

The Effect of Gross Profit, Operating Profit and Net Profit on Future Cash Flow Prediction at the Company of Telecommunications Sub Sector on IDX in 2014-2019

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Abstract. *This study was structured with the aim of knowing the effect of gross profit, operating profit and net profit on the prediction of future cash flows in telecommunications sub-sector companies listed on the Indonesian stock exchange. This research was conducted focused on the telecommunications sub-sector companies listed on the Indonesia Stock Exchange in 2014-2019. The sampling method used is purposive sampling. Through this sampling method, 5 companies were obtained that could be used as samples with a research period of 6 years. Therefore, in this study, the number of this study was 30 units of analysis. This study uses descriptive statistical analysis, correlation coefficient analysis, coefficient of determination analysis, simple regression analysis, and multiple regression analysis in analyzing all data. Testing the data used in this study is the partial t-significance test, the classical assumption test, and the F simulation test. From the research conducted, the results show that the gross profit and operating profit variables partially have no significant effect on future cash flows while the net income variable shows that partially significant effect on cash flows in the future. The variables of gross profit, operating profit and net profit simultaneously show a significant effect on future cash flows.*

Keywords: *Gross Profit; Operating Profit; Net Profit; Cash Flow; Prediction of future cash flows*

INTRODUCTION

Financial statement data is information that is very useful for users of financial statements, it can show the presentation of the financial position, financial performance and cash flows of the entity. In addition, financial statements can also make decisions both in the long and short term because financial statements can find out profits in the current period so that profit reports are very important for the company. The importance of the income statement in a company for users of financial statements can determine the company's ability to generate cash flows in the future. According to Hery (2015: 117) cash flow reports are still very necessary for users of financial statements for two reasons, namely often the profit benchmark does not necessarily describe the actual state of the company and more detailed information on the company's performance can be obtained with the cash flow report. In addition to cash flow statements, users of financial statements also pay attention to income statements that provide profit information. From profit report information loss, helps investors to estimate the company's ability to generate profits in the future as well as the risk in investing. One thing that is interesting for researchers is because in the past three years, one of the telecommunication sub-sector companies is PT. TLKM recorded an increase in revenue which shows their good financial performance such as an increase in gross profit, net profit, and operating profit. This is supported by forecast data for 2020 which states that the telecommunications sub-sector is expected to tend to be stable and increase (Utami, Bisnis.Com). Reporting from Investor Daily Indonesia (2020), At the beginning of Semester I of 2020, PT TLKM recorded consolidated revenues of Rp. 66.9 trillion. In this regard, there was a decrease in net profit of around 0.8% compared to the June 2019 net profit period. However, the net profit margin showed an increase compared to the previous period to 16.4% from 16%. PT TLKM's fairly good financial performance can also be seen from the increase in the company's profitability where the EBITDA margin and net profit margin grew from last year. The increase in net profit has an impact on cash flow from operating activities which grew 23.4% from the previous. This case shows that there is a significant effect on gross profit, net profit, operating profit, on the company's future cash flows. This is corroborated by research conducted by Alamsyah (2019), which shows that there is a significant influence that gross profit and net profit have an influence on cash flows in the future. In this case, future cash flows are more dominantly predicted through gross profit and net profit compared to operating profit which shows a negative effect. So the relationship between these variables shows that future cash flows will change in value due to gross profit, operating profit and net profit. However, research conducted by Koeswardhana (2020) shows that there is no significant effect between net income, operating profit and gross profit in predicting future cash flows.

Literature Review

Financial statements

Financial statements are the final product or result of the accounting process. Financial reports contain information about the implementation of management responsibilities or accountability, so this is information for users, one of which is in the decision-making process. Besides, financial statements can describe indicators of the success of a company in achieving its goals. Financial statements are very important because in establishing a company that has the aim of generating maximum profit from each transaction so that the company must maintain and maintain its continuity. The more a profit increases, the company will experience development in the business it founded. So that information on a company's favorite report is very important because it serves as a guide in making decisions.

Income statement

According to Yayah (2016) the income statement is the company's financial report of a company produced in a certain period consisting of all income and expenses so as to produce a profit or loss value. The income statement reports the company's financial performance in terms of profit or loss during a certain period consisting of income and expenses such as employee salaries or rental expenses. The income statement shows the income and operating costs, tax interest and net profit earned by a company. So that based on the income statement, the company can find out whether its business activities are profitable or detrimental. So the company is expected to evaluate the business legitimation in the future by using the income statement. If the company's income is greater than costs, the company will make a profit, if otherwise the income is less than costs, the company will suffer a loss.

Gross Profit Report

Gross profit is a direct measurement of the company's revenue on the sale of its products during an accounting period. Gross profit can indicate directly the company's ability to cover the costs of its products. Gross profit tends to show a measure of the achievement of a company in utilizing the resources used in the current period. Furthermore, Alamsyah, et al (2019:57) explained that gross profit is the comparison between the reduction in the cost of goods sold and the income received by the company. So that the cost of the goods sold will only be recognized after arriving at the factory and sold where the total cost will be calculated for the product to be sold. These costs are classified as Cost of Goods Sold. So it is concluded that gross profit can be the basis for users of financial statements to see profit margins that can change if there is competitive pressure. This has become one of the focuses of users of financial statements, especially investors, to pay attention to the gross profit obtained by the company in the current period in making decisions.

Operating Profit Report

According to Yayah (2016) operating profit is the difference between operating income and expenses while other income and expenses are income outside the company's principal income such as interest income. Other expenses are expenses that are not related to the company's main operating activities such as loss on sale of fixed assets and interest expense. It can be seen that the operating profit consists of the value obtained from gross profit and operating expenses. According to Koeswardhana (2020) the advantages of operating profit components are able to show how profitable a company is in managing cash receipts. In this case, data from operating profit relates to the value of cash flows originating from the company's operating activities which are the company's main revenue generating activity. Components in operating income are also able to provide information for investors to evaluate changes in the entity's net assets, financial structure (such as liquidity and solvency), and values in operating income can be a benchmark for comparing the present value of operating cash flows in the future. . So operating profit becomes an important variable in predicting future cash flows.

Net Profit Report

According to Yayah (2016), it is the result of reducing operating profit with other income and expenses outside of operations and net profit after tax, namely the company's net income both from the company's operational activities and non-operational after deducting income tax. According to Budi (2021) net profit is the excess of net sales revenue to cost of goods sold after deducting operating costs and income tax. Factors that affect net income are income, cost of goods sold, operating expenses and income tax rates. Net profit in company can predict future flows, this net income provides information about dividends that will be distributed to investors, this becomes a benchmark in future cash flows.

Cash Flow Statement

According to Budi (2021) the cash flow statement is reporting the inflows and outflows of the company's cash.

The cash flow statement reports the company's cash flow activities, especially the company's cash flow activities, especially operating, investing and financing activities during a certain period. The objective of the statement of cash flows is to provide a basis for users of financial statements to assess the entity's ability to generate cash and cash equivalents and the entity's needs to use those cash flows. The statement of flows also has the benefit of helping users or readers of financial statements evaluate changes in an entity's net assets, its financial structure (including liquidity and solvency) and its ability to affect cash flows in order to adjust to changing circumstances and opportunities. In addition, cash flows provide benefits for investors and users of financial statements to be able to assess an entity's ability to generate cash and cash equivalents and to develop models to compare the present value of future cash flows from various entities.

METHOD

This study uses quantitative data derived from the financial statements of a company. The purpose of this research design is to determine the impact of the variable gross profit, operating profit variable, and net income variable on future cash flows in telecommunications companies listed on the Indonesia Stock Exchange in 2014-2019. According to Sugiyono (2018) the population is the entirety of subjects and objects that have certain qualities and characteristics made by the author with the aim of studying and drawing conclusions. In this study, the population used is the companies listed on the Indonesia Stock Exchange (IDX). According to Sugiyono (2018), the sample is a certain part of the overall object to be studied. The sample can also be referred to as part of the population. This study uses a sample of telecommunication sub-sector companies listed on the Indonesia Stock Exchange in the 2014-2019 period. The sample research method in this study used a purposive sampling method, namely the technique of determining the sample as a particular consideration. The sample data used in the study can be seen in the following table:

Table 1
List of Research Samples

No	Criteria	Number Of Sample
1	Registered telecommunication sub-sector company in IDX	5
	The research period is 4 years, in 2016-2019	6
	Total sample observed (5 x 5 year)	30

Source: Author

The secondary data used in this study is from the annual report of the telecommunication sub-sector companies listed on the Indonesia Stock Exchange according to the sampling method. The lists of samples in this study are as follows:

Table 2
List of Research Samples

Company Code	Company Name
BTEL	Bakrie Telecom Tbk
EXCL	XL Axiata Tbk
FREN	Smartfren Telecom Tbk
ISAT	Indosat Tbk
TLKM	Telekomunikasi Indonseia Tbk

Source: Indonesia Stock Exchange (IDX), processed by the author

1. Company Financial Report

Financial statements are the final product or result of the accounting process. Financial reports contain information about the implementation of management responsibilities or accountability, so this is information for users, one of which is in the decision-making process. The report document used to collect data obtained on the Indonesia Stock Exchange is the financial report of the telecommunications sub-sector company for the period 2014-2019 which is obtained on the website www.idx.co.id. The indicator in this study is Gross Profit = Net Sales

2. Gross Profit

Gross profit is a direct measurement of the company's revenue on the sale of its products during an accounting period. Gross profit can indicate directly the company's ability to cover the costs of its products. The report document used to collect data obtained on the Indonesia Stock Exchange is the financial report of the telecommunications sub-sector company for the period 2014-2019 which is obtained on the website www.idx.co.id. The indicators used in this study are Operating Profit = Gross Profit - Operating Expenses.

3. Net Profit

According to Yayah (2016), it is the result of reducing operating profit with other income and expenses outside of operations and net profit after tax, namely the company's net income both from the company's operational activities and non-operational after deducting income tax. The report document used to collect data obtained on the Indonesia Stock Exchange is the financial report of the telecommunications sub-sector company for the period 2014-2019 which is obtained on the website www.idx.co.id. The indicators used in this research are Net Profit = Operating Profit – Interest Cost income tax.

4. Future Cash Flow

According to Budi (2021) the cash flow statement is reporting the inflows and outflows of the company's cash. The report document used to collect data obtained on the Indonesia Stock Exchange is the financial statements of the telecommunications sub-sector companies for the period 2014-2019 which are obtained on the www.idx.co.id website. The indicators used in this research are Operating Activation Cash Flow, Investment Activities and Funding Activities.

The process of collecting data in this study uses secondary data. Secondary data was obtained from the official website of the Indonesia Stock Exchange (IDX) (www.idx.co.id). The data collection in this study is in the form of income statements and cash flow reports for telecommunications sub-sector companies in 2014-2019 which have been published on the official website of the Indonesia Stock Exchange or can be viewed from the Indonesia Stock Exchange (IDX). The analytical technique used in this research is simple regression analysis. Multiple linear regression was used to see the effect of the independent variable on the dependent variable and usually used for more than one independent variable, the regression analysis equation model in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

Y : Future cash flow

α : Constant

$\beta_1 - \beta_4$: Regression Coefficient

X1 : Gross Profit

X2 : Operation Profit

X3 : Net Profit

e : *standart error*

RESULT AND DISCUSSION

Effect of Gross Profit on Telecommunication Subsector Companies listed on the IDX in 2014-2019

In this study, the object is telecommunications companies engaged in the telecommunications industry on the Indonesia Stock Exchange in 2014-2019. The number of telecommunications companies that have been listed on the IDX to date are 6 companies and this study uses a sample of 5 companies. This study aims to determine the effect of gross profit, operating profit, and net profit on future cash flow predictions for the year under study 2014-2019. gross profit in telecommunications companies obtained from the annual financial statements of the Indonesia Stock Exchange in 2014-2019. Therefore, it can be seen that the maximum value of gross profit obtained by the TLKM company in 2019 was Rp. 135,567,000 (in millions of rupiah) while the lowest gross profit was obtained by the EXCL company in 2014 with a loss of Rp. 21,873,433 (in millions of rupiah). In the table above, the BTEL company has decreased in the past 6 years for its gross profit. This can indicate that BTEL's total sales have not increased. So that BTEL management needs to make a strategic plan for the short term related to the company's going concern in increasing sales in the current year. The EXCL company has a gross profit that tends to be stable and slightly increased in 2019. Then the FREN company has a gross profit that continues to increase every year as of 2019 FREN recorded its highest gross profit of Rp 6,987,804 (in millions of rupiah). Furthermore, the ISAT company as a telecommunications company that is growing rapidly in this industry shows that the gross profit value tends to stagnate but still leads to positive results if ISAT continues to maintain sales which increase from year to year it will support a much better performance for the company Meanwhile, TLKM companies have a much higher gross profit than other telecommunication companies, indicating that TLKM is capable of IDXng a formidable competitor in this industry. It was even recorded that in 2019 TLKM's gross profit was Rp. 135,567,000 (in millions of rupiah) an increase of about 4% compared to the previous year. From the conclusion above, it can be seen the changes to the level of gross profit with the graph below.

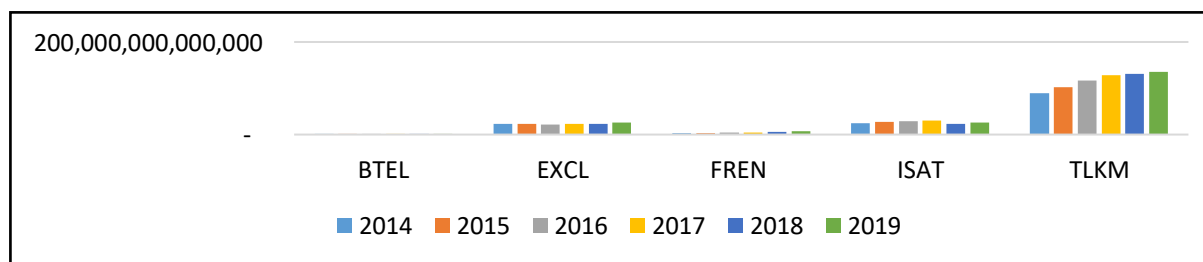


Figure 1

Graph of Gross Profit Structure of Telecommunication Sub-Sector Companies on IDX 2014-2019

Source: Indonesia Stock Exchange

Based on Figure 1 above, it can be seen that the results of the graph of gross profit for telecommunication sub-sector companies listed on the Indonesian Stock Exchange in 2014-2019 are seen on an annual basis. Gross profit at EXCL, FREN, ISAT, and TLKM companies has increased from year to year. Meanwhile, BTCL companies experienced a significant decline. Quoted from CNBC Indonesia (Ayuningtyas Dwi, 2019) BTCL suffered a loss in gross profit due to changes in business services in their products from code division multiple access (CDMA) based cellular operators to more corporate-to-corporate (Business-to-Business/B2B) businesses.) which also has an impact on costs which are ultimately more incurred. From this income statement, it can be concluded that BTCL has entered the category of financial distress or financial difficulty. Financial difficulties occur if the company shows negative numbers on operating profit, net income and book value of equity. This condition is generally found before the occurrence of bankruptcy or liquidation. Coupled with a disclaimer opinion on BTCL's financial statements for the past three years which shows the lack of evidence obtained by the auditor regarding the figures presented by BTCL. From the gross profit table above, descriptive statistical analysis can be used which shows the average value (mean), standard deviation, maximum value and minimum value in the following table.

Table 3
Descriptive Statistics of Gross Profit for Telecommunication Companies on the IDX in 2014-2019

	N	Descriptive Statistics			
		Minimum	Maximum	Mean	Std. Deviation
Gross Profit	30	3500000000.00	1355670000000.00	3431327664269.66370	44058944709842.58000
Valid N (listwise)	30				

Source: Indonesia Stock Exchange, processed by SPSS 25

Based on table 4 on descriptive statistics for gross profit, it can be interpreted as follows: the average gross profit of companies in the telecommunications subsector listed on the Indonesia Stock Exchange from 2014 to 2019 is Rp. 34,313,276 (in millions of rupiah). Furthermore, the standard deviation of gross profit is Rp. 44,058,944 (in millions of rupiah) thus the limit of deviation of gross profit in this study is Rp. 44,058,944 (in millions of rupiah). Gross profit has a maximum value in the telecommunications sub-sector of Rp. 135,567,000 (in millions of rupiah) found in TLKM companies in 2016. Thus the upper limit of the value of gross profit in this study is Rp. 135,567,000 (in millions of rupiah). While the gross profit in this study has a value of minimum of Rp. 3,500 (in millions of rupiah) so that it is concluded that the lower limit of the gross profit value in the telecommunications sub-sector in this study was obtained by BTCL companies in 2016 with a value of Rp. 3,500 (in millions of rupiah).

Operating Profit for Telecommunication Subsector Companies listed on IDX 2014-2019

Information data on operating profit of telecommunications sub-sector companies listed on the Indonesia Stock Exchange in 2014-2019. Operating profit on telecommunication sub-sector companies listed on the Indonesia Stock Exchange in 2014-2019 with the maximum value obtained at TLKM companies in 2017 of IDR 43,933,000 (in millions of rupiah). While the minimum value obtained by the BTCL company in 2015 was IDR 3,833,690 (in millions of rupiah) with operating losses. The table above also shows the increase and decrease from year to year experienced by each telecommunication company. The BTCL company suffered the biggest loss in operating profit in 2015 which was a loss of Rp. (3.833,690) (in millions of rupiah) this could happen because the operating expenses borne by the BTCL company jumped compared to the previous year resulting in a large operating loss. Furthermore, the EXCL company during the 2014-2019 period showed a fairly stable operating profit position plus the 2019 financial statements recorded the highest operating profit for the past 6 years, which amounted to Rp 3,274,489 (in millions of rupiah) even though in 2018 it had experienced an operating loss. due to the high depreciation and amortization expenses in the midst of stagnant operating/operating income. Then for the FREN company, it can be

seen that the resulting operating profit loss is negative which indicates that the FREN telecommunications company has continued to experience operating losses for the past six years, especially in 2018 it experienced an operating loss of Rp(2,646,534) in millions of rupiah. This happened because the financial statements of FREN showed a large increase in operating expenses from year to year which was quite large in operating expenses, namely operating, maintenance and telecommunication services expenses which from the past few years continued to increase accompanied by large depreciation expenses. Furthermore, the ISAT company showed a fairly good financial performance in which the company's operating profit was quite stagnant even though in 2018 it experienced an operating loss, but in the years before and after ISAT was able to increase its operating profit to Rp 4,228,321 (in millions of rupiah), a rapid increase of almost 100% from the previous Rp (464,797) in millions of rupiah. This could be due to an increase in gross income from the previous year and ISAT getting additional benefits from its tower/tower rental. Then the TLKM company from the operating profit table above this telecommunication company as the market leader in this industry. Good financial performance with operating profit for the past six years which shows a positive value and tends to be stable even in 2019 TLKM was able to increase its operating profit quite high compared to the previous year, this means that operating expenses from TLKM were able to be paid well because it decreased compared to operating expenses in the previous year . From the conclusion above, it can be seen in Figure 2 the graph of changes for operating profit below:

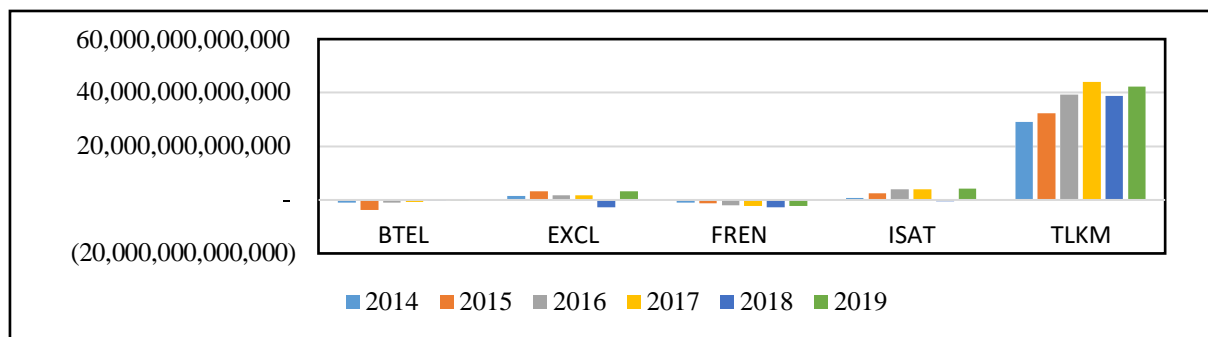


Figure 2

Graph Structure of Operating Profit for Telecommunication Sub-Sector Companies at IDX 2014-2019.

Source: Indonesia Stock Exchange

As can be seen from the table above and the figure above, data on operating profit for 2014-2019 from telecommunications subsector companies listed on IDX are presented annually. We can see that the operating profit of the telecommunications sub-sector companies in IDX from 2014 to 2019 has decreased since 2015, namely BTCL and FREN companies while EXCL, ISAT, and TLKM companies experienced operating profit growth in 2015. Based on the operating profit table above , descriptive statistical analysis can be used which shows the average, standard deviation, minimum and maximum values which can be seen in the following table.

Table 4

Graph Structure of Operating Profit for Telecommunication Sub-Sector Companies at IDX 2014-2019.

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Operational Profit	30	- 3833690000000.00	439330000000.00	770555097606.5330	15568229011171.2300
Valid N (listwise)	30				

Source: Indonesia Stock Exchange, Diolah dengan SPSS 25

From Table 4.4 above, the results that can be seen are as follows: The average value or mean in the study for operating profit is Rp. amounting to IDR 7,705,550 (in millions of rupiah). The standard deviation of operating profit is Rp. 15,568,229 (in millions of rupiah). Thus, the limit of operating profit deviation from research on the telecommunications sub-sector is Rp. 15,568,229 (in millions of rupiah). Operating Profit shows the maximum value for TLKM companies in 2017 of IDR 43,933,000 (in millions of rupiah) thus the upper limit of operating profit is IDR 43,933,000 (in millions of rupiah). The minimum value of operating profit obtained by the BTCL company in 2015 is IDR -3,833,690 (in millions of rupiah) with the known lower limit in this study is IDR -3,833,690 (in millions of rupiah).

Net Profit on Telecommunication Companies listed on IDX 2014-2019

Net profit from telecommunications sector companies on the Indonesia Stock Exchange in 2014-2019 taken from the financial statements of telecommunications sub-sector companies. The table above shows the highest net profit data for TLKM companies in 2017 worth IDR 32,701,000 (in millions of rupiah) while the lowest net profit was obtained by the company BTEL in 2015 with a minus value of IDR 8,640,757 (in millions of rupiah). The BTEL company can see the net loss from 2014-2018 and then it generates a net profit in 2019 of IDR 7,280 (in millions of rupiah). This increase in net profit was generated because BTEL generated a fairly large foreign exchange gain compared to the previous period as well as gross profit which increased 33% compared to the previous year so that it could boost net profit per year 2019. Furthermore, the telecommunication company EXCL experienced the largest loss in 2018 which was Rp. -3,296.890 (in millions of rupiah). One of the factors causing this biggest loss was the infrastructure and depreciation expense, which cost a lot of money that year, resulting in a loss for the company due to not managing expenses related to these expenses. However, in the following year EXCL was able to reduce depreciation expense as well as increase gross profit which had an impact on operating profit and provided a profit for EXCL as of 2019. In the last six years, the FREN company experienced an increasing net loss. This can happen because there are still costs that must be borne by the company such as investment costs and expansion in the expansion of the FREN network. Then the ISAT company shows a fluctuating or fluctuating net profit value. However, what is interesting is that despite having experienced a fairly large loss in 2018 of Rp -2,085,059 (in millions of rupiah) which came from a decrease in revenue in the cellular sector and the multimedia, data communication and internet business lines. Meanwhile, in 2019 ISAT was able to increase its net income by Rp. 1,630,372 (in millions of rupiah) due to the positive operating profit and higher than the previous year which showed a better performance by the ISAT company. Furthermore, TLKM companies that show stable or stagnant net income or net income. With the net profit value that tends to stagnate, making TLKM a difficult competitor compared to other telecommunication companies, it is also able to keep its investors from investing in TLKM. Therefore, it can be concluded that the graph of changes in net income from 2014-2019 using the graphic figure as follows:

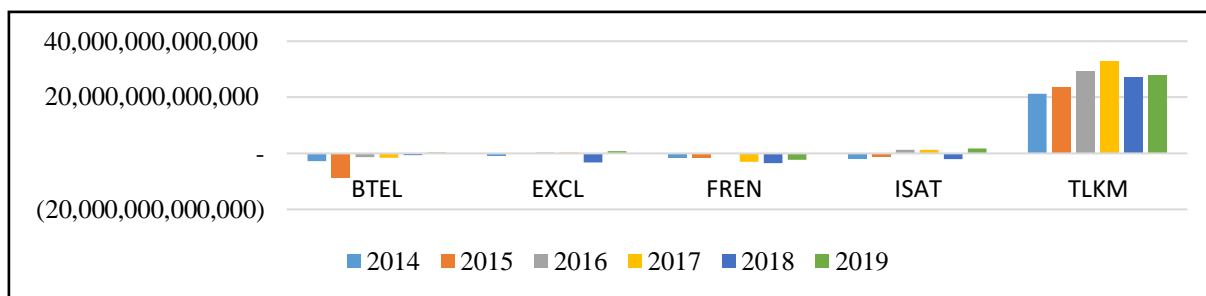


Figure 3

Graph of Net Profit for Telecommunication Subsector Companies listed on IDX 2014-2019

Source: Indonesia Stock Exchange

Based on the graphic pattern of changes in annual net income from 2014-2019 in the telecommunications subsector on the Indonesia Stock Exchange. Therefore, we can see that the net profit in the telecommunication subsector decreased in 2015 for BTEL and FREN companies, while in EXCL, ISAT, and TLKM companies, the net profit of these companies increased. From the table of net income in the telecommunications sub-sector companies, the authors can use descriptive statistical analysis as follows.

Table 5

Descriptive Statistics of Net Profit for Telecommunication Subsector Companies listed on IDX 2014-2019.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Net profit	30	-8640757000000.00	32701000000000.00	43483724628	11721702670449.53
Valid N	30			42.6330	500

Source: Indonesia Stock Exchange, processed by SPSS 25

The average or mean net profit is IDR 4,348,372 (in millions of rupiah) for telecommunications sub-sector companies listed on IDX in 2014-2019, thus the average net profit in this study is IDR 4,348,372 (in millions of rupiah). The net profit shows the standard deviation is Rp. 11,721,702 (in millions of rupiah) thus the limit of deviation of the net profit data is Rp. 11,721,702 (in millions of rupiah). The maximum net profit data was obtained with a value of Rp. 32,701,000 (in millions of rupiah) by TLKM companies in 2017 as the upper limit in this study

was 32,701,000 (in millions of rupiah). The minimum net profit earned was Rp -8,640,757 (in millions of rupiah) by BTEL companies in 2015 with a lower limit of Rp -8,640,757 (in millions of rupiah).

Future Cash Flows in Telecommunication Companies listed on IDX 2014-2019

Cash flow in telecommunications sub-sector companies at IDX in 2014-2019 per year. The highest cash flow value was obtained by the TLKM company in 2016 which was 29,767,000,000,000 while the lowest cash flow was obtained by the BTEL company in 2018 of 310,000,000. The cash flow obtained by BTEL is positive but from year to year it has decreased quite a lot. If the cash flow owned by the company is less stable or has decreased, it becomes a consideration for investors. As can also be seen in the section on BTEL's funding cash flow for 2015-2019, there is no funding activity. At the EXCL company there was a slight increase in cash flow per 2019 this is an increase obtained from operating cash flow which shows predictions that need to be considered in predicting cash flows in the next period and if there is growth in cash flow value then the company has good prospects. Furthermore, the FREN company showed a declining cash flow value per 2019 which was lower than the previous two years. However, this is still fairly good because the cash flow obtained from operating activities shown by FREN has a positive value or an increase compared to 2018 of IDR 175.615 (in millions of rupiah). 500% compared to the previous year of Rp 5,881,174 (in millions of rupiah). Cash flow from ISAT's operating activities almost doubled compared to the previous year which was supported by more cash received from customers which illustrates that ISAT 2019 sales rose rapidly. Also in operating activities the costs incurred for regulators and other operators are smaller. As of 2019 ISAT received a large amount of cash flow from funding activities, indicating that ISAT was able to pay its loan debts and carry out many funding activities in the current year. This shows the improvement in ISAT's financial performance to compete in the telecommunications industry to become the best company after TLKM. Then in addition to ISAT, TLKM as its biggest competitor was able to maintain excellent cash flow which in the past six years, TLKM had a stagnant cash flow even though it had fallen since the 2018 period, TLKM was able to maintain cash flow from its operating activities still tends to increase. So, through the table above, it can show the level of change of cash flow with the following graph.

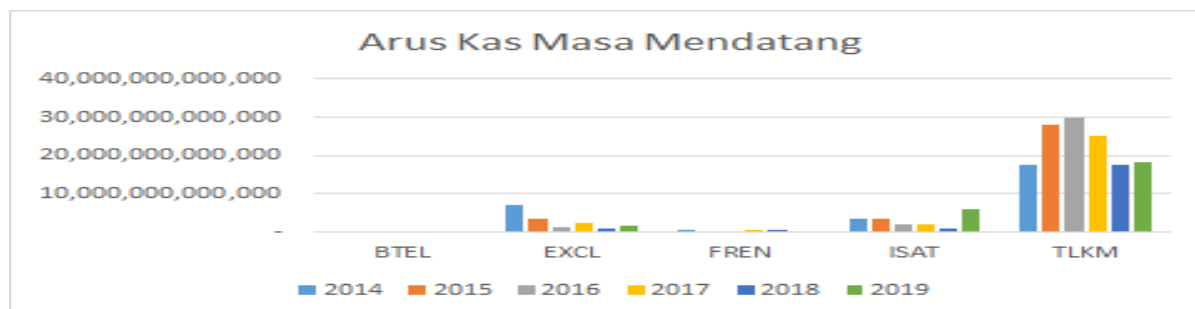


Figure 4

Cash Flow Chart for Telecommunication Subsector Companies listed on IDX 2014-2019.

Source: Indonesia Stock Exchange

Melalui Grafik diatas maka dapat menunjukkan arus kas dimasa mendatang pada perusahaan subsektor telekomunikasi dari tahun 2014 hingga 2019. Dapat dilihat bahwa arus kas masa mendatang pada tahun 2015 mengalami penurunan yaitu perusahaan BTEL, EXCL, dan FREN sedangkan pada perusahaan ISAT dan TLKM mengalami kenaikan pada arus kas perusahaan tersebut. Berdasarkan Table arus kas di atas maka dapat menggunakan analisis statistik deskriptif dengan memperlihatkan nilai rata-rata atau *mean*, standar devisiasi, nilai maksimum dan nilai minimum dibawah ini:

Table 6

Descriptive of Cash Flow Statistics in Telecommunication Subsector Companies listed on IDX 2014-2019.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Arus Kas	30	310000000.0	29767000000000.00	57685860691	9096750694026.773
Valid N (listwise)	30			67.5670	00

Source: Indonesia Stock Exchange, Diolah dengan SPSS 25

Based on Table 6 above, statistical analysis can be seen as follows: The average value or mean of the cash flows obtained is Rp. 5,768,586 (in millions of rupiah). thus the average cash flow in this study is Rp 5,768,586 (in millions

of rupiah). The standard deviation of the future cash flows mentioned above is Rp 9,096,750 (in millions of rupiah). Thus the limit of deviation from future cash flows is Rp 9,096,750. The maximum value obtained by the TLKM company in 2016 was IDR 29,767,000 (in millions of rupiah). Thus, the upper limit of future cash flows is Rp 29,767,000 (in millions of rupiah). The minimum value is Rp. 310 (in millions of rupiah) which is a BTEL company in 2018 thus the lower limit in this study is Rp 310 (in millions of rupiah). The correlation coefficient is used to measure how strong the relationship between variables in this study is. In this case, the variables of gross profit, operating profit and net profit on cash flow. Below is a table of the results of the analysis of the correlation coefficient between Gross Profit, operating profit and net income with future cash flows in telecommunication sub-sector companies listed on the Indonesia Stock Exchange in 2014-2019 as follows:

Table 7

Correlation Coefficient of Gross Profit to Cash Flow in Telecommunication Subsector Companies listed on IDX 2014-2019
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Gross Profit	.904 ^a	.818	.811	3950218545605.061500000000
Operational Profit	.882 ^a	.777	.769	4367749681879.442400000000
Net Profit	.949 ^a	.900	.897	2924164928826.674300000000

a. Predictors: (Constant), gross profit

Source: Author

Based on the table shown above, the gross profit correlation coefficient in R is 0.904, operating profit R is 0.882 and net income is 0.949 this value is almost close to 1 which indicates that there is a high or strong relationship between gross profit, operating profit and profit. net of cash flows in telecommunications sector companies. In carrying out the coefficient of determination, it can test the contribution of gross profit to cash flow or can be used to determine the effect of gross profit on cash flow. The results of the analysis of the coefficient of determination (R²) show what the percentage value of the share of the independent variable to the dependent variable is. From the test results in Table 4 above, it can be seen that the value of the coefficient of determination is R square, which is 0.818. So it shows that the gross profit variable can be explained by cash flow variables of 81.8% and 18.2% by variables other than cash flow. The coefficient of determination on R square on operating profit is 0.777 so that it shows cash flow variables of 77.77% and 22.23% by variables other than cash flow. The coefficient of determination on R square on net income is 0.900 by 90% and 10% by variables other than cash flow. Simple linear regression analysis to test the causal relationship between variables in this study, namely the relationship between the variable gross profit and cash flow in the future. The following table shows the results of a simple linear regression for the telecommunications sub-sector in 2014-2019 as follows:

Table 7

Simple Linear Regression of Gross Profit, Operating Profit and Net Profit on Cash Flow in Telecommunication Sub-Sector Companies listed on IDX in 2014-2019

Coefficients^a

Model	Unstandardized Coefficients		St. Coefficients	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant)		.565	.986	.332	.003		
Gross Profit	-.029	.044	-.144	-.659	.516	.074	13.577
Operational Profit	-.145	.103	-.280	-.398	.174	.088	11.322
Net Profit	1.050	.236	1.355	.451	.000	.038	26.196

Source: Author

Through Table 7 simple linear regression Gross Profit listed above the value of a is .565 and b is -0.029. Therefore, a linear equation can be made, namely a constant value of .565 which indicates if the Gross Profit is zero and there is no change, the cash flow is worth .565. If the Gross Profit coefficient has a value of -0.029 which Gross Profit increases by 1 unit then the cash flow will increase by -0.029 units of cash flow. Judging from Table 7 Operational Profit listed above the value of a is .565 and b is - 0.145. Therefore, a linear equation can be made, namely a constant value of .565 which indicates if the Gross Profit is zero and there is no change, the cash flow is worth .565. If the Gross Profit coefficient has a value of -0.145 which Gross Profit increases by 1 unit, the cash flow will increase by -0.145 units of cash flow. Judging from Table 7, the Net Profit listed above has a value of .565 and b, which is 1.050. Therefore, a linear equation can be made, namely a constant value of .565 which indicates if the Gross Profit is zero and there is no change, the cash flow is worth .565. If the Gross Profit coefficient has a value of 1,050

which Gross Profit increases by 1 unit, the cash flow will increase by 1,050 units of cash flow.

Table 8

T-Test Results Gross Profit, Operational Profit and Net Profit Against Cash Flow in Telecommunication Sub Sector Companies listed at IDX 2014-2019

Model	Unstandardized Coefficients		St. Coefficients	t	Sig	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
	.565	.986		.332	.003		
Constant)							
Gross Profit	-.029	.044	-.144	-.659	.516	.074	13.577
Operational Profit	-,145	.103	-.280	-.398	.174	.088	11.322
Net Profit	1.050	.236	1.355	.451	.000	.038	26.196

Source: Author

The significance test (T test) is used to determine whether the hypothesis is accepted or rejected. In this study, the following table includes a significance test between the Operational Profit and cash flow variables to see the level of significance for these variables. Through Table 8 based on the significance test table above, it shows that the t-count value of the Gross Profit variable is -0.659 which is smaller than 2.04841. Therefore Ha is rejected and Ho is accepted. Therefore, there is no significant effect of Gross Profit on cash flow. The Operational Profit variable from Table 7 states the t-test above that the value of t-count is -1.398 which is smaller than T-Table with a value of 2.04841 as well as a significance value of 0.174 greater than 0.005. Therefore Ha is rejected and Ho is accepted. It is concluded that there is no significant effect between Operational Profit on cash flow. In the Net Profit variable in Table 7, it is known that the t count is 4.451 which is greater than the T-Table with a value of 2.04841 as well as a significance value of 0.003 which is smaller than 0.005. Therefore Ha is accepted and Ho is rejected. So it can be concluded that there is a significant influence between Net Profit on cash flow.

CONCLUSION

Based on research on the effect of Gross Profit, Operational Profit and Net Profit on future cash flows, the results of the average value of Gross Profit in telecommunications sub-sector companies from 2014 to 2019 are Rp. 34,313,276 (in millions of rupiah) and the standard deviation of Gross Profit of Rp 44,058,944 (in millions of rupiah). The average value for Operational Profit in telecommunications sub-sector companies is IDR 7,705,550 (in millions of rupiah) and the standard deviation value is IDR 15,568,229 (in millions of rupiah). The average value for Net Profit in telecommunication sub-sector companies is Rp 4,348,372 (in millions of rupiah) and the standard deviation value is Rp. 11,721,702 (in millions of rupiah). And the tests carried out by Gross Profit and Operational Profit have no partial effect on cash flows in the future. Meanwhile, Net Profit shows a partial effect on future cash flows in telecommunication sub-sector companies listed on IDX 2014-2019. The advice given to the company where the company. More attention should be paid to improving financial performance in order to understand the company's future prospects. With the results of financial performance described in the financial statements, it can be used as a source of information for investors in making investment decisions for the company's business and in maintaining the company to continue to be a going concern. Subsequent research adds to extending the research year not only 6 years back but in the longer term such as 10 years so that predictions for cash flows can be seen in the future. Then further researchers can also expand the sub-sector not only telecommunications but also larger sectors such as the manufacturing sector, the food industry sector, and so on.

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