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The Effect of Operating Cash Flow, Funding Decisions, Investment Cash Flows, Funding Cash Flows, and Gross Gross Margin on the Company's Financial Performance on the Indonesia Stock Exchange (PT Industri Jamu dan Farmasi Sido Muncul Tbk (2015-2023)

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ABSTRACT

The purpose of this study is to analyze the impact of operating cash flows, investment cash flows, cash flow financing, financing decisions and gross profit margins for the performance of companies listed on the Indonesia Stock Exchange. This study uses data from companies listed on the IDX for a certain period of time. The independent variables examined include surgical cash flows, investment cash flows, cash flow financing, funding decisions, and gross profit margins, while dependent variables are the company's performance measured by the yielding assets. The data used in this study comes from the annual financial level of companies listed on the IDX. The results show that while operating cash flow, cash flow, and gross profit margin have a significant impact on the company's performance, cash flow and financing decisions have no significant effect. In Indonesia, these results provide important insights to observe profit margins in improving cash flow management and financial performance.

Keywords: The Effect of Operating Cash Flow, Funding Decisions, Investment Cash Flow, Funding Cash Flow, Gross Profit Margin, on Financial Performance on the Indonesia Stock Exchange

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INTRODUCTION

Capital market activities are the occurrence of a transaction related to long-term assets and securities trading. Historically, stock and bond buying and selling transactions have started since the early 19th century. Meanwhile, influence transactions have been going on since 1880. The development of the capital market in Indonesia is very fast adapting to the times. Both domestic and foreign investors have become his goal to invest in the capital market in Indonesia. The faster the capital market, investors must be smart and careful in making investments to be able to achieve maximum profits possible using a small level of risk. Therefore, financial statements are very influential to be used as a reference for investors in capital market decision-making and policy in Indonesia.

The cash flow statement provides information about the company's cash flow, as a result it can be used as a reference to see the company's performance/potential in a certain period. Based on PSAK No. 2 (2017:06), cash flow is cash inflows and cash outflows or cash equivalents. The cash flow statement contains two types of circulation, namely cash inflow and outflow cash outflow. Cash flow is cash receipts from transaction activities that make cash profits. Meanwhile, cash outflow is the activity of a transaction that causes cash outflow. The cash flow statement is divided into three components, namely operating cash flow, investment cash flow, and funding cash flow.

A company's financial information is a fundamental aspect for investors to decide to invest or invest capital in the company. Financial statement info is important in business. Financial statements are to convey gossip about the company's financial position, performance, and cash flow that are useful for economic decision-making Financial statements are the responsibility of resource management that is trusted to be managed to achieve goals, financial statements must contain all of the company's financial data such as assets, liabilities, equity, revenue, expenses, profit and loss, and cash flow. based on (Jogiyanto, 2017:89) there are 2 types of analysis in valuing stocks, namely fundamental analysis and technical analysis.

Operating cash flow is often interpreted as a cash flow statement that shows a company's expenditure activities and cash income. The cash flow statement is obtained from the main activity, namely the company's revenue. Therefore, cash flow does not suggest the determination of hygienic profits or losses. Operating activity models include employee honorarium payments,

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payments to suppliers, cash receipts or royalty payments, commissions or fees, cash receipts from sales of both goods and services, cash receipts and insurance payments, cash receipts from leases and sales of assets after the lease period, and other transactions.

Investment cash flow is often interpreted as the acquisition and release of long-term assets and other investments that do not include cash equivalents (Adri, 2020). In this activity, it reflects the receipt and expenditure of cash to be able to make future revenue and cash flow. If the company gets excessive cash, then Investing cash is the right way for the company. Invest cash in the form of stocks or bonds, in order to obtain additional income in the form of interest or dividends. Investment cash flow includes fixed assets, intangible assets, and non-current assets. Examples of investment activities include cash receipts from the sale of buildings, land sales, and tools, as well as intangible assets and other non-current assets, cash receipts for down payments and loans given to other parties, and other activities.

Funding decisions are a decision about how the company seeks funds to finance investments and also how the company determines the composition of the funding origin. The company's funding sources can be obtained both internally and externally from the company. Funding comes from the company's internal origin, i.e. retained profits, while the company's external funding is the issuance of debt or shares. An optimal combination of funding determination is very important because it is expected to increase the value of the company. Determining the source of funding is not a simple thing to decide. poly factors that companies consider in choosing the origin of their funding. Starting from the origin of the tax aspect to the potential for bankruptcy. A company financed from debt will pay a smaller tax than a company that is funded from the issuance of shares because the loan interest paid to creditors is a tax deductible so that it will reduce the amount of tax that must be paid by the Company.

The Investment Gallery of the Indonesia Stock Exchange (IDX) is a vehicle to introduce the capital market from an early age to the world of academia. The IDX Investment Gallery has a 3 in 1 concept which means that cooperation between IDX, Universities and Securities Companies is expected not only to introduce the capital market in terms of theory but also practice in the field, especially in North Sumatra Province. In the future, through the IDX Investment Gallery which provides real-time information to learn to analyze stock trading activities, it is needed as a bridge to the dominance of science and its practices in the North Sumatra capital market. The

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IDX Investment Gallery provides all publications and printed materials regarding the capital market published by the Indonesian Stock Exchange including regulations and the Capital Market Law. The news and data contained in the IDX Investment Gallery can be used by all academic communities for academic purposes, not for commercial purposes in terms of buying and selling transactions (practice sell/buy). using the IDX Investment Gallery is needed to be able to convey mutual benefits for all parties as a result of which the spread of capital market gossip is right on target and can convey optimal benefits for students, economic practitioners, investors, capital market observers and the general public in the region and its surroundings, both for the sake of introduction and education/education of the capital market as well as for economical interests or other ways of investment.

One of the companies listed on the IDX means PT Industri Jamu dan Farmasi Sido Muncul Tbk. which is in the field of herbal medicine and pharmaceutical industry This company experienced a significant increase in 2019, precisely when COVID-19 hit the world, especially Indonesia.Based on the financial statements of PT Industri Jamu dan Farmasi Sido Muncul Tbk. Researchers see that net sales.

Table 1.1 Net sales

Year	**Net sales (trillions)**	**%**
2018	IDR 2,763,292	-
2019	IDR 3,067,434	11%
2	IDR 3,335,411	9

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0 2 0		%
2 0 2 1	IDR 4,020,980	2 1 %
2 0 2 2	IDR 3,865,523	- 6 %
2 0 2 3	IDR 3,565,930	- 2 %

Source: PT Industri Jamu da Farmasi Sido timbul Tbk

From the table above, we can see that the Company's net sales increased from 2019 by 3.06 trillion or 11%, in 2020 by 3.33 trillion or 9%, in 2021 it is 4.20 trillion or 21%, in 2022 it is 3.86 trillion or -4% and in 2023 it is 3.56 or -2%. Based on the problems mentioned above, the author is interested in taking the topic of research using the title **"THE EFFECT OF OPERATING CASH FLOWS, INVESTMENT CASH FLOWS, FUNDING CASH FLOWS, FUNDING DECISIONS, AND GROSS PROFIT MARGINS ON THE PERFORMANCE OF COMPANIES CONTAINED IN THE INDONESIA STOCK EXCHANGE".**

Hypothesis

Based on the conceptual framework that has been described, the hypothesis is formulated as follows:

H1 : The Influence of Operating Cash Flow affects the company's performance.

H2 : The Effect of Investment Cash Flow on the Company's Performance.

H3 : The Effect of Funding Cash Flow affects the company's performance.

H4 : The Effect of Funding Decisions on the Company's Performance.

H5 : The effect of gross profit margin affects the company's performance.

H6 : The Influence of Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Gross Profit Margin Affects the Company's Performance.

RESEARCH METHODS

Research Methods

The author applies a quantitative method by utilizing secondary data derived from financial statements published on the Indonesia Stock Exchange, which can be accessed through www.idnfinancial.com. The method applied in this study is a quantitative research, which presents data in the form of numbers and analyzes them using statistics. This study uses a quantitative descriptive approach. In this context, the problem statement includes a description of the behavior of independent variables, either single or multiple variables (individual variables). This study is descriptive, which aims to analyze the cause-and-effect relationship between variables by testing hypotheses to strengthen or refute existing hypotheses.

Population and Sample

This research focuses on the company PT Industri Jamu dan Farmasi Sido Muncul Tbk for eight years, namely from 2015 to 2023 which focuses on the company's quarterly reports. This sampling method is used to obtain data related to the purpose of the research with the saturated sample method. Thus, the total sample data used in this study is 32 observations of financial statements.

Types and Sources of Research Data

This type of research is quantitative research, where quantitative data is presented in the form of real numbers or numbers that are easy to collect and understand. This research uses secondary data, namely data obtained from existing sources. Secondary data in this study includes information about the company, organizational structure, and data taken from the processing of financial books, concepts, and information relevant to the topic being studied.

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Operational Definition

An operational definition is an explanation of a variable or construct that is described through a certain method, the functions it has, or the steps used to measure the variable or construct.

Table II.1 Definition of Variables

Variabel	Variable Definition	Indicator	Scale
Operating Cash Flow (X1)	According to Prima, Sugiarto, & Susanti (2018) stated that cash flow is the reporting of cash received and paid and cash changes from the results of activities operations, investment and funding of a company in a period.	Operating cash flow = Total revenue - operating costs	Ratio
Investment Cash Flow (X2)	According to Warren et al. (2018: 786) Cash flow from investment activities is cash flow that comes from transactions that affect investment in non-current assets.	CFI = Cash Flow Outflow from Investment activiti	Ratio

		es – Cash Outflow from activities Investment	
Funding Cash Flow (x3)	According to Warren et al. (2018), funding cash flows are affiliated cash inflows and outflows using changes in shareholder equity and long-term corporate liabilities.	Funding Cash Flow = Funding Cash Flow – Funding Cash Flow The Outgoi	Ratio

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		ng	
Funding Decision (X4)	Funding decisions according to (Brigham, E. F & Houston, 2018), increased debt is interpreted by outsiders about the company's ability to pay future obligations or the presence of low business risks, it will be responded positively by market.	Payback Period=Rate-Rate Arus Kas/Annual Initial Investment	Ratio
Gross Profit Margin (X5)	According to (Darmawan, 2020), gross profit margin is a comparison or ratio that offers a company's ability in terms of producing efficiently where it is done production port measurement or production port management efficiency.	Gross Profit Margin = (Sales – HPP) / Sales	Ratio
Financial Performance (Y)	According to Hery (2018:13), financial performance is a formal struggle to evaluate the	ROI= Net Profit/Investm	Rati

	efficiency and effectiveness of a company in generating profits and Exclusive cash position.	ent	o

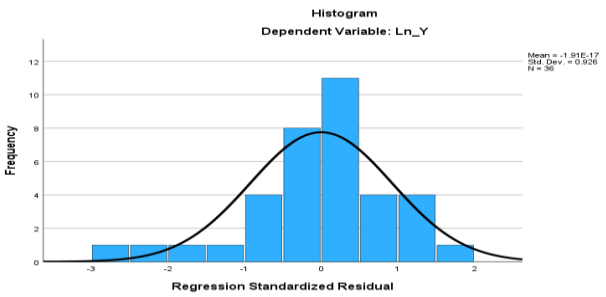
RESULTS AND DISCUSSION

Normality Test

The results of the normsity test using the hiestrogen graph can be seen from the image below:

a. Graphic Historgram.

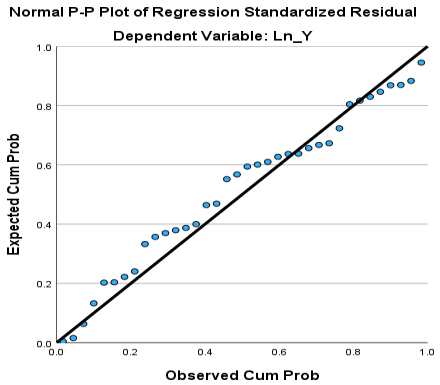
Figure III.1 Histogram Graph Analysis



In the histogram image abo netrical and spreading, we can see that t ons, and the regression model has met the assumption of normality.

b. Grafik Normal Probability Plot

Figure III.2 Analysis of the Normality P.Plot Graph



In the Normality P.Plot image above we can see the data scattered around the diagonal line, so it can be stated that the distributed data can be declared normal.

c. Uji One-Sample Kolmogrov-Simirnov (K-S)

Table III.2 Uji Kolmogrov-Smirnov

One-Sample Kolmogorov-Smirnov Test

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N		36	
Normal Parametersa,b	Mean	.	
	Hours of	1.	
Most Ext	Absolute	.112	
	Positive	.071	
	Negative	-.112	
Test Statistic		.112	
Asymp. Sig. (2-tailed)c		.200d	
Monte Carlo Sig. (2-tailed)e	Itself.	.308	
	99% Confidence Interval	L	.
		U	.

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

e. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 2000000.

Based on the results of the Kolmogorov-Smirnov test that has been carried out, it shows the value of Asymp. Sig which has a value of 0.320 > 0.05. This could show that data is normally distributed and regression can be used to predict dependent variables according to independent variable inputs.

Multicollinearity Test

Table III.3 Multicollinearity Test

Coefficientsa

Model	Collinearity Statistics	
	Tolerance	BRIGHT
1 (C		

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onstant)		
Ln_X1	.963	1.038
Ln_X2	.902	1.108
Ln_X3	.936	1.068
Ln_X4	.884	1.131
L	.929	1.076

n _ X 5		

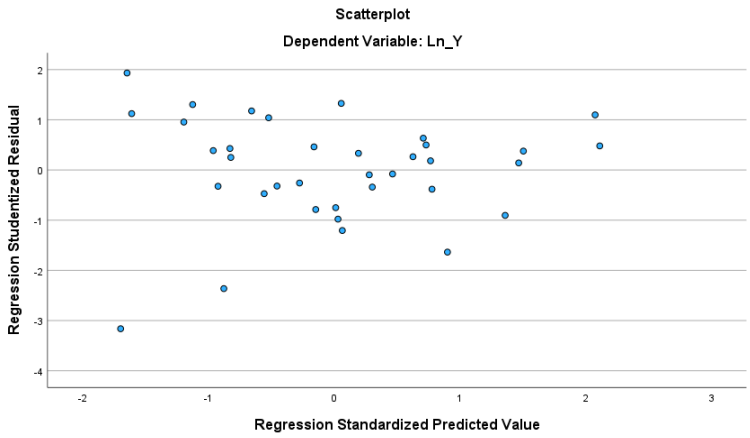
b. Dependent Variable: Ln_Y

Based on the results of the multicollinearity test, the Operating Cash Flow variable has a Tolerance value of 0.963 and VIF of 1.038. Investment Cash Flow has a Tolerance of 0.902 and a VIF of 1.108. For Funding Cash Flow, the Tolerance value is 0.936 with a VIF of 1.068. Meanwhile, the Funding Decision has a Tolerance of 0.884 and a VIF of 1.131, and the Gross Profit Margin shows a Tolerance of 0.929 with a VIF of 1.076.The entire Tolerance value is above 0.1, and the VIF value is below 5, indicating the absence of significant multicollinearity among the independent variables in this model.

Heteroscedasticity Test

c. Uji Scatterplot

Figure III.3 Scaterplot Test



In the scatterplot image above, the image shows the heteroscedasticity test of the dependent

variable, namely financial performance, showing that the points are randomly spread and scattered either above or below the number 0 on the Y axis.

a. Uji Glesjer

Table III.4 Glycer Test Table

Coefficientsa

Model		Itself.
1	(Constant)	.001
	Ln_X1	.205
	Ln_X2	.124
	Ln_X3	.533
	Ln_X4	.492
	Ln_X5	.995

a. Dependent Variable: Abs

Based on the results of the Glesjer test, which tests for heteroscedasticity, all significance values (p-values) for the tested variables are greater than 0.05. Operating Cash Flow has a p-value of 0.205, Investment Cash Flow has a p-value of 0.124, Funding Cash Flow has a p-value of 0.533, Funding Decision has a p-value of 0.492, and Gross Profit Margin has a p-value of 0.995.Since all p-values are greater than 0.05, there is no indication of significant heteroscedasticity issues in the model. This shows that the variance of the model's error remains constant across independent variable values, which means there are no problems in terms of non-uniform error distribution.

Autocorrelation Test

Table III.5 Autocorrelation Test

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson

		are			
1	.675a	.641	.602	1.58994	2.479

a. Predictors: (Constant), Ln_X5, Ln_X2, Ln_X1, Ln_X3, Ln_X4

b. Dependent Variable: Ln_Y

The Durbin-Watson (DW) score obtained was 2,479. Based on the values of the upper limit (dU = 1.8252) and the lower limit (dL = 1.0904), calculations were made to detect negative autocorrelations using the formulas 4 - dU and 4 - dL. Because the DW value of 2.479 is between 4 - dU (2.1748) and 4 - dL (2.9096), so it can be concluded that there is no negative or positive autocorrelation in the residual regression model. Thus, the classical assumption of the absence of autocorrelation has been fulfilled, so a runs test is performed.

Table III.6 Test Runs Test

Test Valuea	-.43474
Cases < Test Value	18
Cases >= Test Value	18
Total Cases	36
Number of Runs	23

With	1.184
Asymp. Sig. (2-tailed)	.237

d. Median

Because the significance value is 0.237 > 0.05, it can be concluded that the residual of the regression model is random. Thus, there is no autocorrelation in residuals, and the classical assumption of no *autocorrelation* has been fulfilled.

Multiple Linear Regression Analysis

Table Multiple Liner Regression Analysis

Coefficientsa

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error
1 (Constant)	3.331	.562
Ln_X1	.238	.209
L	.149	.138

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Ln_X2		
Ln_X3	.013	.247
Ln_X4	.118	.234
Ln_X5	.208	.215

e. Dependent Variable: Ln_Y

The above has shown the table of test results from the multiple liner regression analysis, obtained the multiple linear regression equation is as follows:

$$Y = 3.331 + 0.238\ X1 + 0.149\ X2 + 0.013\ X3 + 0.118\ X4 + 0.208\ X5$$

1. Constant (Intercept): The value of the constant is 3.331**,** which means that if all independent variables (Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, and Gross Profit Margin) are zero, then the Financial Performance value will be 3.331**.**
2. Operating Cash Flow: The coefficient of 0.238 indicates that every single unit increase in Operating Cash Flow will increase Financial Performance by 0.238 units, assuming the other variables remain constant. This shows that Operating Cash Flow has a

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positive influence on Financial Performance.

3. Investment Cash Flow**:** The coefficient of 0.149 means that every one unit increase in Investment Cash Flow will increase Financial Performance by 0.149 units, assuming the other variables remain constant. It also shows a positive influence, although it is smaller compared to Operating Cash Flow.

Funding Cash Flow**:** The coefficient of 0.013 indicates that the influence of Funding Cash Flow on Financial Performance is relatively small. Each increase of one unit in the Funding Cash Flow only increased Financial Performance by 0.013 units, which shows very little influence.

4. Funding Decision: The coefficient of 0.118 indicates that every increase of one unit in the Funding Decision will improve Financial Performance by 0.118 units. This shows that the Funding Decision has a positive influence on Financial Performance.

5. Gross Profit Margin: The coefficient of 0.208 indicates that every one unit increase in the Gross Profit Margin will increase the Financial Performance by 0.208 units. This shows a significant positive influence on Financial Performance.

Pengujian Hypothesis

Table Simultaneous Tests

Model		Sum of Squares	df	Mean Square	F	Itself.
1	Regression	12.437	5	2.487	5.984	.004b

Residual	75.838	30	2.528		
Total	88.275	35			

ANOVA

a. Dependent Variable: Ln_Y

b. Predictors: (Constant), Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, Gross Profit Margin

Based on the results of the F test, the F value of the calculation is 5.984, which is greater than the F of the table 2.70. This shows that the regression model is overall significant, which means that independent variables (Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, and Gross Profit Margin) have a significant influence on the dependent variables (Ln_Y or Financial Performance). In addition, a p-value of 0.004 which is smaller than 0.05 also supports that this regression model is significant. Thus, we can conclude that there is a strong relationship between independent and dependent variables in this model.

Partial Influence Test (t-test)

Table III.9 Partial Test

Coefficientsa

Model	Unstandardized Coefficients	
	T Stat ic	P Val ue

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1	(Constant)	3.590	.005
	Ln_X1	1.140	.263
	Ln_X2	1.079	.289
	Ln_X3	2.552	.010
	Ln_X	2.506	.006

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4		
L n _ X 5	2. 9 6 9	.003

f. Dependent Variable: Ln_Y

Ttable = (□/2; n-k-1)

= (0,05/2 ; 36 - 5 -1)

= (0,025 ; 30) = 2.042

1. First Hypothesis Testing (H1)

Operating Cash Flow: The calculated t-value for Operating Cash Flow is 1.140 < 2.042, and the p-value is 0.263 > 0.05. This means that Operating Cash Flow has no significant effect on Financial Performance. In other words, these variables do not make a significant contribution to the model.

2. Second Hypothesis Testing (H2)

Investment Cash Flow: The calculated t-value for Investment Cash Flow is 1.079 < 2.042, and the p-value is 0.289 > 0.05. This shows that Investment Cash Flow does not have a significant influence on Financial Performance.

3. Third Hypothesis Testing (H3)

Funding Cash Flow: The calculated t-value for Funding Cash Flow is 2.552 > 2.042, and the p-value is 0.010 < 0.05. This shows that Funding Cash Flow has a significant influence on Financial Performance, meaning that this variable contributes significantly to the model.

4. Testing the Fourth Hypothesis (H4)

Funding Decision: The calculated t-value for the Funding Decision is 2.506 > 2.042, and the p-value is 0.006 < 0.05. This shows that Funding Decisions also have a significant effect on Financial Performance.

5. Fifth Hypothesis Testing (H5)

Gross Profit Margin: The t-value calculated for Gross Profit Margin is 2.969 > 2.042, and

the p-value is 0.003 < 0.05. This shows that Gross Profit Margin has a significant effect on Financial Performance

Koefesion Determinan

Table III.10 Model Summary

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.675a	.641	.602	1.58994	2.479

g. Predictors: (Constant), Ln_X5, Ln_X2, Ln_X1, Ln_X3, Ln_X4

h. Dependent Variable: Ln_Y

The table above shows the results of the determinate coefficient test which shows that the value of the determination coefficient (*Adjusted R Square*) is 0.602. This is that the selection is influenced by Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, Gross Profit Margin of 60.2%. While the rest is 39.8%. The rest of the results of this detemination coefficient can be explained by other factors outside of this study.

Discussion

The Effect of Operating Cash Flow on Financial Performance

Operating cash flow is important for assessing a company's financial health, but it sometimes does not reflect overall financial performance. This can happen because companies use accrual accounting, which records income and expenses even though cash has not moved, such as receivables and debts. In addition, companies that rely on external funding, such as debt or

investment, may still perform well despite negative operating cash flows. In expansion phases or large projects, temporarily low cash flow may not reflect long-term growth potential. Non-operational factors such as gains from asset sales can also affect financial performance despite weak operating cash flow.

In this study, it shows Operating Cash Flow: The calculated t-value for Operating Cash Flow is 1.140, which is smaller than the table t (2.042), and the p-value is 0.263, which is greater than 0.05. This means that Operating Cash Flow has no significant effect on Financial Performance. In other words, these variables do not make a significant contribution to the model. This research is in line with that by Nukmaningtyas and Worokinasih (2018) who revealed that operating cash flow does not have a significant influence on financial distress conditions in retail companies. This result indicates that while operating cash flow is important for the continuity of operations, it is not strong enough to be used as a signal to investors in assessing the company's financial risk

The Effect of Investment Cash Flow on Financial Performance

Investment Cash Flow records long-term asset purchases and sales. While important for long-term strategies, their effect on financial performance is often insignificant in the short term. This is because investment cash flow is more related to development or restructuring decisions that do not directly affect the company's operational results. Large expenses on an asset or project may not result in immediate gains, so the impact on financial performance is not as immediate as operating cash flows.

In this study, it shows Investment Cash Flow: The calculated t-value for Investment Cash Flow is 1.079, which is also smaller than the table t (2.042), and the p-value is 0.289, greater than 0.05. This shows that Investment Cash Flow does not have a significant influence on Financial Performance. This study in line with that by Trisnandari (2013) and Tumbel et al. (2017) did not find a significant relationship between cash flows from investment activities and financial performance, although some other studies found a more pronounced effect (such as on stock returns)

The Effect of Funding Cash Flow on Financial Performance

Funding Cash Flow affects financial performance as it is directly related to the company's capital structure and liquidity. Receipts from debt or stock issuances can fund expansion and operations,

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while debt or dividend payments reduce cash and affect liquidity. Thus, funding cash flow has a significant effect on the company's financial stability and growth.

In this study, it shows that the Funding Cash Flow: The calculated t-value for the Funding Cash Flow is 2.552, which is greater than the t table (2.042), and the p-value is 0.010, which is smaller than

0.05. This shows that Funding Cash Flow has a significant influence on Financial Performance, meaning that this variable contributes significantly in the model. This research is in line with Rahman (2022), who researched the mining sector in Indonesia. The results show that funding cash flow has a significant effect on the company's net profit, showing the importance of funding decisions in influencing financial performance. Other research also confirms that funding cash flow management is directly related to the improvement of a company's financial condition.

The Influence of Funding Decisions on Financial Performance

Funding decisions have a significant impact on financial performance because they affect the company's capital structure, which is the proportion between equity and debt. Proper funding can provide the funds needed for expansion or operations, while poor decisions can increase financial risks, such as a high debt burden. For example, funding through debt can increase leverage and potential profits, but it also increases the risk of bankruptcy if cash flow is insufficient. In contrast, funding through equity can reduce risk, but it can reduce control and weigh on earnings per share. So, strategic funding decisions greatly affect the stability and profitability of the company.

In this study, the Funding Decision was shown: The calculated t-value for the Funding Decision was 2.506, which is greater than the table t (2.042), and the p-value was 0.006, which is smaller than

0.05. This shows that the Funding Decision also has a significant effect on Financial Performance. This research is in line with Pramesti and Susilowibowo (2018) in their study of the manufacturing sector in Indonesia and also concluded that funding policies, including debt management, have a significant influence on company value and financial performance, with using the Return on Assets (ROA) indicator to measure profitability

The Effect of Gross Profit Margin on Financial Performance

Gross Profit Margin (GPM) has a significant effect on financial performance because it measures

the company's efficiency in generating profit from revenue after deducting the cost of goods sold (COGS). A high GPM indicates that the company is able to generate a greater profit from each revenue unit, which reflects its effective production cost management and pricing capabilities. On the other hand, a low GPM indicates a potential problem in cost control or price competitiveness, which can reduce the company's profitability. Therefore, GPM serves as an important indicator to assess the financial health and competitiveness of a company.

In this study, the Gross Profit Margin:The calculated t-value for the Gross Profit Margin is 2.969, which is larger than the t table (2.042), and the p-value is 0.003, which is smaller than 0.05. This shows that Gross Profit Margin has a significant effect on Financial Performance. This research is in line with Marita and Bahrun (2023) found that GPM has a significant effect on the profit growth of companies in the food and beverage sector listed on the IDX. These results suggest that higher GPMs tend to be associated with increased profit growth, which indirectly affects the company's financial performance

The Effect of Operating Cash Flow Investment Cash Flow Funding Funding Decisions Gross Profit Margin on Financial Performance

The influence of operating cash flow, investment, and funding, as well as Gross Profit Margin (GPM) on a company's financial performance is related to how the company manages its revenues and expenses as well as its strategic decisions. Operating cash flow indicates a company's ability to make money from its core activities, which has a direct impact on liquidity and solvency. Investment cash flow reflects expenses and receipts related to fixed assets or other investments, which affect the growth and sustainability of the business. Funding cash flow relates to financing decisions, whether through debt or equity, that affect capital structure and financial risk. Gross Profit Margin, as a ratio of gross profit to sales, indicates operational efficiency and profit margin, which can provide an indication of the strength of a business in the face of production costs and competition. The combination of these factors determines how financially healthy a company is and its ability to grow and compete in the market. The results of this study show that Based on the results of the F test, the F value of the calculation is 5.984, which is greater than the F in the table of 2.70. This shows that the regression model is overall significant, which means that independent variables (Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, and Gross Profit Margin) have a significant

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influence on the dependent variables (Ln_Y or Financial Performance). The determination coefficient shows Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, Gross Profit Margin of 60.2%. While the rest is 39.8%. The rest of the results of this detemination coefficient can be explained by other factors outside of this study.

Conclusion

Based on the results of the research that has been conducted with the title The Influence of Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, Gross Profit Margin on Financial Performance are as follows:

- Operating Cash Flow: The calculated t-value for Operating Cash Flow is 1.140, which is smaller than the table t (2.042), and the p-value is 0.263, which is greater than 0.05. This means that Operating Cash Flow has no significant effect on Financial Performance. In other words, these variables do not make a significant contribution to the model.
- Investment Cash Flow: The calculated t-value for Investment Cash Flow is 1.079, which is also smaller than the table t (2.042), and the p-value is 0.289, greater than 0.05. This shows that Investment Cash Flow does not have a significant influence on Financial Performance.
- Funding Cash Flow: The calculated t-value for Funding Cash Flow is 2.552, which is greater than the table t (2.042), and the p-value is 0.010, which is smaller than 0.05. This shows that Funding Cash Flow has a significant influence on Financial Performance, meaning that this variable contributes significantly to the model.
- Funding Decision: The calculated t-value for the Funding Decision is 2.506, which is greater than the table t (2.042), and the p-value is 0.006, which is smaller than 0.05. This shows that Funding Decisions also have a significant effect on Financial Performance.
- Gross Profit Margin: The calculated t-value for Gross Profit Margin is 2.969, which is greater than the t table (2.042), and the p-value is 0.003, which is smaller than 0.05. This shows that Gross Profit Margin has a significant effect on Financial Performance

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- Based on the results of the F test, the F value of the calculation is 5.984, which is greater than the F of the table 2.70. This shows that the regression model is overall significant, which means that independent variables (Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, and Gross Profit Margin) have a significant influence on the dependent variables (Ln_Y or Financial Performance).

Suggestion

Based on the results of the study on the influence of Operating Cash Flow, Investment Cash Flow, Funding Cash Flow, Funding Decision, Gross Profit Margin on Financial Performance in the mining sector, here are the suggestions:

- The Company should focus on managing Funding Cash Flow**,** Funding Decisions**,** and Gross Profit Margin to improve Financial Performance, and keep an eye on Operating and Investment Cash Flow.
- For further research, it is hoped that it can further expand the sample and study the literature in more depth and add several variants of variables to measure the influence of company value on other sectors.

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