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The Effect Of Return On Assets, Debt To Assets Ratio And Net Proft Margin On Profit Growth Of Basic And Chemical Industry Sector Companies In Indonesia Stock Exchange

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Abstract - *This study aims to determine the effect of ROA, DAR and NPM on profit growth of companies in the basic industry and chemical sectors on the Indonesia Stock Exchange for the period 2016-2019. This research is a quantitative study where information is obtained from secondary data. Information gathering technique is literature study. The information in this study was obtained from the Indonesia Stock Exchange website. This data was obtained from companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange for the period 2016-2019. Random sampling technique. The data analysis technique in this study is the Classical Assumption Test. The conclusions obtained based on the discussion above are as follows: first, the variable Return on Assets (ROA) has a significant and positive effect on profit growth in basic industrial and chemical sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019. Second, the variable Debt To Assets Ratio (DAR) has no significant and positive effect on profit growth of companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange for the period 2016 - 2019. Third, the Net Proft Margin (NPM) variable has a significant and positive effect on the profit growth of basic industry and chemical sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019. Fourth, the variable Return On Assets (ROA), Debt To Assets Ratio (DAR) and Net Proft Margin (NPM) simultaneously have a significant and positive effect on profit growth in basic and chemical industry sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019.*

***Keywords :** ROA, DAR, NPM, Profit Growth*

I. INTRODUCTION

The growth rate of the chemical, pharmaceutical and traditional medicine industries in Indonesia has the highest growth rate in the third quarter of 2020 compared to other manufacturing sectors according to the Central Bureau of Statistics. The average utilization of basic chemical manufacturing ranges from 40-60 percent in July-September 2020 according to the Inorganic Basic Chemistry Association (Akida). The lack of demand for raw materials for cleaning products is a challenge faced by industry players. The growth of the basic chemical industry in 2020 grew by minus 20-30 percent compared to 2019 in terms of production output. In 2020, the demand for the automotive and building construction industries for basic chemical products has not increased.

Profitability ratios are used as a measure of the company's ability to earn profits from capital, assets and sales owned by the company. ROA is a ratio used to determine the efficiency of a company in managing its assets to earn a profit in a period. The ROA ratio is used by management or investors to determine the company's ability to convert investments into assets that generate profits. The solvency ratio is the ratio used to assess the company's ability to pay off debts and all liabilities with capital or asset guarantees in the long or short term. According to research results (Andriyani, 2015) with the topic The Effect of Financial Ratios on Profit Growth in Mining Companies Listed on the Indonesia Stock Exchange. Concluding in his research that Return On Assets has a significant effect on earnings growth.

DAR is used to determine the amount of assets that are financed by debt. The higher the DAR in a company, the characteristics are the more assets that are financed by debt. The smaller the number of assets financed by capital, the higher the risk of the company to settle long-term liabilities.Research (Febrianty & Divianto, 2017) which examines the effect of financial ratios on profit growth of banking companies on the IDX for the period 2012-2016. The results of his research state that partially the Debt to Assets Ratio has no significant effect on bank profit growth.

NPM Is a ratio used to assess the efficiency of management in managing the company or predict future profitability against sales forecasts by company management. NPM is obtained by comparing net income to net sales. The results of the research (Zulkifli, 2018) entitled The Effect of Current Ratio, Debt To Equity Ratio and Net Profit Margin on Earning Growth in Mining Companies Listed on the Indonesia Stock Exchange. Stating in his research that Net Profit Margin has a negative and significant effect on profit growth. According to research (Hamidu, 2013) entitled The Effect of Financial Performance on Profit Growth in Banking on the IDX. It can be concluded that the Net Profit Margin variable partially has a significant effect on profit growth. Previous researchers (Royda, 2019) who examined the Effects of WCTA, DER, TAT and NPM on Profit Growth in Manufacturing Companies on the Indonesia Stock Exchange. It can be concluded that

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the Net Profit Margin variable does not have a significant effect on profit growth.

Based on the results of research from several researchers, this study aims to determine the effect of ROA, DAR and NPM on profit growth in the Basic Industry and Chemical Sector Companies in the Indonesia Stock Exchange. The formulation of the problem in this study, among others 1. How is the effect of ROA on profit growth in the basic industry and chemical sector companies in the Indonesia Stock Exchange. 2. How does DAR affect profit growth for companies in the basic industry and chemical sectors in the Indonesia Stock Exchange. 3. How is the influence of NPM on profit growth of companies in the basic industry and chemical sectors in the Indonesia Stock Exchange. 4. How are the effects of ROA, DAR and NPM on profit growth of companies in the basic industry and chemical sectors in the Indonesia Stock Exchange.

Solvency Ratio

Solvency ratio according to the ratio used to measure the extent to which the company's assets are financed with debt (Kasmir, 2014). The amount of debt that the company uses to finance its business activities is compared to the use of its own capital.

Debt To Assets Ratio

Debt To Assets Ratio is a debt ratio used to measure the ratio between total debt and total assets (Kasmir, 2014). This ratio is obtained by the formula (Kasmir, 2014).

$$\text{DAR} = \frac{\text{Total Debt}}{\text{Total Assets}} \times 100\%$$

Profitability Ratio

Profitability ratio is a ratio to assess the company's ability to seek profit (Kasmir, 2014). This ratio also provides a measure of the level of effectiveness and efficiency of the company's management (Kasmir, 2014).

Return On Assets

ROA is used to measure management's ability to obtain overall profitability and managerial efficiency (Kasmir, 2012). The formula for calculating ROA (Kasmir, 2014).

$$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Assets}} \times 100\%$$

Net Profit Margin

According to (Kasmir, 2012) Net Profit Margin is a measure of profit by comparing the profit after interest and taxes compared to sales. The formula for calculating Net Proft Margin (Kasmir, 2014).

$$\text{NPM} = \frac{\text{Net Profit}}{\text{Sales}} \times 100\%$$

Profit Growth

Profit growth is a ratio that states the company's ability to increase net income compared to the previous year (Harahap, 2015). Profit growth is calculated by subtracting the current period's profit from the previous period's profit and then dividing it with the previous period's profit (Harahap, 2015). The formula for calculating Profit Growth (Munawir, 2014).

$$Y = \frac{Yt - Yt\text{-}1}{Yt\text{-}1} \times 100\%$$

Information:

Yt = net income for the year
Yt-1 = previous year's net income

Framework

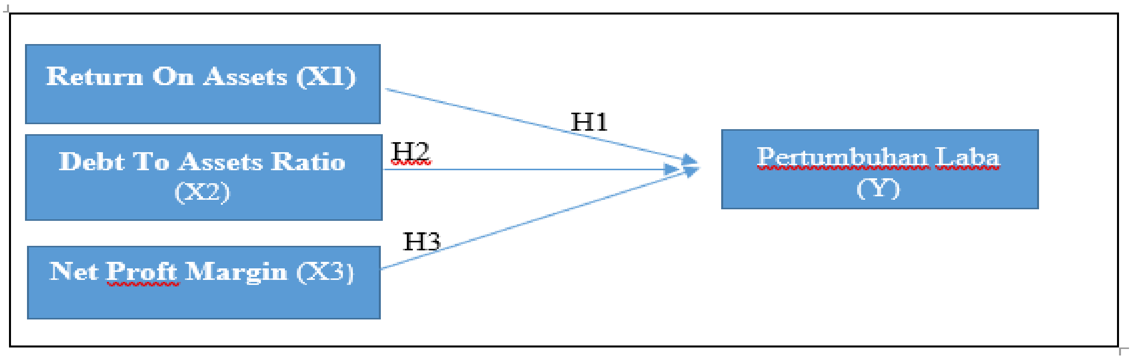

Figure 1. Framework

Based on the above framework, it can be described as follows
1. The independent variables in this study are Return On Assets, Debt To Assets Ratio and Net Profit Margin.
2. The dependent variable or dependent variable in this study is Profit Growth

Hypothesis Formulation

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1. The Effect of Return On Assets on Profit Growth
   H1: Return On Assets has a significant effect on Profit Growth
2. The Effect of Debt To Assets Ratio on Profit Growth
   H2: Debt To Assets Ratio has a significant effect on Profit Growth
3. The Effect of Net Profit Margin on Profit Growth
   H3: Net Proft Margin has a significant effect on Profit Growth
4. The Effect of Return On Assets, Debt To Assets Ratio and Net Profit Margin on Profit Growth
   H4: Return on Assets, Debt to Assets Ratio and Net Proft Margin have a significant effect on Profit Growth

II. METHODOLOGY

Information and Tests

This research is a quantitative examination in which information obtained from secondary data is used in this study. Information gathering strategy is literature study. The information in this study was obtained from the Indonesia Stock Exchange website. This data was obtained from basic and chemical industry sector companies listed on the Indonesia Stock Exchange for the period 2016-2019. Random collection technique for sampling. The requirements for the companies sampled in this study are as follows: 1.Basic and chemical industry sector companies listed sequentially on the IDX for the period 2016-2019. 2. Basic and chemical industry sector companies that have distributed total and consecutive monetary reports from the 2016 - 2019 period. 3.Basic and chemical industry sector companies that have monetary information in accordance with the examination factors of Return On Assets, Debt To Assets Ratio and Net Profit Margin The total number of companies in the basic industrial sector and chemicals that fulfilled the regulations for this investigation was 13 companies. The number of research data is 50, especially data from 13 companies over 4 years.

Data Analysis Technique

Analysis of the data used in this study using SPSS version 24, including:

1. Classic Assumption Test
   Normality test is a test tool to assess the distribution of data on a group of data whether it is normally distributed or not.
2. Multicollinearity test
   Multicollinearity test aims to test whether the regression model found a correlation between the independent variables (Ghozali, 2012). Multicollinearity test aims to test whether there is a correlation between the independent variables in the regression model. A good regression model has no correlation between the independent variables.
3. Heteroscedasticity Test
   The heteroscedasticity test aims to test whether in the regression there is an inequality of variance from the residuals of one observation to another (Ghozali, 2011). To detect the presence or absence of heteroscedasticity in the regression model by looking at the plot graph between the predicted value of the dependent variable, namely ZPRED and the SPESID residue.
4. Autocorrelation Test
   Autocorrelation test is a test or data analysis that functions to determine the relationship between the independent variable (X) and the dependent variable (Y).
5. Multiple Regression Analysis
   Multiple regression is a regression or predictive model that involves more than one independent variable or predictor. Multiple Regression Analysis is a method used to predict the effect of two or more independent variables on one dependent variable.

The mathematical equation for multiple regression analysis is as follows:

Y = α + β1X1 + β1X1 + β1X1 + e

Information :

Y = Profit Growth, α = Constant, β1, β2, β3 = Regression coefficient for independent variables

X1 = Return On Assets, X2 = Debt To Assets Ratio, X3 = Net Proft Margin, e = Error

III. RESULTS

Classic Assumption Test

Normality Test

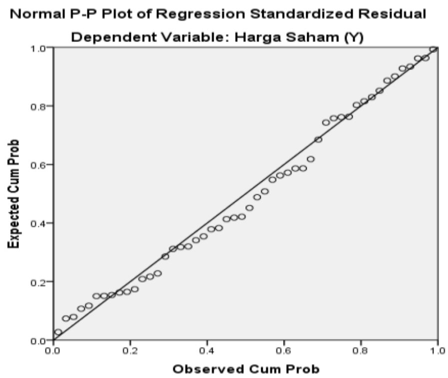

Figure 2. Probability Plot

Source: SPSS data, 2020

Based on Figure 2 shows that the flots follow the line, the variables Return On Assets, Debt To Assets Ratio and Net Profit Margin and Profit Growth are normally distributed.

Multicollinearity Test

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TABLE 1
MULTICOLLINEARITY TEST

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-8834.724	1388.357		-6.363	.000		
	ROA (X1)	443.050	98.329	.419	4.506	.000	.772	1.295
	DAR (X2)	1186.079	594.080	.234	1.996	.052	.486	2.057
	NPM (X3)	324.424	69.388	.513	4.675	.000	.555	1.801

Source: SPSS data, 2020

Based on table 1, it shows that each variable has a VIF value of less than 10, where the ROA obtained a VIF value of 1.295, DAR of 2.057 and an NPM of 1.801. Whereas for the tolerance value for all free variables, there is no tolerance value less than 0.10, where the ROA obtained a tolerance value of 0.772, DAR of 0.486 and NPM of 0.555. Thus, it can be concluded that the data does not have multicollinearity symptoms because it has a tolerance value> 0.10 and a VIF value <10.

Heteroscedasticity Test

Figure 3. Scatterplot

Source: SPSS data, 2020

Based on Figure 3 above, it shows that the point spreads above the number 0, the point does not just gather above and below, the dots do not form a wavy pattern, widened or narrowed and the spread of data points is not patterned. Based on this figure, there is no heteroscedasticity symptom in the ROA, DAR, NPM and Profit Growth variables.

Autocorrelation Test

TABLE 2
AUTOCORRELATION TEST

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.832a	.693	.673	2024.694	1.279

a. Predictors: (Constant), NPM (X3), ROA (X1), DAR (X2)
b. Dependent Variable: Profit Growth (Y)

Source: SPSS Output (2020)

Based on table 2, it shows that the Durbin Watson value is 1.671 which in this test the results obtained are dL = 1.2437 and dU = 1.6505. So that the Durbin Watson value lies in the dU <d <4 - dU range, namely 1.6505 <1.671 <2.3495, it shows that Durbin Watson is located in the test area and it can be concluded that the data does not have autocorrelation symptoms.

Multiple Linear Regression Analysis

TABLE 3
MULTIPLE LINEAR REGRESSION

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Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-8834.724	1388.357		-6.363	.000
	ROA (X1)	443.050	98.329	.419	4.506	.000
	DAR (X2)	1186.079	594.080	.234	1.996	.052
	NPM (X3)	324.424	69.388	.513	4.675	.000

Dependent Variable: Profit Growth (Y)

Source: SPSS Output (2020)

Y = -8834,724 + 443.050ROA + 1186.079DAR + 324.424NPM

The equation above can be interpreted as follows:

1. α = -8834,724, meaning that if all independent variables are zero, then the Profit Growth variable (Y) will be worth -8834,724
2. β1 = 443,050, meaning that if ROA increases by 1%, then the Profit Growth (Y) variable will increase by 443,050% assuming that other variables are considered constant. The coefficient is considered positive, which means that there is a positive relationship between ROA and Profit Growth.
3. β2 = 1186,079, meaning that if DAR increases by 1%, the Profit Growth variable will decrease by 1186,079%, assuming that other variables are considered constant. The coefficient is negative, meaning that there is a negative relationship between DAR and Profit Growth. However, this cannot be used as a reference because DAR has a positive influence on Profit Growth.
4. β3 = 324,424, meaning that if the NPM increases by 1%, the Profit Growth variable will increase by 324,424% assuming that other variables are considered constant. Coefficient is considered positive, which means that there is a positive relationship between NPM and Profit Growth.

Coefficient of Determination (R2)

TABLE 4
DETERMINATION COEFFICIENT

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.832ª	.693	.673	2024.694

a. Predictors: (Constant), NPM (X3), ROA (X1), DAR (X2)
b. Dependent Variable: Profit Growth (Y)

Based on table 4, it shows that the Adjusted R2 value is 0.673. This data shows that the Profit Growth variable is influenced by 67.3% by the Return On Assets (ROA), Debt To Assets Ratio (DAR) and Net Profit Margin (NPM) variables. While the remaining 32.7% is influenced by other variables outside the variables in this study.

Hypothesis testing

1. T test (Partial)

TABLE 5
T TEST (PARTIAL)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-8834.724	1388.357		-6.363	.000
	ROA (X1)	443.050	98.329	.419	4.506	.000
	DAR (X2)	1186.079	594.080	.234	1.996	.052
	NPM (X3)	324.424	69.388	.513	4.675	.000

Dependent Variable: Profit Growth (Y)

Sources : SPSS Output (2020)

Based on table 5 above, the statistical t test is obtained as follows:

1. Return On Assets (ROA) based on the calculation of multiple regression tests has a coefficient value of 443,050 with a significance value of 0,000. Because the sig.t value is 0.000 <alpha 0.05. So it can be concluded that partially the ROA variable has a significant effect on profit growth.

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2. Debt To Assets Ratio (DAR) based on the results of multiple regression test calculations has a coefficient value of 1186,079 with a significance value of 0.052. Because the sig.t value is 0.052> 0.05. So it can be concluded that partially DAR variable has no significant effect on profit growth.
3. Net Proft Margin (NPM) based on the results of multiple regression test calculations has a coefficient value of 324,424 with a significance value of 0,000. Because the sig.t value is 0.000 <0.05. So it can be concluded that partially the NPM variable has a significant effect on profit growth.

Return On Assets (ROA), Debt To Assets Ratio (DAR) and Net Proft Margin (NPM)

2. F Test (Simultaneous)

TABLE 6
SIMULTANEOUS TEST (F)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	425290767.100	3	141763589.000	34.582	.000b
	Residual	188571806.300	46	4099387.093		
	Total	613862573.400	49			

a. Dependent Variable: Profit Growth (Y)
b. Predictors: (Constant), ROA (X1), DAR (X2), NPM (X3)

Sources : SPSS Quput (2020)

Based on table 6, it shows the simultaneous test results between the variable Current Ratio (X1) and Debt to Equity Ratio (X2) to Profit Growth (Y). From this table, it is known that the significance value (Sig.) Is 0.000. Because the Sig. 0,000 <0.05 probability, so it can be concluded that H4 is accepted, meaning that the Return On Assets (X1), Debt To Assets Ratio (X2) and Net Profit Margin (X3) variables simultaneously have a significant effect on the Profit Growth variable (Y).

IV. DISCUSSION

1. The Effect of Return On Assets (ROA) on Profit Growth

Based on the results of hypothesis testing using SPSS 24, the significance value of the Return On Assets variable is 0,000, so that 0,000> 0.05 means that there is a significant influence between the Return On Assets variable on Profit Growth. The above test shows that H1 is accepted.

The test results are in accordance with the results of research (Wulandari, Wahono & Mustapita, 2020) concerning the Effect of Return On Assets (ROA) and Return On Equity (ROE) on Profit Growth with Good Corporate Governance as Moderation Variables (Study of Food and Beverage Companies listed in IDX for the Period of 2015-2018). Gives the conclusion that Return On Assets has a significant but negative effect on profit growth. Based on the results of research (Wulandari, Wahono & Mustapita, 2020) on the Effect of Return On Assets (ROA) and Return On Equity (ROE) on Profit Growth with Good Corporate Governance as Moderation Variables (Study of Food and Beverage Companies listed on the IDX 2015 Period -2018). Gives the conclusion that Return On Assets has a significant but negative effect on profit growth. According to (Rahmani. 2020) who examined the effect of ROA (Return on Assets), ROE (Return on Equity, NPM (Net Profit Margin), GPM (Gross Profit Margin), on Stock Prices and Profit Growth in Banks Listed on the Stock Exchange Indonesia 2014-2018. The results of his research conclude that ROA does not have a significant effect on profit growth. According to (Khaldun, 2014) in his research on The Influence of Profitability and Liquidity Ratios on The Growth of Profit of Manufacturing Companies. A Study of Food and Beverages Sector Companies Listed On Indonesia Stock Exchange (2010-2012 Period) Stated in their research that ROA partially does not have a significant effect on profit growth.

The results of the research are inconsistent with the results of these tests. According to (Safitri & Mukaram. 2018) who examined the Effect of ROA, ROE, and NPM on Profit Growth in Consumer Goods Industry Companies Listed on the Indonesia Stock Exchange. The results of his research concluded that ROA has a negative and significant effect on profit growth. Researcher (Widiyanti, 2019) entitled the Effect of Net Profit Margin, Return On Assets and Debt to Equity Ratio on Profit Growth in LQ-45 Companies. Revealed in his research that Return on Assets has a significant positive effect on earnings growth. Research (Lestari, 2016) entitled The Effect of Profitability and Activities on Profit Growth in Retail Companies. Stating that ROA has a positive effect on profit growth.

2. The Effect of Debt To Assets Ratio (DAR) on Profit Growth

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Based on the results of hypothesis testing using SPSS 24, the significance value of the Debt To Assets Ratio (DAR) variable is 0.052 so that the value is 0.052> 0.05. meaning that there is no positive and significant influence between the Debt To Assets Ratio (DAR) variable on Profit Growth. The above test shows that H2 is rejected.

The test results above are in accordance with the results of research (Makiwan, 2018) which examines the Leverage Ratio Analysis to Predict Profit Growth in Manufacturing Companies in the Food and Beverage Sub-Sector Listed on the Indonesia Stock Exchange. The results of his research state that partially the DAR variable has no significant effect on earnings growth.

Researchers who have different research results from the above test results (Sari & Widyarti, 2015) in their research entitled Analysis of the Effect of Financial Ratios on Profit Growth (Case Study: Food and Beverage Listed on the Indonesia Stock Exchange Period 2009 to 2013). It can be concluded that the Debt to Asset Ratio has a significant positive effect on profit growth.

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

Based on the results of hypothesis testing using SPSS 24, the significance value of the Net Proft Margin (NPM) variable is 0,000 so that 0,000> 0.05 means that there is a positive and significant influence between the Net Proft Margin (NPM) variable on profit growth. The above test shows that H3 is accepted.

The test results above are in accordance with the research results of several researchers. Previous researchers (Susilawati, 2018) concluded in their research that Net Proft Margin (NPM) had a significant effect on profit growth. The results of the study (Safitri & Mukaram, 2018) state that NPM has a positive and significant effect on profit growth. The results of research (Puspasari, Suseno & Sriwidodo, 2017) on the effect of Current Ratio, Debt to Equity Ratio, Total Asset Turnover, Net Profit Margin and Company Size on Profit Growth. Gives the conclusion in his research that Net Profit Margin has a positive and significant effect on profit growth.

According to (Mahaputra, 2012) who examined the Effect of Financial Ratios on Profit Growth in Manufacturing Companies Listed on the IDX. It can be concluded that the profit margin has a significant effect on profit growth. Previous researchers (Rahmani. 2020) conducted a study entitled The Effect of ROA (Return on Assets), ROE (Return on Equity, NPM (Net Profit Margin), GPM (Gross Profit Margin), Against Stock Prices and Profit Growth of Banks Listed on the Stock Exchange. Indonesia states that NPM has a significant effect on profit growth.

Researchers (Sari & Widyarti, 2015) research on the Analysis of the Effect of Financial Ratios on Profit Growth (Case Study: Food and Beverages Listed on the Indonesia Stock Exchange 2009-2013 Period). It is revealed that NPM has a significant positive effect on profit growth. Based on the results of research (Widiyanti, 2019) entitled The Effect of Net Profit Margin, Return On Assets and Debt to Equity Ratio on Profit Growth in LQ-45 Companies. It can be concluded that Net Profit Margin has a significant positive effect on Profit Growth.

According to (Lestari, 2016) with research on the Effect of Profitability and Activities on Profit Growth in Retail Companies. Stating that NPM has a positive effect on profit growth. According to research (Hamidu, 2013) entitled The Effect of Financial Performance on Banking Profit Growth on the IDX. It can be concluded that the Net Profit Margin variable partially has a significant effect on profit growth. According to (Rahmani, 2020) his research entitled The Effect of ROA (Return on Assets), ROE (Return on Equity, NPM (Net Profit Margin), GPM (Gross Profit Margin), Against Stock Prices and Profit Growth in Banks Listed on the Stock Exchange. Indonesia 2014-2018. Stating that the Net Profit Margin has a partially significant effect on profit growth.

The test results above are not in line with the results of some researchers. Research (Kurniawan, 2017) on Financial Ratio Analysis to Predict Profit Growth of Manufacturing Companies Listed on the Indonesia Stock Exchange. Stating in his research that NPM has no significant effect on profit growth. According to (Royda, 2019) who examined the Effect of WCTA, DER, TAT and NPM on Profit Growth of Manufacturing Companies on the Indonesia Stock Exchange. It can be concluded that the Net Profit Margin variable does not have a significant effect on profit growth. According to (Royda, 2019) who examined the Effect of WCTA, DER, TAT and NPM on Profit Growth in Manufacturing Companies on the Indonesia Stock Exchange. It can be concluded that the Net Profit Margin variable does not have a significant effect on profit growth.

4. **Effect of Return On Assets (ROA), Debt To Assets Ratio (DAR) and Net Profit Margin (NPM) jointly on Profit Growth**

Based on the results of simultaneous hypothesis testing using SPSS 24, the significance value of Return On Assets, Debt To Assets Ratio and Net Proft Margin is 0.000 so that 0.000> 0.05 means that there is a positive and significant

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influence between the Return On Assets (ROA), Debt To Assets Ratio (DAR) and Net Proft Margin (NPM) to Profit Growth. The above test shows that H4 is accepted.

The results of the research are in accordance with the results of the above tests according to (Lestari, 2016) entitled The Effect of Profitability and Activities on Profit Growth in Retail Companies. The results of his research concluded that ROA has a positive effect on profit growth and NPM has a positive effect on profit growth. According to (Safitri & Mukaram. 2018) who examined the Effect of ROA, ROE, and NPM on Profit Growth in Consumer Goods Industry Companies Listed on the Indonesia Stock Exchange. His research states that ROA has a negative and significant effect on profit growth. And NPM has a positive and significant effect on profit growth.

V. CONCLUSION

The conclusions obtained based on the discussion above are as follows: first, the variable Return on Assets (ROA) has a significant and positive effect on profit growth in basic industrial and chemical sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019. Second, the variable Debt To Assets Ratio (DAR) has no significant and positive effect on profit growth of companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange for the period 2016 - 2019. Third, the Net Proft Margin (NPM) variable has a significant and positive effect on the profit growth of basic industry and chemical sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019.. Fourth, the variable Return On Assets (ROA), Debt To Assets Ratio (DAR) and Net Proft Margin (NPM) simultaneously have a significant and positive effect on profit growth in basic and chemical industry sector companies listed on the Indonesia Stock Exchange for the period 2016 - 2019.

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