

Research Article

Effect of Inflation, Economic Growth, Leverage on Profit Increase: The Moderating Role of Company Size in Fashion Industry the IDX

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Abstract : This study aims to examine and analyze the influence of inflation, economic growth, and leverage on profit growth, with firm size as a moderating variable. The research objects are fashion retail companies listed on the Indonesia Stock Exchange during the 2017–2024 period. This study uses a quantitative descriptive approach. The sampling technique used is purposive sampling based on certain criteria. Based on this method, six companies were obtained as research samples with a total of 48 observations. The data used are secondary data sourced from annual financial reports and macroeconomic data. All data were then analyzed using eViews software version 12. The results show that inflation has a negative effect on profit growth in fashion retail companies. Meanwhile, economic growth and leverage have been shown to have a significant effect on profit growth. In addition, firm size is able to moderate the relationship between inflation, economic growth, and leverage on profit growth. These findings indicate that internal company characteristics, especially firm size, play an important role in strengthening or weakening the influence of macroeconomic and financial factors on profit performance.

Keywords: Economic Growth; Firm Size; Inflation; Leverage; Profit Growth.

1. Introduction

Business development in Indonesia has shown significant growth over the past five years. This is reflected in the country's relatively stable economic growth, driven by the role of companies in increasing operating profits. In an increasingly competitive business world, companies are required not only to maintain their operations but also to continuously grow and improve their performance. One key indicator of a company's financial success is increasing profits. In business practice, increasing profits plays a crucial role in a company's survival. Not only is it an indicator of operational efficiency and effectiveness, but it also serves as a benchmark for stakeholders in assessing a company's prospects and financial health. Increased profits can also provide a positive signal about the potential return on investment. From a company management perspective, increased profits reflect the results of strategies and business decisions. Meanwhile, for creditors and other financial institutions, increased profits serve as a basis for assessing a company's ability to meet its financial obligations (Sululing, 2023).

A company with a profit increase of between 5% and 10% per year is considered stable and healthy. Furthermore, a profit increase of 10% to 20% per year is considered good and highly competitive (Damodaran, 2010). However, during the course of business, some companies encounter challenges that hinder their efforts to increase profits. As a result, companies often achieve profit increases below 5%, and even indicate losses. Over the past five years, several companies have experienced profit increases below 5%, even experiencing losses

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(negative profits), indicating that their profitability is still recovering or even deteriorating. The observational data obtained by the researchers is as follows:

Tabel 1.1 The Phenomenon of Increasing Profits in Retail Companies in the Fashion Industry in Indonesia in 2020-2024

No	Nama Perusahaan	Kode Perusahaan	Tahun	Laba Tahun Berjalan	Laba Tahun Sebelumnya	Peningkatan Laba
				(Dalam Rupiah)		
1	PT Matahari Departement Store Tbk	LPPF	2020	(873,181,000,000)	1,366,884,000,000	-1.6388113
			2021	912,854,000,000	(873,181,000,000)	-2.0454350
			2022	1,383,222,000,000	912,854,000,000	0.5152719
			2023	(675,360,000,000)	1,383,222,000,000	-1.4882513
			2024	827,653,000,000	(675,360,000,000)	-2.2254990
2	PT Ramayana Lestari Sentosa Tbk	RALS	2020	(138,874,000,000)	647,898,000,000	-1.2143455
			2021	984,670,000,000	(138,874,000,000)	-8.0903841
			2022	(351,998,000,000)	984,670,000,000	-1.3574781
			2023	(300,363,000,000)	(351,998,000,000)	-0.1466912
3	PT Sepatu Bata Tbk	RATA	2020	(177,861,030,000)	23,441,338,000	-8.5874948
			2021	(51,233,663,000)	(177,861,030,000)	-0.7119455
			2022	(106,123,023,000)	(51,233,663,000)	1.0713534
			2023	(190,560,082,000)	(106,123,023,000)	0.7956526
			2024	(148,165,448,000)	(190,560,082,000)	-0.2224738
4	PT Mitra Adi Perkasa Indonesia	MAPI	2020	(585,304,000,000)	1,163,507,000,000	-1.5030516
			2021	467,684,000,000	(585,304,000,000)	-1.7990446
			2022	2,505,403,000,000	467,684,000,000	4.3570424
			2023	2,345,293,000,000	2,505,403,000,000	-0.0639059
			2024	2,147,416,000,000	2,345,293,000,000	-0.0843720

Overall, all of these companies showed fluctuating profit increases. During this period, some companies experienced losses, even for five consecutive years. However, these companies were still able to maintain their operations and overcome challenges in the business world, both through implemented business strategies such as closing several stores, managing economic value to generate cash flow by utilizing asset value, financing, and utilizing investments more effectively. Based on the existing conditions, it can be concluded that 2020 was the most challenging period for all companies globally, including in Indonesia, as companies faced the pandemic and deflationary conditions. This was the case for the fashion retail company that was the subject of this study. However, researchers found an interesting finding at PT Hardinata Abadi Tbk, where the company continued to record profits from 2020 to 2024. This condition is certainly

In today's rapidly evolving business landscape, researchers have identified several trends in the business world that can impact a company's profit growth, including retail businesses. For example, inflation is a major challenge for retail companies. Inflation, in business practice, can impact operational conditions and consumer purchasing power when prices rise. This increase occurs due to increases in the prices of basic production materials, which increases production costs and reduces company profits (Sutanto, 2021).

Tabel 1.2 Indonesia's Annual Inflation Rate 2020-2024

Tahun	Indeks Harga Konsumen Tahun Berjalan	Indeks Harga Konsumen Tahun Berjalan	Tingkat Inflasi Tahunan
	(Per 31 Desember)		
2020	105.68	139.07	-0.240095
2021	107.66	105.68	0.018736
2022	113.59	107.66	0.055081
2023	116.56	113.59	0.026147
2024	106.80	116.56	-0.083734

Sumber: Badan Pusat Statistik Indonesia, 2025

From the table above, Indonesia's inflation in 2020 and 2024 showed negative figures (deflation), which generally indicates a decline in prices for both goods and services. In 2021, Indonesia's inflation rate was a healthy 1.8%, compared to 2022, which showed an unhealthy 5.5%. This will undoubtedly increase the selling prices of products offered by companies, thereby decreasing consumer purchasing power. Furthermore, in 2023, inflation will remain

healthy at 2.6%. This situation will lead to consumers postponing purchases of goods and services, which can reduce consumer demand and reduce company profits due to unstable financial flows. From the previous description, researchers identified a research gap regarding the impact of inflation on corporate economic growth in Indonesia. This also highlights the importance of further research to determine whether these differences in findings are also related to fluctuations in inflation in Indonesia, as well as company policies and strategies for addressing it, by examining existing data.\

Furthermore, based on observations and reviews of previous research, researchers also found that economic growth can influence increased corporate profits. Based on these observations, researchers assume that economic growth can influence increased corporate profits through increased consumer purchasing power for the products or services offered by the company. This can drive positive performance in terms of the company's sales margins, which ultimately can help the company achieve increased profits. Positive economic growth in a country can drive increased corporate profits through increased consumer demand due to increased purchasing power and increased corporate production capacity (Yadav et al., 2022).

Tabel 1.2 Indonesia's Annual Inflation Rate 2020-2024

Tahun	Indeks Harga Konsumen	Indeks Harga Konsumen	Tingkat Inflasi Tahunan
	Tahun Berjalan	Tahun Berjalan	
	(Per 31 Desember)		
2020	105.68	139.07	-0.240095
2021	107.66	105.68	0.018736
2022	113.59	107.66	0.055081
2023	116.56	113.59	0.026147
2024	106.80	116.56	-0.083734

Sumber: Badan Pusat Statistik Indonesia, 2025

From the table above, Indonesia's inflation rate in 2020 and 2024 showed negative figures (deflation), which generally means that prices for both goods and services decreased in those years. In 2021, Indonesia's inflation rate was still healthy at 1.8%, compared to 2022, which showed an unhealthy inflation rate of 5.5%. This condition will certainly increase the selling prices of products offered by companies, thereby decreasing consumer purchasing power. Furthermore, in 2023, the inflation rate will still be healthy at 2.6%. This condition impacts consumers who tend to delay purchasing goods and services, which can reduce consumer demand and reduce company profits due to unstable company financial turnover. From the previous description, researchers found a research gap regarding the effect of inflation on improving the economic performance of companies in Indonesia.

Tabel 1.3 Indonesia's Economic Growth Rate for 2020-2024

Tahun	Produk Domestik Bruto	Produk Domestik Bruto (PDB)	Nilai Pertumbuhan Ekonomi
	(PDB) Rill Tahun Berjalan	Rill Tahun Sebelumnya	
	(Dalam Triliun Rupiah)		
2020	10,722.4	10,949.6	-0.020750
2021	11,118.0	10,722.4	0.036895
2022	11,708.4	11,118.0	0.053103
2023	12,299.0	11,708.4	0.050442
2024	12,918.0	12,299.0	0.050329

Sumber: Badan Pusat Statistik Indonesia, 2025

In 2020, Indonesia's economic growth rate was recorded at -0.2%. This was due to the COVID-19 pandemic, which disrupted the national economy. The weakening economic growth was also caused by decreased demand due to weakening consumer purchasing power, decreased investment activity, and decreased imports and exports of goods. These conditions ultimately impacted corporate profits, which tended to decline due to unstable purchasing power. The decline in Indonesia's economic value in 2020 was in line with Indonesia's deflationary conditions in 2020 during the COVID-19 pandemic. During this period, all businesses in Indonesia were impacted by a significant decline in profits. Companies experienced financial difficulties due to reduced capital sources, decreased sales, and increasing debt levels as companies sought capital (D. C. Dewi et al., 2021).

Another interesting finding from the researchers was the role of leverage in influencing the fluctuations in corporate profits. PT Hardinata Tbk (HRTA) experienced a very stable increase in profits. However, PT HRTA actually had quite high leverage, with a ratio similar to that of PT Mitra Adi Perkasa Indonesia Tbk (MAP). However, PT MAP experienced very

high losses over the past five years. This phenomenon led the researchers to speculate that the increase in corporate profits could also be influenced by leverage, as well as the company's ability to effectively and efficiently use funding sources from debt activities. Below, the researcher presents leverage data on fashion industry retail companies that are the objects of observation in this study:

Tabel 1.4 Leverage of Retail Companies in the Fashion Industry in Indonesia 2020-2024

No	Nama Perusahaan	Kode Perusahaan	Tahun	Total Utang	Total Ekuitas	Leverage (%)
				(LEMBURUNG) Periode Berjalan	Periode Berjalan	
1	PT Matahari Departement Store Tbk	LPPF	2020	5,737,956,000,000	581,118,000,000	9.8739946
			2021	4,845,257,000,000	1,005,972,000,000	4.8164929
			2022	5,170,053,000,000	580,146,000,000	8.9116412
			2023	5,849,658,000,000	30,738,000,000	190.3070467
			2024	4,814,965,000,000	325,786,000,000	14.7795332
2	PT Ramayana Sentosa Tbk	RATS	2020	1,566,474,000,000	3,718,744,000,000	0.4212374
			2021	1,488,587,000,000	3,596,823,000,000	0.4138616
			2022	1,506,638,000,000	3,728,476,000,000	0.4040895
			2023	1,317,460,000,000	3,577,459,000,000	0.3682670
			2024	1,379,603,000,000	3,576,758,000,000	0.3857133
3	PT Sepatu Bata Tbk	BATA	2020	297,380,758,000	477,944,179,000	0.6222081
			2021	225,816,742,000	426,925,493,000	0.5289371
			2022	404,306,330,000	319,767,628,000	1.2643754
			2023	454,389,781,000	131,830,087,000	3.4467836
			2024	421,587,981,000	-15,247,709,000	-27.6492672
4	PT Mitra Adi Perkasa Indonesia	MAPI	2020	11,073,548,000,000	6,573,597,000,000	1.6845493
			2021	9,618,254,000,000	7,149,723,000,000	1.3452625
			2022	11,240,426,000,000	9,727,620,000,000	1.1555166
			2023	15,105,159,000,000	12,411,700,000,000	1.2170097
			2024	15,074,202,000,000	14,450,911,000,000	1.0431316
5	PT Trisula Internasional Tbk	TRIS	2020	424,244,191,110	644,696,509,420	0.6580526
			2021	402,102,775,491	658,639,967,153	0.6105047
			2022	465,783,569,972	712,024,029,526	0.6541683
			2023	444,848,964,056	724,735,310,366	0.6138089
			2024	488,764,231,936	770,582,286,779	0.6342791
6	PT Hardinata Abadi Tbk	HRTA	2020	1,473,739,202,695	1,356,947,214,766	1.0860697
			2021	1,962,521,802,121	1,515,552,418,426	1.2949218
			2022	2,126,513,311,957	1,722,573,240,682	1.2344981
			2023	3,056,877,229,708	1,972,586,251,597	1.5496799
			2024	3,610,015,391,823	2,349,768,088,304	1.5363284

Sumber: Bursa Efek Indonesia, 2025

In business practice, companies have varying capabilities in facing challenges and conditions. Larger companies tend to have greater capacity to maintain their business and increase profits. Larger companies are considered to have broader business strategies to address challenges such as inflation, fluctuations in economic growth, and the ability to manage existing leverage compared to smaller companies (Sumendap et al., 2023). Company size can be measured by the size of their total assets. Companies with larger total assets tend to be more economically viable because the value of these assets increases with inflation. This allows companies to obtain funding through the sale of assets, when sources of funding for investment activities decline. Furthermore, when a country's economic conditions experience positive growth, customer demand for goods or services will also increase. In this case, large companies are considered to have sufficient production and distribution capacity to meet the increased demand.

The entire trend description and data presented by the researcher convinces us that the increase in corporate profits is influenced by inflation, economic growth, leverage, and company size. This assumption aligns with research conducted by (Pradipta et al., 2022; Belanová, 2023; Halik et al., 2024), which states that inflation negatively impacts corporate profits, where inflation can reduce corporate profits due to increases in the price of manufactured goods, selling prices, and decreased consumer purchasing power. (Inrawan et al., 2022). Their research also shows that inflation, economic growth, and leverage significantly impact profit growth. Furthermore, leverage can have a negative or positive impact on corporate profits, depending on the company's ability to manage its leverage (Syafi'i & Haryono, 2021).

Literature Review

This study uses two main theories as the basis for developing hypotheses: stakeholder theory and Signaling Theory (Teori Sinyal). The stakeholders in question include the public, employees, government, shareholders, capital markets, creditors, and others. All stakeholders have the right to obtain information regarding company activities and financial conditions, which can influence their decision-making. According to Ghozali and Chariri (2007), stakeholder support significantly influences a company's trust and existence. However, maintaining stakeholder trust often requires companies to face significant challenges in the dynamic business world, such as inflation, unstable economic growth, and the risk of failure in managing corporate leverage. In practice, these obstacles tend to disrupt the company's profit growth. The above conditions encourage companies to strive to implement business strategies to maintain their financial performance by striving to increase good profits, in order to maintain the trust of shareholders, capital markets and creditors. The company's success will be a boost of trust from stakeholders to make investments or provide other funding, which will also have an impact on the company's capital turnover in increasing its business operational activities, thereby increasing the company's profits.

Signaling theory states that companies can send signals to stakeholders about their financial condition and future prospects, which then influence stakeholders' perceptions of profitability. In practice, companies must send signals to stakeholders through credible or trustworthy financial reports. A company's ability to achieve positive profit growth amidst dynamic business challenges can be leveraged to send a positive signal to stakeholders. This can, in turn, strengthen stakeholder trust. High inflation can create uncertainty for investors, so companies can use financial reports showing strong performance as a signal that they are able to manage inflation risk. This signal can increase investor confidence and encourage them to invest in the company. Therefore, companies must continue to strive to run their businesses as well as possible to deliver and report positive profit increases. This is a strong reason for researchers to choose to use signaling theory to explain the influence of inflation, economic growth, and leverage on profit growth, with company size as a moderating factor in this study.

Proposed Method

This research is a causal associative study using quantitative techniques. Ghozali (2018) explains that a quantitative approach is used in research that analyzes the relationships between variables based on statistical hypothesis testing. Quantitative research, according to Gujarati (2004). This study used a population consisting of a group of fashion industry retail companies listed on the Indonesia Stock Exchange from 2017 to 2024. The sampling technique used in this study is the purposive sampling technique, using certain criteria to select the sample. Fashion industry companies are retailers that provide men's and women's clothing, accessories, bags, shoes, and other lifestyle necessities. The following is a description of the population included in this study:

Tabel 4.2 Company Research Population

	Company name	Company Code
1	PT Matahari Departement Store Tbk	LPPF
2	PT Ramayana Lestari Sentosa Tbk	RALS
3	PT Mitra Adi Perkasa Indonesia	MAPI
4	PT Trisula Internasional Tbk	TRIS
5	PT Hardinata Abadi Tbk	HRTA
6	PT Bersama Zatta Jaya Tbk	ZATA
7.	PT Sepatu Bata Tbk	BATA

Sumber: Indonesia Stock Exchange, 2025

The sample companies must have published their financial reports consecutively from 2017 to 2024. (6 companies that meet the criteria). Researchers used secondary data in the form of annual financial reports from the companies studied, as well as data from the Indonesian Central Statistics Agency (BPS) to supplement their research needs. They calculated and analyzed all the data generated regarding inflation, economic growth, leverage, company size, and profits for the period 2017 to 2024.

Tabel 4.3 Research Sample and Number of Observations

	Company Name	Company Code
1	PT Matahari Departement Store Tbk	LPPF
2	PT Ramayana Lestari Sentosa Tbk	RALS
3	PT Mitra Adi Perkasa Indonesia	MAPI
4	PT Trisula Internasional Tbk	TRIS
5	PT Hardinata Abadi Tbk	HRTA
6	PT Sepatu Bata Tbk	BATA
Number of observations = 48 observations (6 Companies x 8 Years of observation))		

Sumber: Indonesia Stock Exchange, 2025

This study uses panel data regression analysis to determine and obtain evidence regarding the extent of the influence of the company's profit increase variable (Y) on the independent variables, namely inflation (X1), economic growth (X2), and leverage (X3). Furthermore, this analysis will also determine the significance of each independent variable on the dependent variable studied. The use of the moderation test in this study is expected to provide answers regarding the moderating effect provided by company size on the influence of the variables of inflation, economic growth, and leverage on the variable of increasing profits, by using the following equation:

$$Y = \alpha + (\beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + Z.X_1.X_2.X_3)$$

Results and Discussion

Descriptive statistical analysis was used to determine the characteristics of the sample used and describe the variables in the study. Descriptive statistical analysis consisted of sample size, range, minimum value, and maximum value (Ghozali, 2018). The results of the descriptive analysis in this study are as follows

Tabel 5.1 Hasil Uji Dekriptif

	INF_X1	EG_X2	LEV_X3	INCRPFT_Y	UKRPRS_Z
Mean	-0.0179	0.0153	4.9972	-0.7986	28.8193
Median	0.0334	0.0518	0.8618	-0.0599	29.2189
Maximum	0.1249	0.0953	190.3070	4.3570	31.0163
Minimum	-0.2401	-0.3228	-27.6493	-16.8558	26.7305
Std Dev	0.1069	0.1306	27.7728	3.1056	1.1035
Skewness	-0.8354	-2.1652	6.3504	-3.4370	0.0730
Kurtosis	2.9267	5.8931	43.1112	17.2622	2.1058
Jarque-Bera	5.5942	54.2443	3540.438	501.3236	1.6419
Probability	0.0610	0.0000	0.0000	0.0000	0.4400
Sum	-0.8586	0.7338	239.8657	-38.3319	1383.326
Sum Sq Dev	0.5369	0.8018	36252.30	453.3143	57.2319
Observations	48	48	48	48	48

Sumber : Output Olah Data Eviews 12

The results of the Chow test in this study show that the probability value (p-value) obtained is $0.5440 > 0.05$, so the selected model is the Common Effect Model (CEM), and is continued with the Lagrange Multiplier Test.

Tabel 5.2 Hasil Uji Chow

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.684465	-5.39	0.6380
Cross-section Chi-square	4.037427	5	0.5440

Sumber : Output Olah Data Eviews 12

The Lagrange Multiplier (LM) test is a statistical test used to determine whether the Common Effect Model (CEM) or the Random Effect Model (REM) is more suitable for panel data analysis. Based on the LM test results, the CEM is the preferred model because the Breusch Pagan value obtained is $0.5111 > 0.05$.

Tabel 5.3 Hasil Uji Lagrange Multiplier

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.431810 (0.5111)	3.803882 (0.0511)	4.235892 (0.0396)
Honda	-0.657122 (0.7444)	1.950354 (0.0256)	0.914453 (0.1802)
King-Wu	-0.657122 (0.7444)	1.950354 (0.0256)	0.757083 (0.2245)
Standardized Honda	-0.457759 (0.6764)	3.179142 (0.0007)	-1.497247 (0.9328)
Standardized King-Wu	-0.457759 (0.6764)	3.179142 (0.0007)	-1.667316 (0.9523)
Gourieroux, et al.	--	--	3.803882 (0.0629)

Sumber : Output Olah Data Eviews 12

The data analysis method used in this study is a panel data regression model, which is used to determine the direction of the influence of the independent variables (whether positive or negative). The results of the panel data multiple linear regression analysis obtained in this study can answer the following questions

Hasil Uji Parsial (t)

Sample: 2017 2024

Periods included: 8

Cross-sections included: 6

Total panel (balanced) observations: 48

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.052872	0.417435	-2.522242	0.0154
X1	-5.211716	5.851485	-0.890665	0.3780
X2	10.53580	4.837960	2.177737	0.0348
X3	0.353834	0.084560	4.184409	0.0001
R-squared	0.321466	Mean dependent var		-0.798581
Adjusted R-squared	0.275203	S.D. dependent var		3.105637
S.E. of regression	2.643986	Akaike info criterion		4.862107
Sum squared resid	307.5890	Schwarz criterion		5.018041
Log likelihood	-112.6906	Hannan-Quinn criter.		4.921035
F-statistic	6.948567	Durbin-Watson stat		2.550984
Prob(F-statistic)	0.000628			

Sumber : Output Olah Data Eviews 12

The following explanation is provided:

- The t-statistic for X1 is -0.8906, with a probability value of $0.3780 > 0.05$. Therefore, it can be stated that inflation (X1) has a negative but insignificant effect on profit increase (Y). Hypothesis 1 is rejected.

- b. The t-statistic for X2 is positive at 2.1777, with a probability value of 0.0348 < 0.05. Therefore, it can be stated that economic growth (X2) has a significant positive effect on profit increase (Y). Hypothesis 2 is accepted.
- c. The t-statistic for X3 is 4.4184 with a probability value of 0.0001 < 0.05. Therefore, it can be stated that leverage (X3) has a significant positive effect on profit increase (Y). Hypothesis 3 is accepted.

Hasil Uji Regresi Moderasi (Regression Modarate Alanysis)

Sample: 2017 2024
 Periods included: 8
 Cross-sections included: 6
 Total panel (balanced) observations: 48

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-18.14187	13.78510	-1.316048	0.1957
INF_X1	-55.39593	208.0188	-0.266303	0.7914
EG_X2	124.0062	165.7713	0.748056	0.4588
LEV_X3	-0.200504	1.439621	-0.139275	0.8899
UKRPRS_Z	0.599699	0.478221	1.254022	0.2171
X1Z	1.931734	7.195825	0.268452	0.7897
X2Z	-4.118678	5.737424	-0.717862	0.4770
X3Z	0.006600	0.049038	0.134583	0.8936

R-squared	0.102988	Mean dependent var	-0.798581
Adjusted R-squared	-0.053989	S.D. dependent var	3.105637
S.E. of regression	3.188371	Akaike info criterion	5.307909
Sum squared resid	406.6284	Schwarz criterion	5.619776
Log likelihood	-119.3898	Hannan-Quinn criter.	5.425764
F-statistic	0.656069	Durbin-Watson stat	2.718648
Prob(F-statistic)	0.707206		

Sumber : Output Olah Data Eviews 12

Berdasarkan hasil regresi tersebut, didapat persamaan regresi moderasi sebagai berikut:

$$Y = -18.1418 - 55.3959 \cdot X1 + 124.0061 \cdot X2 - 0.2005 \cdot X3 + 0.5996 \cdot Z + 1.9317 \cdot X1Z - 4.1186 \cdot X2Z + 0.0065 \cdot X3Z$$

With the following explanation:

- a. The coefficient value of variable X1Z is 1.9317. The t-statistic is 0.2684, with a probability of 0.7897 > 0.05. Therefore, an increase in firm size as a moderating variable by 1 can strengthen the effect of inflation (X1) on profit growth (Y) by 1.9317. Therefore, it can be concluded that firm size moderates the relationship between inflation and profit growth, but not significantly. Hypothesis 4 is accepted.
- b. The coefficient value of variable X2Z is -4.1186, with a t-statistic of -0.7178, with a probability of 0.4770 > 0.05. Thus, it can be interpreted that if the value of company size as a moderating variable increases by 1, it can weaken the effect of economic growth (X2) on profit increase (Y) by 4.1186. Therefore, it can be stated that company size is able to moderate the relationship between economic growth variables and profit increase, but not significantly. Hypothesis 5 is accepted.

- c. The coefficient value of the X3Z variable is 0.0066. With a t-statistic value of 0.1345 with a probability of $0.8936 > 0.05$. Therefore, it can be interpreted that if the value of company size as a moderating variable increases by 1, it can strengthen the effect of leverage (X3) on profit increase (Y) by 0.8936. Therefore, it can be stated that company size is able to moderate the relationship between the leverage variable and profit increase, but not significantly. Hypothesis 6 is accepted.

Conclusion

Based on the discussion of the research results described in the previous chapter, the researcher outlines several research conclusions as follows:

- Inflation has a negative but insignificant effect on the increase in profits of fashion retail companies listed on the Indonesia Stock Exchange from 2017 to 2024.
- Economic growth has a significant positive effect on the increase in profits of fashion retail companies listed on the Indonesia Stock Exchange from 2017 to 2024.
- Leverage has a significant positive effect on the increase in profits of fashion retail companies listed on the Indonesia Stock Exchange from 2017 to 2024.
- Company size moderates (strengthens) the effect of inflation on the increase in profits of fashion retail companies listed on the Indonesia Stock Exchange from 2017 to 2024.
- Company size moderates (weakens) the effect of economic growth on the increase in profits of fashion retail companies listed on the Indonesia Stock Exchange from 2017 to 2024.
- Company size is able to moderate (strengthen) the influence of leverage on increasing profits of fashion industry retail companies listed on the Indonesia Stock Exchange in 2017-2024.

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