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FINANCIAL DRIVERS OF SALES GROWTH IN FOOD AND BEVERAGE COMPANIES: THE ROLE OF INVENTORY FINANCING, PROFITABILITY, AND LIQUIDITY

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Abstract
This study investigates the relationship between inventory financing, profitability, and liquidity in enhancing sales growth among food and beverage companies listed on the Indonesia Stock Exchange. A quantitative explanatory design was employed using secondary data derived from published financial statements for the 2021–2024 period. The research object comprised food and beverage sector companies listed on the Indonesia Stock Exchange, with 67 observations selected as the research sample. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 by evaluating both the measurement model and the structural model. The findings reveal that inventory financing has a positive and significant effect on sales growth, indicating that effective inventory financing enables companies to maintain product availability and support operational continuity. Liquidity also demonstrates a positive and significant effect on sales growth, suggesting that adequate short-term financial capacity strengthens companies' ability to fulfill operational needs and respond to market demand. Conversely, profitability shows a significant negative effect on sales growth, implying that higher profitability may reflect efficiency-oriented strategies rather than sales expansion. Overall, the study concludes that inventory financing, profitability, and liquidity are essential financial determinants of sales growth. These findings provide practical implications for food and beverage companies in formulating smarter financial strategies to achieve sustainable business growth.

Keywords: Inventory Financing, Profitability, Liquidity, Sales Growth, Food and Beverage

1. Introduction

The food and beverage industry is one of the manufacturing subsectors with a strategic role in the Indonesian economy (Tamin et al., 2024). This subsector not only contributes to fulfilling public consumption needs but also plays an important role in maintaining the stability of national production, distribution, and trade activities (Hurriyah et al., 2024). Its direct association with basic human needs makes the food and beverage industry relatively more resilient to economic fluctuations compared with several other sectors (Natasya & Anita, 2025). However, food and beverage companies continue to face complex operational challenges, particularly those related to shifting consumer demand, rising production costs, inventory deterioration risks, and the need to maintain the sustainable availability of raw materials and finished goods (Kemuning et al., 2025).

As illustrated in Figure above, the food and beverage industry demonstrate a significant role in the structure of the national industry. The contribution of this sector has shown a long-term upward trend, although its growth experienced pressure in 2020 due to the weakening of economic activity during the pandemic. Following that period, the food and beverage industry began to recover, particularly in 2021 and 2022. These data indicate that the food and beverage sector has relatively strong resilience; however, it still requires adaptive financial management strategies to sustain sales growth in the long term.

Figure 1. Growth and Contribution of the Food and Beverage Industry Sector Indonesia

In food and beverage companies listed on the Indonesia Stock Exchange, sales growth is an essential indicator for assessing operational performance and corporate competitiveness (Santioso, 2025). Sales growth reflects a company's ability to increase sales volume over time, expand market share, and maintain revenue sustainability (Teplova et al., 2025). Based research's result (Fransisca et al., 2026), (Hardi et al., 2025) explains that sales growth represents an increase in sales volume, which serves as the main source of corporate revenue in supporting operational activities and business continuity.

Sales growth in food and beverage companies cannot be separated from the company's ability to manage its internal financial strategy (Rangkuti, 2025). One important aspect that requires attention is inventory financing. Inventory holds a strategic position because it is directly associated with the availability of raw materials, production continuity, and the fulfillment of consumer demand (Nisa & Hidajat, 2024). When inventory is not properly managed and financed, companies may experience production disruptions, stock shortages, increased storage costs, and even declining sales due to their inability to meet market demand (Santioso, 2025). According to (Endri et al., 2020)(Pradnyani, 2023) states that the inventory financing ratio is part of a company's assets and is related to the company's ability to generate profit through inventory management.

In addition to inventory financing, profitability is also an important factor in explaining sales growth (Zuliyana et al., 2023). Profitability reflects a company's ability to generate earnings from the resources it manages (Susanti, 2021). Profitability is important for assessing the extent to which a company can generate profit from its assets, capital, and operational activities (Larasati & Purwanto, 2022). Companies with strong profitability generally have greater capacity to develop their business, increase production capacity, expand distribution networks, and strengthen marketing strategies (Murti & Lestari, 2025). However, high profitability does not always correspond to high sales growth, as companies may, under certain conditions, prioritize cost efficiency and profit margin

improvement rather than sales volume expansion. This indicates that the relationship between profitability and sales growth needs to be further examined empirically.

Liquidity also plays an important role in supporting corporate operational sustainability. Liquidity indicates a company's ability to meet its short-term obligations when they fall due (Viral V. Acharya, 2024). According to (Fransisca et al., 2026) explains that liquidity levels can be assessed through current assets and current liabilities as the basis for measuring a company's ability to fulfill short-term obligations. For food and beverage companies, adequate liquidity is essential to ensure the smooth purchase of raw materials, payment of operational obligations, inventory management, and distribution activities (G. K. Dewi, 2024). Companies with strong liquidity have greater financial flexibility to maintain production continuity and respond to changes in market demand (Supiana, 2026). Conversely, low liquidity may restrict a company's ability to carry out operational activities and may potentially hinder sales growth (Utami et al., 2025).

The main problem faced by food and beverage companies listed on the Indonesia Stock Exchange is that not all companies are able to maintain a balance between inventory financing needs, profitability achievement, and sufficient liquidity in supporting sales growth Companies must provide adequate inventory to prevent disruptions in production and distribution processes. On the other hand, excessive inventory financing may increase the burden on current assets and reduce corporate financial flexibility. Furthermore, high profitability is not necessarily followed by sales growth when companies focus more on cost efficiency and profit margin enhancement than on expanding sales volume. Liquidity also becomes a critical issue because companies with limited current assets may face difficulties in meeting short-term operational needs, including raw material purchases, debt payments, and distribution management.

The urgency of this study is further strengthened by the fact that sales growth in food and beverage companies is not only influenced by external factors, such as consumer purchasing power and market conditions, but is also closely related to the company's ability to design an appropriate financial strategy. In this research, inventory financing, profitability, and liquidity should be understood as interconnected components of financial strategy. Effective inventory financing helps maintain product availability, profitability reflects the company's capacity to generate earnings, and liquidity supports short-term operational continuity. These three aspects serve as an important foundation for developing a smart finance strategy to promote sustainable sales growth.

Previous studies (Pradnyani, 2023), (Zuliyana et al., 2023), (G. K. Dewi, 2024), (Supiana, 2026) have generally examined profitability, liquidity, or sales growth separately as components of corporate financial performance. However, studies that specifically integrate inventory financing, profitability, and liquidity into a single research model to explain sales growth in food and beverage companies remain limited and require further development. This gap provides an important basis for the present study, as the food and beverage sector have distinct operational characteristics compared with other sectors, particularly in terms of inventory requirements, product turnover, and sensitivity to consumer demand.

Based on the background above, this study seeks to analyze the relationship between inventory financing, profitability, and liquidity in driving sales growth among food and beverage companies listed on the Indonesia Stock Exchange. This study is expected to provide theoretical contributions by enriching the literature on the relationship between financial ratios and sales growth, particularly through the perspective of a smart finance

strategy. Practically, the findings are expected to offer valuable insights for corporate management in formulating more effective financial policies, especially in managing inventory, maintaining liquidity, and improving profitability in a balanced manner to support sales growth.

2. Theoretical Background

2.1.Smart Finance Strategy in Sales Growth

Smart finance strategy in this study refers to a company's ability to manage its financial resources effectively to support operational activities and business growth (Habib & Dalwai, 2024). In food and beverage companies, financial strategy is not only associated with the company's ability to generate profit but also with how the company maintains adequate liquidity and optimally finances its inventory (Silva, 2026). This issue is particularly important because the food and beverage sector is characterized by fast-moving products, vulnerability to product deterioration, and a high dependence on the availability of raw materials and finished goods (Tamin et al., 2024).

In this research, inventory financing, profitability, and liquidity are essential components of internal corporate financial decisions. Inventory financing is related to the company's ability to maintain the availability of goods to meet market demand. Profitability reflects the company's ability to generate earnings from its assets, capital, and operational activities. Meanwhile, liquidity indicates the company's ability to fulfill short-term obligations and maintain operational continuity. These three aspects serve as an important foundation for promoting sales growth, as sustainable sales performance requires sufficient inventory support, adequate profit-generating capacity, and stable short-term financial conditions.

2.2. Sales Growth

Sales growth is an important indicator that reflects a company's ability to increase revenue from sales activities within a specific period (Badakhshan et al., 2026). It represents the company's success in maintaining market demand, expanding market share, and sustaining business continuity (Wang & Nie, 2025). According to (Natasya & Anita, 2025) define sales growth as the increase in sales over time, (N. Dewi & Sastri, 2025) views sales growth as the annual change in sales calculated as a percentage of total sales. In food and beverage companies, sales growth is a highly relevant measure because this sector is directly associated with public consumption needs. Companies with strong sales growth generally have a greater ability to maintain operational stability, strengthen competitiveness, and expand business opportunities. However, sales growth is not solely determined by market factors; it is also influenced by the company's internal capacity to manage inventory, profitability, and liquidity. Therefore, this study positions sales growth as the dependent variable influenced by inventory financing, profitability, and liquidity.

2.3.Inventory Financing and Sales Growth

Inventory financing is one of the key aspects of corporate financial management, particularly in the food and beverage sector. Inventory plays a strategic role because it is directly linked to raw material availability, production processes, distribution activities, and the fulfillment of consumer demand. (Shaleh, 2026) explains that inventory financing refers to a form of financing used to fund the availability of goods or services. Similarly, (Tamin et al., 2024) states that inventory is an essential corporate resource that must be properly managed to ensure effective operational activities. Adequate inventory financing

enables companies to maintain production continuity and prevent stock shortages. In food and beverage companies, inventory availability becomes a critical factor because delays in raw material procurement or product shortages may disrupt sales activities. Companies that are able to manage inventory financing effectively have greater opportunities to meet market demand, maintain product distribution, and improve sales performance. Conversely, inefficient inventory financing may lead to excessive stock accumulation, higher storage costs, product deterioration risks, and pressure on the company's current assets.

Previous studies have shown that working capital and inventory management are associated with corporate sales performance and profitability. (Nisa & Hidajat, 2024) found that the level of working capital influences the profitability of small and medium enterprises. (Yoswandri & Lestari, 2024) found that working capital management is related to sales growth in consumer goods companies. These findings strengthen the view that inventory financing can be an important factor in supporting sales growth, particularly for companies that rely heavily on product availability to meet market demand. Based on the above discussion, the first hypothesis is formulated as follows:

H1: Inventory financing has a positive and significant effect on sales growth in food and beverage companies listed on the Indonesia Stock Exchange.

2.4.Profitability and Sales Growth

Profitability is a financial ratio that describes a company's ability to generate earnings from the resources it owns and manages. (Susanti, 2021) states that profitability is used to measure the company's ability to generate profit from its assets or capital. (Kashmir, 2018) explains that profitability reflects the company's capacity to earn profit within a certain period and indicates the effectiveness of management in utilizing corporate resources. (Brigham & Houston, 2018) emphasize that profitability can be used to assess the company's effectiveness in generating earnings from its operational activities. In relation to sales growth, profitability may indicate the company's ability to provide internal resources for business expansion. Companies with a high level of profitability generally have greater capacity to increase production, expand distribution networks, strengthen promotional activities, and develop market strategies. Thus, profitability can serve as an important financial basis for driving sales growth. However, the relationship between profitability and sales growth is not always linear. Under certain conditions, companies may achieve high profitability through cost efficiency and margin improvement, without necessarily increasing sales volume.

Several previous studies have indicated a relationship between sales growth and profitability. (Supiana, 2026) found that sales growth has a positive and significant relationship with profitability. (G. K. Dewi, 2024) showed that sales growth has a positive and significant effect on profitability in telecommunication subsector companies. (Murti & Lestari, 2025) found that sales growth is one of the factors associated with profitability in manufacturing companies. Although these studies mostly position sales growth as a factor influencing profitability, their findings still demonstrate a close relationship between a company's profit-generating capacity and sales dynamics. Based on the above discussion, the second hypothesis is formulated as follows:

H2: Profitability has a significant effect on sales growth in food and beverage companies listed on the Indonesia Stock Exchange

2.5.Liquidity and Sales Growth

Liquidity refers to a company's ability to meet its short-term obligations when they fall due. (Brigham & Houston, 2018) explain that liquidity can be measured by comparing current assets with current liabilities. (Kashmir, 2018) states that liquidity reflects the company's ability to provide cash to pay short-term obligations. (Hartono, 2018) explain that liquidity ratios are used to assess a company's ability to fulfill its short-term liabilities In food and beverage companies, liquidity plays an important role because operational activities require stable short-term financial support. Companies must ensure the availability of funds to purchase raw materials, cover production costs, fulfill obligations to suppliers, and maintain distribution activities. Adequate liquidity allows companies to respond more flexibly to market demand and maintain production continuity. Conversely, low liquidity may hinder operational activities and reduce the company's ability to meet consumer demand, thereby affecting sales growth.

Previous studies have shown that liquidity and sales growth are closely related. (Utami et al., 2025) found that sales growth has a significant effect on liquidity in food and beverage companies. (Latifah, 2023) sowed that sales growth has a negative effect on liquidity in consumer goods companies, (Anisa & Febyansyah, 2024) found that sales growth has a negative and insignificant effect on liquidity in manufacturing companies. These inconsistent findings indicate that the relationship between liquidity and sales growth requires further empirical investigation, particularly in food and beverage companies that are characterized by high working capital needs. Based on the above discussion, the third hypothesis is formulated as follows:

H3: Liquidity has a positive and significant effect on sales growth in food and beverage companies listed on the Indonesia Stock Exchange.

2.6.Simultaneous Hypothesis Development

Inventory financing, profitability, and liquidity are three interrelated financial aspects that support sales growth. Inventory financing contributes to maintaining the availability of raw materials and finished goods (Wang & Nie, 2025). Profitability reflects the company's ability to generate earnings and provide internal resources for business development. Liquidity indicates the company's ability to maintain short-term operational continuity (Silva, 2026). When these three aspects are managed in a balanced manner, companies have greater opportunities to sustain production continuity, meet market demand, and increase sales From the perspective of smart finance strategy, sales growth is not merely viewed as the result of market demand but also as a consequence of the company's ability to manage internal financial decisions (Kashmir SE., 2019). Food and beverage companies that are able to manage inventory financing effectively, maintain profitability, and preserve adequate liquidity will have a stronger financial foundation to support sales growth (Habib & Dalwai, 2024). Based on the above discussion, the fourth hypothesis is formulated as follows:

H4: Inventory financing, profitability, and liquidity simultaneously have a significant effect on sales growth in food and beverage companies listed on the Indonesia Stock Exchange

3. Methods

This study employed a quantitative approach with an explanatory research design to examine the effects of inventory financing, profitability, and liquidity on sales growth (Verma et al., 2022). The research object comprised food and beverage companies listed

on the Indonesia Stock Exchange during the 2021–2024 period, with a population of 83 companies and a sample of 67 companies determined using the Slovin formula at a 5% margin of error. The study used secondary data obtained from companies' annual financial statements published by the Indonesia Stock Exchange, while data collection was conducted through documentation techniques. The independent variables in this study consisted of inventory financing, profitability, and liquidity, whereas the dependent variable was sales growth. Data were analyzed using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS 4 (Jr et al., 2017), covering the assessment of the measurement model, including validity and reliability tests, and the structural model, including R-Square, F-Square, path coefficient, and hypothesis testing through bootstrapping. The hypotheses were evaluated based on a significance criterion of p-value < 0.05 and t-statistic > 1.96.

4. Results and Discussion

4.1 Measurement Model Assessment

The measurement model assessment was conducted to evaluate the validity and reliability of the research constructs. The constructs examined in this study consisted of inventory financing, profitability, liquidity, and sales growth. Convergent validity was assessed using the outer loading values, while reliability was evaluated through Cronbach's Alpha and Composite Reliability.

Table 1. Convergent Validity Test Results

	Financing Setup (X1)	Profitability (X2)	Liquidity (X3)	Sales Growth (Y)
X1_1	0.758			
X1_2	0.997			
X1_3	0.966			
X1_4	0.856			
X2_1		0.882		
X2_2		0.998		
X2_3		0.972		
X2_4		0.892		
X3_1			0.89	
X3_2			0.995	
X3_3			0.987	
X3_4			0.882	
Y_1				0.759
Y_2				0.976
Y_3				0.978
Y_4				0.811

Based on Table 1, all indicators for each variable have outer loading values above 0.70. This indicates that the indicators of inventory financing, profitability, liquidity, and sales growth have met the criteria for convergent validity. The highest loading value for inventory financing is found in indicator X1.2, with a value of 0.997, while the highest loading value for profitability is found in indicator X2.2, with a value of 0.998. For liquidity, indicator X3.2 has the highest value of 0.995, while for sales growth, indicator Y3 has the highest value of 0.978. Therefore, all indicators are considered valid and appropriate for representing their respective constructs.

4.2 Average Variance Extracted Test Results

Table 2. Average Variance Extracted Test Results

Variable	Average Variance Extracted
Inventory Financing	0.809
Profitability	0.878
Liquidity	0.884
Sales Growth	0.785

Based on Table 2, all variables have AVE values above 0.50. The AVE value for inventory financing is 0.809, profitability is 0.878, liquidity is 0.884, and sales growth is 0.785. These results indicate that each construct is able to explain more than 50% of the variance of its indicators. Thus, all variables in this study have fulfilled the criteria for adequate convergent validity.

4.3 Reliability Test Results

Table 3. Reliability Test Results

Variable	Cronbach's Alpha	Composite Reliability rho_a	Composite Reliability rho_c
Inventory Financing	0.917	0.929	0.944
Profitability	0.954	0.977	0.966
Liquidity	0.955	0.963	0.968
Sales Growth	0.904	0.924	0.935

Based on Table 3, all variables have Cronbach's Alpha and Composite Reliability values above 0.70. These results indicate that each construct has a very good level of internal consistency. Liquidity has the highest Cronbach's Alpha value of 0.955, while profitability has the highest Composite Reliability rho_a value of 0.977. Therefore, all variables in this study are considered reliable and suitable for further structural model assessment.

4.4 Structural Model Assessment

After the measurement model was confirmed to be valid and reliable, the next stage involved assessing the structural model. This assessment was conducted to examine the extent to which inventory financing, profitability, and liquidity explain sales growth.

Table 4. R-Square Test Results

Dependent Variable	R-Square	Adjusted R-Square
Sales Growth	0.982	0.981

Based on Table 4, the R-Square value for sales growth is 0.982, with an Adjusted R-Square value of 0.981. This indicates that inventory financing, profitability, and liquidity are able to explain 98.1% of the variation in sales growth, while the remaining 1.9% is explained by other variables outside the research model.

4.5 F-Square Test Results

Table 5. F-Square Test Results

Relationship Between Variables	F-Square	Description
Inventory Financing → Sales Growth	0.291	Medium effect
Profitability → Sales Growth	1.216	Large effect
Liquidity → Sales Growth	0.275	Medium effect

Based on Table 5, profitability has the highest F-Square value of 1.216, which is categorized as a large effect. This indicates that profitability is the most dominant variable in explaining changes in sales growth. Meanwhile, inventory financing has an F-Square value of 0.291, and liquidity has an F-Square value of 0.275, both of which are categorized as medium effects. Therefore, all three independent variables contribute to sales growth, with profitability providing the strongest substantive influence.

4.6 Path Coefficient Test Results

Table 6. Path Coefficient Test Results

Relationship Between Variables	Path Coefficient	Direction of Effect
Inventory Financing → Sales Growth	0.788	Positive
Profitability → Sales Growth	-0.540	Negative
Liquidity → Sales Growth	0.711	Positive

Based on Table 6, inventory financing has a path coefficient of 0.788, indicating a positive effect on sales growth. This means that better inventory financing management is associated with higher sales growth. Liquidity also shows a positive effect, with a coefficient value of 0.711, suggesting that stronger short-term financial capacity increases the company's opportunity to improve sales. In contrast, profitability has a coefficient value of -0.540, indicating a negative effect on sales growth. This finding suggests that an increase in profitability is not always followed by an increase in sales, particularly when companies focus more on cost efficiency and profit margin improvement than on sales volume expansion.

4.7 Hypothesis Testing Results

Table 7. Hypothesis Testing Results

Hypothesis	Relationship Between Variables	Original Sample	T-Statistic	P-Value	Decision
H1	Inventory Financing → Sales Growth	0.788	2.890	0.004	Accepted
H2	Profitability → Sales Growth	-0.540	7.647	0.000	Accepted
H3	Liquidity → Sales Growth	0.711	3.198	0.001	Accepted

Based on Table 7, inventory financing has a positive and significant effect on sales growth, with an original sample value of 0.788, a t-statistic of 2.890, and a p-value of 0.004. Since the t-statistic is greater than 1.96 and the p-value is lower than 0.05, H1 is accepted. This result indicates that effective inventory financing can support product availability, production continuity, and the fulfillment of market demand, thereby contributing to increased sales growth. Profitability has a negative but significant effect on sales growth, with an original sample value of -0.540, a t-statistic of 7.647, and a p-value of 0.000. Since the t-statistic is greater than 1.96 and the p-value is lower than 0.05, H2 is accepted. The negative direction of the relationship indicates that an increase in profitability does not necessarily correspond to an increase in sales growth. This condition may occur when companies place greater emphasis on cost efficiency, expense control, or profit margin enhancement rather than strategies aimed at increasing sales volume.

Liquidity has a positive and significant effect on sales growth, with an original sample value of 0.711, a t-statistic of 3.198, and a p-value of 0.001. This result meets the significance criteria because the t-statistic is greater than 1.96 and the p-value is lower

than 0.05; therefore, H3 is accepted. This finding indicates that adequate liquidity supports operational continuity, raw material procurement, short-term obligation settlement, and product distribution, which ultimately contribute to increased sales.

4.8. Discussion

4.8.1 The Effect of Inventory Financing on Sales Growth

The results of this study indicate that inventory financing has a positive and significant effect on sales growth among food and beverage companies listed on the Indonesia Stock Exchange. This finding is evidenced by an original sample value of 0.788, a t-statistic of 2.890, and a p-value of 0.004. These results suggest that better inventory financing management is associated with higher sales growth. Therefore, the first hypothesis is accepted. This finding confirms that inventory financing is an important factor in supporting raw material availability, production continuity, and the company's ability to meet market demand sustainably.

Theoretically, this finding is consistent with Working Capital Management Theory, which emphasizes that the management of current assets, including inventory, plays a crucial role in maintaining operational continuity (Kashmir, 2018). Properly managed and adequately financed inventory enables companies to sustain production processes, avoid stock shortages, and accelerate the conversion of goods into sales. From the perspective of Resource-Based View Theory, inventory financing can also be regarded as an internal capability through which firms manage financial and operational resources to create competitive advantage. In the food and beverage sector, inventory is not merely a current asset but also a strategic element that determines the company's ability to respond to consumer demand.

The practical implementation of this finding suggests that food and beverage companies need to maintain a balance between inventory levels and financing capacity. Companies with sufficient inventory financing are better able to secure raw materials, maintain production continuity, and avoid lost sales opportunities due to stock shortages. This is particularly relevant in the food and beverage industry, where products generally have fast turnover cycles, consumer demand is highly dynamic, and certain products are vulnerable to deterioration or expiration.

This finding supports the results of (Estiasih, 2024) found that working capital management affects business profitability, as well as (Wang & Nie, 2025) stated that working capital management is associated with sales growth in consumer goods companies. This finding is also in line with (Silva, 2026) which demonstrated that sales growth is closely related to inventory growth and inventory management.

The managerial implication of this finding is that food and beverage companies should develop more effective inventory control systems, including raw material requirement planning, minimum and maximum stock control, and regular monitoring of inventory turnover. Companies must also ensure that inventory financing does not lead to excessive stock accumulation, as this may increase storage costs and place pressure on liquidity. With appropriate management, inventory financing can become a financial strategy that supports sustainable sales growth.

4.8.2 The Effect of Profitability on Sales Growth

The results of this study indicate that profitability has a negative and significant effect on sales growth. This is shown by an original sample value of -0.540, a t-statistic of 7.647, and a p-value of 0.000. These results indicate that profitability has a statistically

significant effect, although the direction of the relationship is negative. Therefore, the second hypothesis is accepted, but with an inverse relationship. This means that an increase in profitability is not always accompanied by an increase in sales growth among food and beverage companies listed on the Indonesia Stock Exchange.

Theoretically, this finding can be explained through the concept of a trade-off between profit margin and sales volume (Kashmir, 2018). Companies may increase profitability through cost efficiency, operating expense control, reduced discounts, or higher selling prices (Nurcahyono et al., 2022). However, these strategies do not always lead to higher sales volume. In certain conditions, companies that focus excessively on improving profit margins may experience slower sales growth because market expansion, promotional activities, or distribution development are not prioritized. From the perspective of Financial Performance Theory, profitability reflects a company's ability to generate earnings, but high profitability does not necessarily indicate aggressive sales expansion.

In the context of food and beverage companies, the implementation of this finding suggests that profitability should be interpreted carefully. High profitability may result from cost efficiency or price increases rather than from a higher number of products sold. In the food and beverage sector, strategies such as price increases or production cost reductions may improve profit margins, but they may also reduce consumer purchasing power or sales volume if they are not accompanied by product quality, brand strength, and effective distribution.

This finding is related to the studies of (Irawan & Suyanto, 2021), (Yanuar Rizky Anggada & Maria Safitri, 2023)(Murti & Lestari, 2025) which found a relationship between profitability and sales growth. However, the main difference lies in the direction of the relationship identified in this study. While several previous studies reported a positive relationship between sales growth and profitability, this study finds that profitability negatively affects sales growth. This difference may be attributed to the characteristics of the food and beverage sector, which is highly sensitive to prices, production costs, raw material availability, and changes in consumer demand.

The managerial implication of this finding is that companies should not focus solely on profitability but must also maintain a balance between earnings and sales expansion. Management needs to design strategies that not only improve profit margins but also preserve or increase sales volume.

4.8.3. The Effect of Liquidity on Sales Growth

The results of this study indicate that liquidity has a positive and significant effect on sales growth. This is evidenced by an original sample value of 0.711, a t-statistic of 3.198, and a p-value of 0.001. These results show that higher liquidity strengthens the company's ability to promote sales growth. Therefore, the third hypothesis is accepted. This finding indicates that adequate current assets play an important role in supporting the operational continuity of food and beverage companies.

Theoretically, this finding is in line with Working Capital Management Theory(Silva, 2026), which explains that liquidity is an essential component of working capital management. Companies with adequate liquidity are able to meet short-term obligations, pay suppliers, purchase raw materials, finance production, and maintain distribution activities. In the context of Liquidity Theory, strong liquidity reflects a company's ability to maintain operational stability and respond quickly to market needs. Thus, liquidity does not merely function as an indicator of short-term solvency but also serves as a supporting factor for sales activities.

The implementation of this finding in food and beverage companies indicates that liquidity is crucial for maintaining supply chain continuity. Companies with strong liquidity have greater flexibility to purchase raw materials on time, pay production costs, maintain good relationships with suppliers, and ensure smooth product distribution. Conversely, companies with low liquidity may face operational constraints, such as delays in raw material procurement, production disruptions, and limited distribution capacity. These conditions may ultimately reduce the company's ability to meet market demand and hinder sales growth.

This finding is consistent with (Utami et al., 2025), who found a significant relationship between sales growth and liquidity in food and beverage companies. However, this result differs from (Supiana, 2026)(G. K. Dewi, 2024) found that sales growth may have a negative or insignificant relationship with liquidity. These differences suggest that the relationship between liquidity and sales growth is highly dependent on sector characteristics, research period, and the company's ability to manage current assets and short-term liabilities.

The managerial implication of this finding is that companies need to maintain liquidity at a healthy level. Liquidity that is too low may disrupt operational activities, while excessive liquidity may indicate that current assets are not being used productively. Therefore, management should integrate cash management, receivables management, inventory control, and short-term liability management. Companies also need to strengthen cash flow planning to support production and distribution activities without compromising financial stability.

4.8.4. The Effect of Inventory Financing, Profitability, and Liquidity on Sales Growth

The results of this study indicate that inventory financing, profitability, and liquidity collectively have a strong ability to explain sales growth. Based on the structural model assessment, the R-Square value for sales growth is 0.982, with an adjusted R-Square of 0.981. This means that 98.1% of the variation in sales growth can be explained by inventory financing, profitability, and liquidity, while the remaining 1.9% is explained by other variables outside the research model. This finding demonstrates that the research model has a very strong predictive power in explaining sales growth among food and beverage companies.

Theoretically, this finding strengthens the relevance of Resource-Based View Theory, which states that a company's ability to manage internal resources can serve as a basis for creating advantage and improving performance (Wang & Nie, 2025). In this study, inventory financing, profitability, and liquidity are viewed as internal financial resources that contribute to sales growth. These three variables are also consistent with Working Capital Management Theory, as inventory financing and liquidity are directly related to current asset and short-term liability management, while profitability reflects the company's effectiveness in generating earnings from the resources employed(Tamin et al., 2024).

The implementation of this finding suggests that food and beverage companies need to adopt an integrated financial strategy. Sales growth is not determined solely by the company's ability to sell products but also by how effectively the company manages inventory financing, maintains liquidity, and sustains profitability in a balanced manner. Inventory financing supports product availability, liquidity ensures operational continuity, and profitability reflects the company's effectiveness in generating earnings.

When these three aspects are managed in an integrated manner, companies will have a stronger financial foundation to sustain sales growth.

This study reinforces previous (Badakhshan et al., 2026)(Wang & Nie, 2025)(Shaleh, 2026) findings indicating that working capital management, profitability, and liquidity are associated with corporate performance. However, this study provides a more specific contribution by integrating inventory financing, profitability, and liquidity into a single research model to explain sales growth in food and beverage companies listed on the Indonesia Stock Exchange.

The managerial implication of this finding is that corporate management needs to manage financial strategies in a more balanced and directed manner. Companies cannot focus solely on increasing profits; they must also maintain sufficient inventory and liquidity to ensure smooth operational activities. Management should formulate financial policies that integrate inventory planning, cash control, short-term liability management, and profitability strategies.

5. Conclusion

This study demonstrates that inventory financing, profitability, and liquidity play important roles in driving sales growth among food and beverage companies listed on the Indonesia stock exchange. The findings show that inventory financing has a positive and significant effect on sales growth, indicating that effective inventory management can help companies maintain raw material availability, ensure production continuity, and fulfill market demand. Liquidity also has a positive and significant effect on sales growth, suggesting that a company's ability to meet short-term obligations supports operational stability and the continuity of business activities. Meanwhile, profitability has a negative and significant effect on sales growth. this finding indicates that higher profitability is not always followed by increased sales, particularly when companies place greater emphasis on cost efficiency and profit margin improvement rather than sales volume expansion. Overall, the r-square value of 0.982 indicates that inventory financing, profitability, and liquidity are able to explain 98.2% of the variation in sales growth, demonstrating that the research model has very strong predictive power.

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