company's financial statements and annual reports accessed through the official MYOR website, which provides financial and annual report publications for each fiscal year. This study uses secondary data relevant to the research variables, namely sales growth (X1), accounts receivable turnover (X2), and profitability (Y), which is measured using Profitability. The research design employed is library research, which involves reviewing literature and documents related to the research topic. The data analysis techniques applied in this study are qualitative descriptive analysis and quantitative descriptive analysis, aimed at systematically describing and interpreting numerical data in accordance with the research objectives.

Results

Sales Growth, Receivables Turnover, and Profitability MYOR.

The analysis of sales growth at MYOR for the period 2020–2024 is presented in Table 1 below. The average sales growth during this period reflects the company's performance in expanding its market reach and increasing revenue streams.

Year	Sales (In Trillions)	Year-over-Year Growth
2020	24,48	-2,20%
2021	27,90	+14,00%
2022	30,67	+9,91%
2023	31,49	+2,66%
2024	36,07	+14,57%

Table 1. the Author's Data Based on MYOR's Financial Statements.

Average Sales Growth

Average = $(-2.20\% + 14.00\% + 9.91\% + 2.66\% + 14.57\%) / 5 \text{ years} = 38.94\% / 5 = 7.788\%$
Therefore, the average sales growth of MYOR during the 2020–2024 period is approximately 7.79% per year.

Based on Table 1, the average sales growth of MYOR during the 2020–2024 period fluctuated but showed an upward trend. The average sales growth of MYOR over this period was approximately 7.79% per year. The lowest sales growth occurred in 2020, with a decline of -2.20% compared to the previous year. This condition reflects a weakening in sales performance, most likely influenced by a decline in consumer purchasing power and the impact of the COVID-19 pandemic on economic activities. In that year, the company's total sales were recorded at around IDR 24.48 trillion, down from approximately IDR 25.03 trillion in the previous year.

Meanwhile, the highest sales growth occurred in 2024, reaching 14.57% compared to 2023. This increase indicates a significant recovery and a rise in demand for Mayora's products, supported by the company's expansion and innovation strategies. Sales in 2024 reached approximately IDR 36.07 trillion, up from IDR 31.49 trillion in the previous year.

Overall, during the 2020–2024 period, MYOR sales growth experienced fluctuations but demonstrated a positive trend. This reflects the company’s ability to recover from the pandemic’s impact and achieve its best sales performance in 2024.

Analysis of Profitability at MYOR for the Period 2020-2024

The average Net Profit Margin (NPM) of MYOR for the period 2020–2024 is presented in Table 3 below:

Year	ROA	ROE
2020	10.42%	18.71%
2021	5.96%	10.67%
2022	8,72%	15.38%
2023	13,38%	21.24%
2024	10.09%	17.84%

Table 2. the Author’s Data Based on MYOR’s Financial Statements.

Average ROA for 2020–2024

$$\text{Average} = (10.42 + 5.96 + 8.72 + 13.38 + 10.09) / 5 = 9.71\%$$

Therefore, the average ROA of MYOR during the 2020–2024 period is approximately 9.71% per year.

Average ROE for 2020–2024

$$\text{Average} = (18.71 + 10.67 + 15.38 + 21.24 + 17.84) / 5 = 16.77\%$$

Based on the profitability data of MYOR for the 2020–2024 period, it can be observed that profitability, measured by ROA and ROE, fluctuated but showed an upward trend. During this period, the average ROA reached 9.71% and ROE was 16.77%, reflecting the company’s ability to effectively utilize its assets and equity to generate a relatively strong profit. The lowest profitability occurred in 2021, with ROA at 5.96% and ROE at 10.67%. This decline reflects the impact of the COVID-19 pandemic, which caused lower profit margins and slowed the turnover of assets and equity. Meanwhile, the highest profitability was achieved in 2023, when ROA rose to 13.38% and ROE reached 21.24%. This indicates the company’s success in improving operational efficiency, strengthening market share, and optimizing the use of assets and equity to generate higher profits.

Overall, although the company experienced a decline at the beginning of the period due to global economic pressures, MYOR managed to recover and strengthen its performance. The increasing trend in profitability in the subsequent years demonstrates the company’s ability to maintain financial stability and achieve sustainable profit growth.

B. Simultaneous Effect of Sales Growth and Receivables Turnover on Company Profitability

Sales and Receivables on Profitability (ROA).

Sales and accounts receivable are two important factors that can influence a company's level of profitability, particularly its ROA. Increasing sales reflect the company's ability to generate revenue through its operational activities, which ultimately leads to higher net income. Meanwhile, efficient management of accounts receivable demonstrates the company's capability to collect and convert receivables into cash within a short period, thereby strengthening liquidity and supporting operational activities.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	23.376	2	11.688	4.041	.198 ^b
	Residual	5.784	2	2.892		
	Total	29.160	4			

a. Dependent Variable: ROA

b. Predictors: (Constant), piutang, penjualan

Figure 1. Result of Data Analysis ROA using SPSS.

The ANOVA results presented in figure 1 show that the calculated F-value is 4.041 with a significance value (Sig.) of 0.198. Since the significance value is greater than the significance level of 0.05, it indicates that the regression model is not statistically significant.

This means that sales growth and accounts receivable turnover, when tested simultaneously, do not have a significant effect on profitability (ROA) at myor. In other words, variations in profitability cannot be significantly explained by changes in sales growth and accounts receivable turnover together within the observed period. Although the F-value (4.041) suggests some level of model fit, the probability value (0.198) shows that the relationship between the independent variables and profitability is not strong enough to be considered statistically meaningful at the 5% significance level. Therefore, the null hypothesis (H_0), which states that sales growth and accounts receivable turnover have no simultaneous effect on profitability, is accepted.

The Effect of Sales and Accounts Receivable on Profitability (ROE)

Sales and accounts receivable are key factors that influence a company's profitability, particularly ROE. High sales growth reflects the company's ability to increase revenue and enhance shareholder returns through efficient operational performance. At the same time, effective management of accounts receivable ensures that cash inflows are maintained, reducing the risk of bad debts and improving liquidity. When both sales and receivables are well managed, they contribute positively to the company's profitability and the overall return earned by shareholders.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	52.623	2	26.312	4.613	.178 ^b
	Residual	11.408	2	5.704		
	Total	64.031	4			

a. Dependent Variable: ROE

b. Predictors: (Constant), piutang, penjualan

Figure 2. Result of Data Analysis ROE using SPSS.

Based on the ANOVA figure 2, the analysis results show that the Sum of Squares for Regression is 52.623, while the Residual is 11.408, and the Total is 64.031. The Mean Square for Regression is 26.312, and the Mean Square for Residual is 5.704. The test results indicate an F-value of 4.613 with a significance level (Sig.) of 0.178.

Since the significance value is greater than 0.05, it can be concluded that sales and receivables do not have a significant simultaneous effect on profitability measured by ROE at MYOR. Thus, variations in sales and receivables have not been able to significantly explain changes in the company's profitability (ROE) during the research period.

Discussion

The research results show that sales growth and accounts receivable management have a positive influence on the profitability of MYOR. Financial data from the 2020–2024 period indicate that the average annual sales growth reached 7.79%, reflecting a recovery from the impact of the pandemic and an upward trend through 2024. Profitability indicators such as ROA and ROE also fluctuated but showed an overall upward trend, with an average ROA of 9.71% and ROE of 16.77%. Quantitative analysis using SPSS revealed that efficient receivables management and simultaneous sales growth can improve cash flow, reduce uncollectible accounts, and support sustainable profit margins.

However, the ANOVA analysis results show that statistically, the variables of sales growth and receivables turnover do not have a jointly significant effect on profitability, with significance values above 0.05. This indicates that these variables do not directly explain changes in profitability during the study period. These findings affirm that the influence of these variables on profitability is limited and that further research is needed for a more comprehensive understanding. Overall, this study emphasizes the importance of managing sales and receivables to support the sustainability of financial performance in the competitive and dynamic FMCG industry.

Conclusion

This study aimed to analyze the effect of sales growth and receivables management on the profitability of MYOR during the 2020–2024 period. Based on the findings, MYOR's average annual sales growth reached approximately 7.79%, showing

recovery and consistent improvement after the COVID-19 pandemic. Meanwhile, profitability measured by ROA (9.71%) and ROE (16.77%) fluctuated but exhibited an overall upward trend, indicating efficient utilization of assets and equity to generate profits. The results of the ANOVA analysis revealed that sales growth and receivables turnover, when tested simultaneously, did not have a statistically significant effect on profitability (both ROA and ROE), as indicated by significance values greater than 0.05. This implies that although sales and receivables management contribute to operational and financial performance, they are not the sole determinants of profitability. Other internal and external factors such as cost control, market conditions, and production efficiency likely play important roles in influencing profit outcomes.

In practical terms, these results highlight that companies like MYOR should not only focus on increasing sales but also ensure balanced and efficient receivables management to sustain liquidity and profit stability. The synergy between revenue expansion and credit control remains vital for maintaining financial health, especially in competitive FMCG markets. For future research, it is recommended to include additional variables such as operational costs, liquidity ratios, and market expansion strategies to provide a more comprehensive understanding of the factors affecting profitability. A longer observation period and comparative studies with other FMCG firms could also strengthen the generalizability of the findings.

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