

Influence Capital Structure, Operational Efficiency, and Asset Growth to Profitability at PT Sumber Alfaria Trijaya Tbk (Alfamart) Period 2019 – 2024

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ABSTRACT

This study examines the effects of capital structure, operational efficiency, and asset growth on the profitability of PT Sumber Alfaria Trijaya Tbk during 2019–2024. An explanatory design was applied using secondary data from the company's annual financial statements. Debt-to-equity ratio, operating expenses to operating income ratio, asset growth, and return on assets represented the study variables. Data were analysed using descriptive statistics, classical assumption tests, multiple linear regression, t-tests, F-tests, and the coefficient of determination. The results show that none of the independent variables has a significant partial effect on profitability, although they jointly have a significant effect. Profitability therefore depends on the combined management of financing, operating costs, and asset expansion rather than any single factor. *Keywords:* Capital Structure; Operational Efficiency; Asset Growth; Profitability; Return on Assets.

INTRODUCTION

Profitability is a key indicator used to assess a company's ability to generate profits through the utilization of all its resources. A high level of profitability reflects management effectiveness in managing assets, capital, and operational activities, thereby increasing company value. One commonly used ratio to measure profitability is Return on Assets (ROA), as it demonstrates a company's ability to generate profits based on its total assets. Recent research suggests that ROA is a relevant indicator for evaluating a company's efficiency in asset management and measuring the success of its financial performance (Yuniati et al., 2025; Munawar et al., 2025).

The modern retail industry in Indonesia is experiencing rapid growth in line with population growth, changing consumption patterns, and the advancement of digital technology. These conditions encourage retail companies to continuously improve their competitiveness through expansion strategies, service innovation, and operational efficiency. Furthermore, increasingly fierce competition requires companies to optimally manage their resources to maintain sustainable profits. Therefore, profitability is a crucial measure for evaluating a company's success in navigating the ever-evolving business landscape (Rahmawati & Wijayanti, 2024).

PT Sumber Alfaria Trijaya Tbk (Alfamart) is one of the largest retail companies in Indonesia, consistently demonstrating business growth through the expansion of its store network, the development of distribution centers, and the transformation of digital-based services. According to the company's annual report, Alfamart will operate more than 20,000 stores across Indonesia by 2024. However, this increase in business scale has not always been accompanied by consistent increases in profitability. Company data shows that the Return on Assets (ROA) value fluctuated during the 2019–2024 period, necessitating further analysis of the factors influencing changes in the company's profitability.

Table 1. Development of Assets, Net Income, and Profitability, 2019–2024

Year	Total assets (IDR million)	Asset growth (%)	Net income attributable to owners (IDR million)	Net- income growth (%)	ROAA (%)
2019	23,992,313	–	1,112,513	–	4.82
2020	25,970,743	8.25	1,061,476	–4.59	4.25
2021	27,370,210	5.39	1,925,874	81.43	7.23
2022	30,746,266	12.33	2,855,284	48.26	9.83
2023	34,246,183	11.38	3,403,657	19.21	10.47
2024	38,798,382	13.29	3,148,107	–7.51	8.62

Note. Asset growth and net-income growth were calculated from the reported figures. ROAA is the company-reported return on average assets. Source: PT Sumber Alfaria Trijaya Tbk annual reports, 2019–2024.

The figures reveal a specific profitability problem. Although total assets increased continuously from IDR23.99 trillion in 2019 to IDR38.80 trillion in 2024, representing cumulative growth of approximately 61.7%, the return generated

by these assets did not increase consistently. In 2020, assets grew by 8.25%, but net income attributable to owners declined by 4.59% and ROAA decreased from 4.82% to 4.25%. A similar divergence occurred in 2024: assets increased by 13.29%, while attributable net income declined by 7.51% and ROAA fell from 10.47% to 8.62%. Therefore, the profitability problem is not merely the fluctuation in ROA, but the inability of continuous asset expansion to generate proportionate and sustainable earnings. This divergence indicates that financing decisions, operating-cost efficiency, and the productivity of asset investment require further examination.

The pattern also shows that the profitability issue developed differently across the observation period. Following the contraction in 2020, the company recorded a strong recovery from 2021 to 2023. Net income attributable to owners increased from IDR1.06 trillion in 2020 to IDR3.40 trillion in 2023, while ROAA rose from 4.25% to 10.47%. This improvement indicates that expansion can enhance profitability when additional resources are converted into sufficiently strong earnings. Nevertheless, the reversal in 2024 demonstrates that this improvement was not automatically sustainable. Despite the highest annual asset growth in the period, the company generated lower net income and a weaker ROAA than in 2023. The coexistence of asset expansion and declining asset returns suggests that the marginal contribution of newly deployed assets may have weakened or that higher financing and operating costs absorbed part of the additional economic benefits.

This condition makes profitability a managerial rather than merely descriptive problem. For a retail company, continuous expansion requires the simultaneous management of funding, recurring operating expenditure, inventory, distribution facilities, and new-store productivity. If expansion is financed through a less efficient capital structure, the resulting financing burden can reduce earnings. If operating expenses increase faster than operating income, sales growth may not translate into higher profit. Likewise, asset growth can depress ROA when new stores, inventories, or distribution facilities have not reached their expected utilization levels. The observed decline in 2024 therefore provides an empirical basis for examining whether capital structure, operational efficiency, and asset growth are associated with changes in Alfamart's profitability rather than treating ROA fluctuation as an isolated accounting outcome.

One factor suspected of influencing profitability is capital structure. Capital structure describes the composition of a company's funding, derived from debt and equity. Optimal use of a capital structure can enhance a company's ability to expand its business and generate profits, while excessive use of debt can increase financial risk and interest expenses, which can lead to lower profitability. Research by Aishwarya et al. (2022) and Nguyen et al. (2022) shows that capital structure influences profitability, although the magnitude of the effect varies across industry sectors.

Besides capital structure, operational efficiency is also a crucial factor in increasing company profitability. Operational efficiency reflects a company's ability to control operating costs relative to revenue. In this study, operational

efficiency is proxied using the Operating Expenses to Operating Income (BOPO) ratio. A lower BOPO value indicates a more efficient company in carrying out its operational activities, thus increasing the opportunity for profit. Research by Yuniati et al. (2025) and Munawar et al. (2025) shows that operational efficiency influences profitability because it is related to the effectiveness of company resource management.

Another factor thought to influence profitability is asset growth. Asset growth reflects increased company capacity through investment in productive assets, which is expected to support increased sales and profits. However, increased assets may not necessarily have a positive impact on profitability if those assets are not optimally utilized. Research by Jannah et al. (2025) states that effective asset management is a key factor in determining a company's success in increasing profitability.

Previous research on the influence of capital structure, operational efficiency, and asset growth on profitability has yielded mixed results. Some studies found that these three variables significantly influence profitability, while others showed insignificant results. These differences in research findings indicate a persistent research gap, necessitating further research with different objectives, time periods, and company characteristics. This study selected PT Sumber Alfaria Trijaya Tbk as its object of study because the company is a major player in the modern retail industry in Indonesia, demonstrating rapid business growth, yet still experiencing fluctuations in profitability during the observation period.

More specifically, previous evidence concerning capital structure does not support a single universal conclusion. Debt may enable firms to finance productive investment and business expansion without immediately diluting ownership. At the same time, a higher debt burden can increase interest costs and financial exposure, which may reduce the earnings available relative to total assets. Nguyen et al. (2023) showed that the relationship between capital structure and profitability varies according to debt maturity and the profitability measure employed. Their findings indicate that the effect of leverage depends on how debt is structured and how corporate performance is measured. This inconsistency is relevant to Alfamart because an expanding retail network requires substantial and continuous financing, but the benefits of debt-financed expansion will improve ROA only when the additional operating returns exceed the associated financing costs.

The effect of operational efficiency is also context-dependent. Operating-cost control is expected to protect margins, particularly in retail businesses that manage extensive store, employee, inventory, logistics, utility, and technology expenses. Nevertheless, efficiency does not operate independently from business strategy and market conditions. Handoyo et al. (2023) found that the contribution of operational efficiency to organizational performance is contingent on strategic orientation, market uncertainty, and competitive intensity. Consequently, a company may experience higher operating expenditure during expansion even when those expenses are intended to support future revenue. This evidence leaves an empirical question as to whether changes in the ratio of operating

expenses to operating income correspond with changes in Alfamart's ROA during a period characterized by rapid network expansion and changing market conditions.

Evidence regarding growth and profitability is similarly conditional. Asset growth can represent productive investment that increases capacity and future earnings, but it may also reflect resources that have not yet produced an adequate return. Mansikkamäki (2023) demonstrated that the growth-profitability relationship varies with firm age and size, thereby cautioning against the assumption that all business growth is immediately profitable. Watanabe et al. (2013) further showed that rapid asset accumulation does not necessarily produce stronger subsequent outcomes. These findings are directly relevant to the empirical pattern in Table 1, particularly in 2024, when Alfamart's assets continued to grow while its net income and ROAA declined. The literature therefore leaves unresolved whether asset growth strengthens profitability or temporarily dilutes asset returns in a mature but continuously expanding retail company.

Taken together, these findings establish three related gaps. First, an empirical gap remains because previous studies report effects that vary by financing composition, operating context, firm characteristics, and investment productivity. Second, a contextual gap exists because much of the available evidence is derived from multi-firm or cross-industry samples and does not specifically explain the financial dynamics of a major Indonesian convenience-store company. Third, a model gap remains because capital structure, operational efficiency, and asset growth are often examined separately, although Alfamart's profitability may reflect their combined influence. The present study addresses these gaps by examining the partial and simultaneous effects of the three factors on the profitability of PT Sumber Alfaria Trijaya Tbk during 2019–2024.

Based on the phenomenon and research gap, this study aims to analyze the effect of Capital Structure (Debt to Equity Ratio/DER), Operational Efficiency (Operational Expenses to Operating Income/BOPO), and Asset Growth on Profitability (Return on Assets/ROA) at PT Sumber Alfaria Trijaya Tbk for the period 2019–2024. The results of this study are expected to contribute to the development of financial management science, become evaluation material for company management in formulating funding policies, managing operational costs, and managing assets, and become a reference for further research that examines the factors that influence company profitability.

LITERATURE REVIEW

Profitability

Profitability is a company's ability to generate profits over a specific period by utilizing all its resources. Profitability is a key indicator in assessing financial performance because it reflects management's effectiveness in managing the company's assets and capital. One commonly used ratio to measure profitability is *Return on Assets* (ROA), a ratio that indicates a company's ability to generate net profit based on its total assets. The higher the ROA, the better the company's ability to utilize its assets to generate profits.

Capital Structure

Capital structure is the composition of a company's funding, derived from debt and equity. Capital structure policy aims to determine the optimal combination of funding sources to maximize the company's value. In this research, In this context, capital structure is measured using the Debt-to-Equity Ratio (DER), which shows the comparison between a company's total debt and total equity. A high DER indicates a greater proportion of debt used compared to equity. Optimal debt use can increase a company's ability to generate profits through business expansion, but excessive debt use can also increase financial risk and interest expenses, ultimately reducing profitability.

Operational Efficiency

Operational efficiency describes a company's ability to effectively manage operational costs to generate optimal revenue. The more efficiently a company controls operational costs, the greater its chances of achieving high profits. In this study, operational efficiency is proxied using Operating Expenses to Operating Income (BOPO) The BOPO ratio indicates a company's level of operational efficiency. A lower BOPO value indicates a company's increasing efficiency in managing operational costs, which is expected to increase profitability.

Asset Growth

Asset growth is the increase in a company's total assets from one period to the next, reflecting the company's growing business scale. Asset growth indicates company investment to support operational activities and business expansion. Companies with strong asset growth are expected to have greater production and service capacity, thereby increasing revenue and profits. However, asset growth without effective management will not necessarily improve company profitability.

Relationship between Capital Structure and Profitability

Capital structure plays a role in determining a company's ability to obtain funding for operational activities and business expansion. Optimal use of debt can increase profits through additional productive investments. Conversely, excessive use of debt can increase interest expenses, thereby reducing the company's profits. Therefore, an appropriate capital structure policy is expected to improve company profitability.

Relationship between Operational Efficiency and Profitability

Operational efficiency relates to a company's ability to control operating costs relative to revenue generated. Efficient cost management enables a company to achieve greater profits because the costs incurred are relatively lower than the revenue received. Thus, the level of efficiency Good operations are expected to have a positive impact on increasing the company's profitability.

Relationship between Asset Growth and Profitability

Asset growth demonstrates a company's ability to expand business capacity by increasing investment in its assets. Asset growth can provide opportunities for companies to increase sales, expand market share, and boost profits. However, if asset growth is not utilized optimally, additional assets can actually increase operating costs, thus reducing their impact on profitability.

Framework

This research is based on the assumption that capital structure, operational efficiency, and asset growth are factors that can influence a company's profitability. An optimal capital structure provides funding flexibility, operational efficiency improves cost management effectiveness, and asset growth supports business development. These three variables are expected to contribute to increased profitability, as measured by Return on Assets (ROA).

Research Hypothesis

Based on the theory and framework of thought that have been described, the hypothesis in this study is as follows.

H1: Capital structure has a positive effect on the profitability of PT Sumber Alfaria Trijaya Tbk.

H2: Operational efficiency has a negative impact on the profitability of PT Sumber Alfaria Trijaya Tbk.

H3: Asset growth has a positive effect on the profitability of PT Sumber Alfaria Trijaya Tbk.

H4: Capital structure, operational efficiency, and asset growth simultaneously influence the profitability of PT Sumber Alfaria Trijaya Tbk.

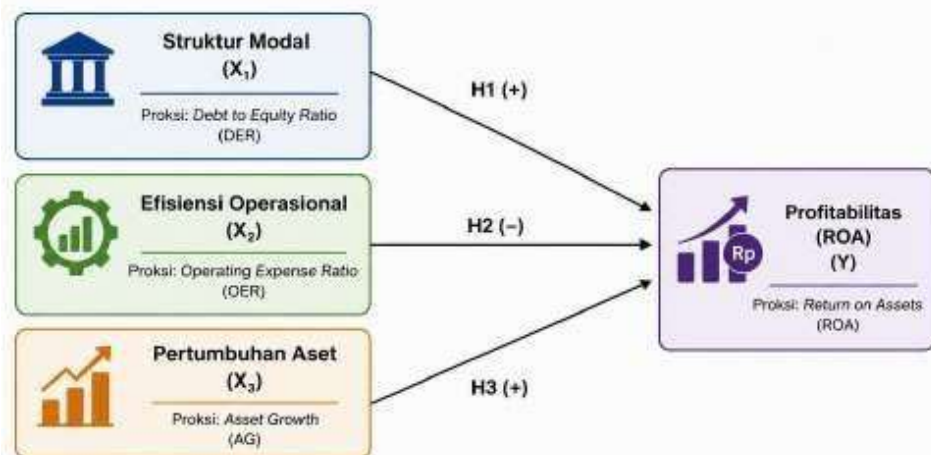


Figure 1. Conceptual Model of the Influence of Capital Structure, Operational Efficiency, and Asset Growth on Profitability at PT. Sumber Alfaria Trijaya TBK (ALFAMART)

METHODOLOGY

This research uses a quantitative approach with descriptive and verification methods. The quantitative approach is used to examine the effect of capital structure, operational efficiency, and asset growth on profitability based

on numerical data obtained from the company's financial statements. The descriptive research aims to describe the condition of each research variable, while the verification research aims to test the causal relationship between the independent and dependent variables through statistical analysis.

The object of this study is PT Sumber Alfaria Trijaya Tbk, with an observation period of 2019–2024. The study uses secondary data obtained from the company's annual financial reports published on the Indonesia Stock Exchange (IDX) and the official website of PT Sumber Alfaria Trijaya Tbk. The data used includes information on total debt, total equity, operating expenses, operating income, total assets, and net profit, which are needed to calculate each research variable.

The independent variables in this study consist of capital structure, proxied by the Debt to Equity Ratio (DER), operational efficiency, proxied by Operating Expenses to Operating Income (BOPO), and asset growth. The dependent variable is profitability, proxied by Return on Assets (ROA). Each variable is measured using financial ratio formulas commonly used in financial statement analysis.

Data analysis techniques were performed using IBM SPSS Statistics software. The analysis stages included descriptive statistical analysis to describe data characteristics, classical assumption tests consisting of normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests, followed by multiple linear regression analysis to determine the effect of capital structure, operational efficiency, and asset growth on profitability. Hypothesis testing was conducted through t-tests to determine the partial effect of each independent variable on profitability, F-tests to determine the simultaneous effect of all independent variables on profitability, and coefficients of determination (R^2) to measure the ability of the research model to explain variations in company profitability. All hypothesis testing was conducted at a significance level of 5% ($\alpha = 0.05$).

RESEARCH RESULTS

The object of this research is PT Sumber Alfaria Trijaya Tbk (Alfamart), one of the leading minimarket retail companies in Indonesia. This study analyzes the exogenous/independent variables, namely Capital Structure (DER), Operational Efficiency (BOPO), and Asset Growth (Growth), as well as the endogenous/dependent variable, namely Profitability (ROA), over a six-year observation period, from 2019 to 2024.

Descriptive Statistical Analysis

Descriptive Statistics

Descriptive statistics summarize the central tendency and dispersion of the six annual observations covering 2019–2024. The statistics reported for capital structure, operational efficiency, asset growth, and profitability are presented in Table 1.

Table 1. Descriptive Statistics of the Research Variables

	N	Minimum	Maximum	Mean	Std. Deviation
Capital Structure (DER)	6	1.18	2.49	1.8067	0.56864
Operational Efficiency (BOPO)	6	96.93	98.99	97.8533	0.85540
Asset Growth	6	5.39	13.29	9.8133	3.01199
Profitability (ROA)	6	4.09	9.94	7.1850	2.40640

Source: SPSS 27 output, processed by the authors (2026).

The mean DER was 1.8067, with values ranging from 1.18 to 2.49. BOPO had a mean of 97.8533%, ranging from 96.93% to 98.99%. Asset growth averaged 9.8133%, with a minimum of 5.39% and a maximum of 13.29%. ROA ranged from 4.09% to 9.94%, with a mean of 7.1850%. These statistics describe the observed data and are not, by themselves, evidence of causal relationships among the variables.

Classical Assumption Tests Normality Test

Table 2. One-Sample Kolmogorov-Smirnov Normality Test

Statistic	Value
N	6
Test statistic	0.250
Asymp. Sig. (two-tailed)	0.200
Monte Carlo Sig. (two-tailed)	0.298
99% Monte Carlo CI	0.286–0.310

Source: SPSS 27 output, processed by the authors (2026).

The Kolmogorov-Smirnov test produced an asymptotic significance value of 0.200 and a Monte Carlo significance value of 0.298, both exceeding 0.05. Accordingly, the null hypothesis of a normal residual distribution was not rejected. This result must nevertheless be interpreted cautiously because a normality test based on six observations has very limited statistical power.

Multicollinearity Test

Table 3. Multicollinearity Test Results

Predictor	Tolerance	VIF	Assessment
Capital Structure (DER)	0.154	6.473	VIF > 5
Operational Efficiency (BOPO)	0.184	5.437	VIF > 5
Asset Growth	0.531	1.884	Acceptable

Source: SPSS 27 output, processed by the authors (2026).

DER and BOPO produced VIF values of 6.473 and 5.437, respectively. These values exceed the commonly applied threshold of 5 and indicate potentially problematic multicollinearity between these predictors. Asset growth had a VIF of 1.884 and did not indicate a multicollinearity problem. Consequently, the DER and BOPO coefficients should be interpreted cautiously

because collinearity can inflate standard errors and destabilize coefficient estimates.

Table 4. Glejser Heteroscedasticity Test Results

Predictor	B	t	p-value	Decision
Capital Structure (DER)	-0.168	-1.777	0.218	No evidence
Operational Efficiency (BOPO)	0.056	0.972	0.433	No evidence
Asset Growth	-0.006	-0.646	0.585	No evidence

Source: SPSS 27 output, processed by the authors (2026).

All Glejser-test significance values exceeded 0.05. Thus, the analysis did not detect a statistically significant relationship between the predictors and the absolute residuals, providing no evidence of heteroscedasticity in this sample.

Autocorrelation Test

Table 5. Durbin–Watson Autocorrelation Test Result

R	R ²	Adjusted R ²	Std. Error	Durbin–Watson
0.999	0.998	0.994	0.18012	2.878

Source: SPSS 27 output, processed by the authors (2026).

The Durbin–Watson statistic was 2.878. Given the extremely small sample ($n = 6$), three predictors, and only two residual degrees of freedom, this statistic does not provide a sufficiently reliable basis for asserting that the residuals are free from autocorrelation. The value should therefore be reported as a diagnostic result rather than treated as conclusive evidence that the assumption has been satisfied.

Multiple Linear Regression and Hypothesis Testing

Table 6. Multiple Linear Regression and Partial t-Test Results

Variable	B	Std. Error	Beta	t	p-value
Constant	285.881	20.935	–	13.656	0.005
Capital Structure (DER)	0.140	0.360	0.033	0.389	0.735
Operational Efficiency (BOPO)	-2.853	0.220	-1.014	-12.991	0.006
Asset Growth	0.019	0.037	0.024	0.524	0.652

Source: SPSS 27 output, processed by the authors (2026).

Based on the unstandardized coefficients, the estimated regression equation is:

$$\text{ROA} = 285.881 + 0.140\text{DER} - 2.853\text{BOPO} + 0.019\text{Growth}$$

DER had a positive but statistically insignificant coefficient ($B = 0.140$; $t = 0.389$; $p = 0.735$). BOPO had a negative and statistically significant coefficient ($B = -2.853$; $t = -12.991$; $p = 0.006$), indicating that higher operating expenses relative to operating income were associated with lower ROA. Asset growth had a positive but statistically insignificant coefficient ($B = 0.019$; $t = 0.524$; p

= 0.652). Accordingly, only the partial effect of BOPO was statistically supported at the 5% level.

Table 7. ANOVA and Simultaneous F-Test Results

Source	Sum of Squares	df	Mean Square	F	p-value
Regression	28.889	3	9.630	296.810	0.003
Residual	0.065	2	0.032	–	–
Total	28.954	5	–	–	–

Source: SPSS 27 output, processed by the authors (2026).

The simultaneous test produced $F = 296.810$ with $p = 0.003$. Thus, DER, BOPO, and asset growth were jointly associated with ROA. Because the residual degrees of freedom were only two, however, the magnitude and significance of this result are highly sensitive to individual observations and should not be generalized beyond the analyzed period.

Table 8. Model Summary and Coefficient of Determination

R	R ²	Adjusted R ²	Std. Error of Estimate
0.999	0.998	0.994	0.18012

Source: SPSS 27 output, processed by the authors (2026).

The model produced $R^2 = 0.998$ and adjusted $R^2 = 0.994$, suggesting that 99.4% of the sample variation in ROA was accounted for by the three predictors after adjustment. This exceptionally high explanatory value should not be interpreted as definitive evidence of predictive strength because the regression was estimated from only six annual observations and was affected by multicollinearity between DER and BOPO.

Table 9. Summary of Hypothesis Testing

Hypothesis	Relationship	Expected Direction	p-value	Decision
H1	DER → ROA	Positive	0.735	Not supported
H2	BOPO → ROA	Negative	0.006	Supported
H3	Asset Growth → ROA	Positive	0.652	Not supported
H4	Joint effect → ROA	Significant	0.003	Supported

Source: SPSS 27 output, processed by the authors (2026).

DISCUSSION

Capital Structure and Profitability

The analysis found that capital structure, represented by DER, had a positive but statistically insignificant relationship with ROA. This result indicates that annual changes in the proportion of liabilities relative to equity did not independently explain changes in Alfamart's profitability during 2019–2024. Debt can support store expansion, logistics investment, inventory procurement, and digital development, but its effect on profitability depends on whether the

returns generated by those investments exceed the associated financing costs. An insignificant coefficient may therefore reflect the simultaneous operation of two opposing mechanisms: debt provides resources for expansion, while interest and financial obligations absorb part of the additional earnings.

The finding is consistent with the view that the capital structure–profitability relationship is context-dependent rather than uniform. Nguyen et al. (2023) demonstrated that the effect of debt on profitability varies according to debt maturity and the profitability measure used. In Alfamart’s case, the absence of an independent DER effect suggests that funding composition alone was not the primary driver of ROA. Management should therefore evaluate debt together with the productivity and cash-generating capacity of the assets financed. This conclusion must remain cautious because DER and BOPO exhibited VIF values above 5, which may have reduced the precision of their separate coefficient estimates.

Operational Efficiency and Profitability

Operational efficiency was the only predictor with a statistically significant partial relationship with profitability. The negative BOPO coefficient means that an increase in operating expenses relative to operating income was associated with a decrease in ROA. Economically, this result is plausible for a convenience-store retailer operating through a large network. Expenses associated with stores, employees, utilities, leases, distribution, inventory handling, information systems, and promotion can absorb a substantial share of operating income. When these costs increase more rapidly than operating income, the company generates a lower return from the assets employed.

This finding reinforces the strategic importance of cost efficiency but should not be interpreted as recommending indiscriminate cost reduction. Handoyo et al. (2023) showed that the performance contribution of operational efficiency is linked to strategy, market uncertainty, and competitive intensity. Some expenditures may support service quality, future sales, or network expansion even when they weaken short-term profitability. The managerial implication is therefore to distinguish productive operating expenditure from recurring costs that do not produce commensurate income.

Store-level productivity, logistics efficiency, inventory turnover, labor scheduling, energy use, and digital operating costs require integrated monitoring. Because the standardized BOPO coefficient exceeded an absolute value of one and BOPO was collinear with DER, the estimated effect size should be treated as sample-specific rather than as a stable forecasting parameter.

Asset Growth and Profitability

Asset growth had a positive but statistically insignificant relationship with ROA. The result implies that increases in total assets did not independently produce an immediate improvement in profitability during the observation period. Retail expansion commonly requires investment in new stores, warehouses, distribution facilities, inventories, equipment, and technology. These assets may need time to reach their expected utilization and sales levels.

Consequently, the accounting recognition of additional assets can precede the realization of the related earnings, causing asset growth and ROA to move differently in the short term.

This interpretation is consistent with research showing that growth is not automatically profitable. Mansikkamäki (2023) found that the growth-profitability relationship varies according to firm age and size, while Watanabe et al. (2013) demonstrated that rapid asset accumulation does not necessarily lead to stronger subsequent outcomes. For Alfamart, the finding suggests that management should evaluate asset additions using post-investment productivity indicators rather than expansion volume alone. New-store sales, asset turnover, payback periods, distribution utilization, and incremental operating margins are particularly relevant for determining whether asset growth eventually strengthens ROA.

Joint Effect on Profitability

Although DER and asset growth were not significant individually, the F-test indicated that DER, BOPO, and asset growth were jointly associated with ROA. Conceptually, this result reflects the interdependence of financing, operating costs, and asset investment. Expansion requires funding; newly financed assets generate operating capacity; and the profitability of that capacity depends on whether operating income grows faster than financing and operating expenses. Thus, profitability is more appropriately managed through coordinated financing, cost-control, and investment decisions than through isolated attention to any single ratio.

Nevertheless, the joint significance and adjusted R^2 of 0.994 must be interpreted within the limitations of the empirical design. The model used six annual observations and three predictors, leaving only two residual degrees of freedom. Under these conditions, a very high R^2 can arise because the model is estimated on an extremely small dataset, and a single year may substantially change the coefficients and significance levels. The multicollinearity between DER and BOPO further limits the ability to isolate their independent effects. Therefore, the findings provide descriptive and preliminary explanatory evidence for PT Sumber Alfaria Trijaya Tbk during 2019–2024, but they should not be generalized as stable causal relationships.

Theoretical and Managerial Implications

The results emphasize operational efficiency as the most immediate financial mechanism associated with profitability in the analyzed sample. They also qualify the assumption that leverage and asset expansion necessarily improve returns. From a financial-management perspective, resources create value only when their incremental contribution to operating income exceeds their financing and operating costs. Managerially, Alfamart should integrate capital-budgeting decisions with store-level and asset-level productivity assessments. Expansion targets should be accompanied by cost-to-income monitoring, asset-turnover evaluation, and post-investment reviews. Future research should use quarterly observations or a retail-industry panel to increase

statistical power, reduce sensitivity to individual years, and test whether the relationships remain stable across time and firms.

Based on the results of descriptive statistical analysis, it is known that the Capital Structure (DER), Operational Efficiency (BOPO), Asset Growth (Growth), and Profitability (ROA) variables at PT Sumber Alfaria Trijaya Tbk during the 2019–2024 period show a relatively stable condition. This is evident from the standard deviation value of each variable which is smaller than the average value, thus indicating that the data distribution is homogeneous and does not experience extreme fluctuations. This condition illustrates that the company's performance during the study period tends to be consistent, so the data used is representative enough for further analysis using multiple linear regression.

Before testing the hypothesis, the regression model was first tested using the classical assumption test. The normality test results showed a significance value of 0.200, or greater than 0.05, indicating that the residuals in the regression model were normally distributed. Furthermore, the multicollinearity test results showed that all independent variables had tolerance values above 0.10 and Variance Inflation Factor (VIF) values below 10, indicating that there was no strong relationship between the independent variables. The heteroscedasticity test results also showed that all significance values were above 0.05, indicating that the residual variance was constant, indicating that heteroscedasticity did not occur. Furthermore, the autocorrelation test showed that the regression model did not experience autocorrelation, thus meeting all classical assumptions. Thus, the regression model was deemed suitable for testing the relationship between Capital Structure, Operational Efficiency, and Asset Growth on Profitability.

The partial test results (t-test) indicate that Capital Structure (DER) does not significantly affect Profitability (ROA). This indicates that changes in the company's debt utilization rate have not been able to significantly change the company's ability to generate profits. This condition may be due to the company's ability to effectively manage funding sources, both from equity and debt, so that changes in capital structure do not directly affect the level of profitability. Therefore, the increase or decrease in DER at PT Sumber Alfaria Trijaya Tbk during the study period was not a major factor in increasing Return on Assets (ROA).

The research results also show that Operational Efficiency (BOPO) does not significantly impact Profitability (ROA). This finding suggests that changes in the level of operational cost efficiency have not significantly impacted company profits. Although companies implement operational cost controls, profitability is not solely influenced by cost efficiency but also by other factors such as: sales increases, marketing strategies, outlet expansion, and economic conditions that occurred during the study period. Therefore, changes in BOPO values were not able to significantly explain changes in profitability.

Furthermore, partial test results indicate that Asset Growth also has no significant effect on Profitability (ROA). This indicates that increasing a company's total assets does not necessarily result in an immediate increase in profits. Asset additions in retail companies like PT Sumber Alfaria Trijaya Tbk

generally require time before they contribute to revenue. Therefore, the asset growth that occurred during the study period was not able to increase the effectiveness of asset utilization in generating company profits.

Based on the results of the simultaneous test (F-test), it was found that Capital Structure (DER), Operational Efficiency (BOPO), and Asset Growth (Growth) jointly had a significant effect on Profitability (ROA). These results indicate that although each variable individually did not have a significant effect, when the three variables were analyzed simultaneously, the combination was able to explain changes in the company's profitability. This indicates that profitability is not solely influenced by one factor alone, but rather is the result of the interaction between the company's funding structure, operational efficiency, and the company's ability to develop its assets.

Based on the results of the coefficient of determination (Adjusted R Square), it is known that 38% of the variation in Profitability (ROA) can be explained by the variables of Capital Structure (DER), Operational Efficiency (BOPO), and Asset Growth (Growth). Meanwhile, the remaining 62% is influenced by other factors not included in the research model. This indicates that company profitability is influenced by various other factors, such as sales growth, asset turnover, liquidity, investment policy, macroeconomic conditions, inflation, and company business strategy. Therefore, further research is recommended to add other variables to be able to provide a more comprehensive explanation of changes in company profitability.

CONCLUSION

This study examined whether capital structure, operational efficiency, and asset growth were associated with the profitability of PT Sumber Alfaria Trijaya Tbk during 2019–2024. The findings provide a differentiated answer rather than supporting the assumption that all three financial factors contribute equally to profitability. Capital structure, measured by the debt-to-equity ratio, showed a positive but statistically insignificant relationship with return on assets. Thus, changes in the relative use of liabilities and equity did not independently explain the company's profitability during the observation period. This result suggests that the profitability consequences of financing decisions depend less on the amount of leverage alone than on the productivity and cash-generating capacity of the activities financed.

Operational efficiency was the only variable with a statistically significant partial relationship with profitability. Its negative coefficient indicates that a higher ratio of operating expenses to operating income was associated with lower ROA. This finding confirms that the company's ability to control the proportion of operating costs absorbed by operating income is central to maintaining asset returns. For a retail company with an extensive store and distribution network, profitability is therefore closely connected to the efficiency of store operations, logistics, inventory handling, labor utilization, utilities, promotion, and technology expenditure. The finding does not imply that all operating expenditure should be reduced; rather, expenditure should be evaluated

according to its capacity to generate proportionate income and support sustainable growth.

Asset growth had a positive but statistically insignificant relationship with profitability. The addition of stores, inventories, distribution facilities, equipment, and digital infrastructure did not independently produce an immediate increase in ROA. This result is consistent with the possibility of a time lag between asset investment and the realization of earnings. Accordingly, expansion should not be evaluated solely from the increase in total assets, but from the subsequent productivity, utilization, turnover, and incremental margins generated by those assets.

The simultaneous test indicated that capital structure, operational efficiency, and asset growth were jointly associated with profitability. This result supports the view that profitability is shaped by the alignment of financing, cost management, and investment decisions rather than by any single financial ratio. Nevertheless, the exceptionally high explanatory value of the model should be interpreted cautiously. The analysis was based on only six annual observations, left two residual degrees of freedom, and identified multicollinearity between DER and BOPO. Consequently, the findings represent preliminary, company-specific evidence for the 2019–2024 period and should not be interpreted as stable causal relationships or generalized beyond the analyzed context.

RECOMMENDATIONS

PT Sumber Alfaria Trijaya Tbk should prioritize operating efficiency while protecting expenditures that create long-term customer and operational value. Management can strengthen this process by monitoring operating costs relative to income at the store, distribution-center, and business-unit levels. Particular attention should be directed toward store productivity, logistics costs, inventory turnover, employee scheduling, utilities, promotional expenditure, and digital operating costs. Cost-control decisions should distinguish between unproductive recurring expenses and strategic expenditure that supports sales growth, service quality, or future efficiency.

Financing and expansion decisions should also be assessed as an integrated investment process. Debt should be evaluated not only through DER targets but also through the cash flows and returns produced by the assets it finances. Likewise, new stores, warehouses, inventories, and technology investments should be subject to post-investment review using indicators such as asset turnover, payback period, incremental operating margin, sales per store, and distribution-capacity utilization. This integrated approach would help ensure that business expansion contributes to profitability rather than merely increasing the company's asset base and operating burden.

ADVANCED RESEARCH

Future studies should address the limitations of the present analysis by increasing the number of observations. Quarterly data for 2019–2024 would provide approximately 24 observations and would be more appropriate for examining short-term changes in profitability than six annual observations. Alternatively, a panel-data design involving comparable retail companies and a longer observation period would improve statistical power, allow firm-specific effects to be controlled, and provide more generalizable evidence.

Further research should also reassess the specification of operational efficiency for a nonfinancial retail company. The use of an operating expense-to-operating income ratio should be supported by a clear classification of operating accounts and compared with alternative measures such as the operating expense ratio, operating margin, inventory turnover, and total asset turnover. Additional determinants—including sales growth, liquidity, firm size, macroeconomic conditions, and store-network productivity—may also be incorporated. These improvements would help reduce omitted-variable bias, address multicollinearity, and provide a more robust explanation of profitability.

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