



THE COMPANY SIZE AND THE GROWTH SALES THE EFFECT ON THE COAL COMPANY'S PERFORMANCE ON THE INDONESIAN STOCK EXCHANGE OF 2020-2022

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Abstract

This research aims to determine the effect of company size and sales growth on performance. Company size is a reflection of management's success in increasing company assets. Sales growth illustrates the company's success in expanding the marketing of its products. Company performance reflects its success in managing its finances well, proxied by Return On Assets (ROA). The analysis used in this research is panel data regression using secondary data taken from the Indonesia Stock Exchange (BEI) website. The companies studied are coal sub-sector companies listed on the IDX during 2020-2022. This research is essential now when coal is experiencing a surge in demand after previously experiencing its lowest phase.

Therefore, coal companies must be able to prepare their company performance well to maintain the sustainability of their company. The research results show that company size has an effect, while sales growth does not affect company performance. The coefficient of determination in this study was 68%, which shows the level of goodness of the model in explaining company performance. This research answers the challenges of fluctuations in the coal mining industry that may occur in the future and is a solution to the uncertainty of coal demand and supply in the world. Therefore, coal companies must be able to prepare their company performance well to maintain the sustainability of their company. The research results show that company size has an effect, while sales growth does not affect company performance. The coefficient of determination in this study was 68%, which shows the level of goodness of the model in explaining company performance. This research answers the challenges of fluctuations in the coal mining industry that may occur in the future and is a solution to the uncertainty of coal demand and supply in the world. Therefore, coal companies must be able to prepare their company performance well to maintain the sustainability of their company. The research results show that company size has an effect, while sales growth does not affect company performance. The coefficient of determination in this study was 68%, which shows the level of goodness of the model in explaining company performance. This research answers the challenges of fluctuations in the coal mining industry that may occur in the future and is a solution to the uncertainty of coal demand and supply in the world. The coefficient of determination in this study was 68%, which shows the level of goodness of the model in explaining company performance. This research answers the challenges of fluctuations in the coal mining industry that may occur in the future and is a solution to the uncertainty of coal demand and supply in the world. The coefficient of determination in this study was 68%, which shows the level of goodness of the model in explaining company performance. This research answers the challenges of fluctuations in the coal mining industry that may occur in the future and is a solution to the uncertainty of coal demand and supply in the world.

Keywords: Company Size, Sales Growth, Return On Assets, Coal.

INTRODUCTION

Indonesia has extraordinary natural wealth potential, some of which are in the form of energy reserves in many forms. The energy reserves in Indonesia are fossil energy reserves in the form of coal,

oil, and natural gas, as well as renewable energy as non-fossil energy, known as primary energy.(Suharyati et al., 2021). In 2020, total domestic primary energy production reached 450.6 MTOE (Million Tonnes of Oil Equivalent) with an export percentage of 57.8%, especially coal and LNG. Meanwhile, total final energy consumption in the same year was 118.3 MTOE, with a portion of the transportation sector at 43.1%, industry at 34.1%, household at 16.8%, commercial at 4.8%, and the rest in other sectors.(Suharyati et al., 2021). In 2021, total domestic primary energy production will grow to 481 MTOE, with the export percentage increasing to 58.2%, especially coal and LNG. The total final energy consumption in 2021 is 123 MTOE, with the transportation sector still holding the most significant sector using energy consumption at 44.2%(Suharyati et al., 2022).

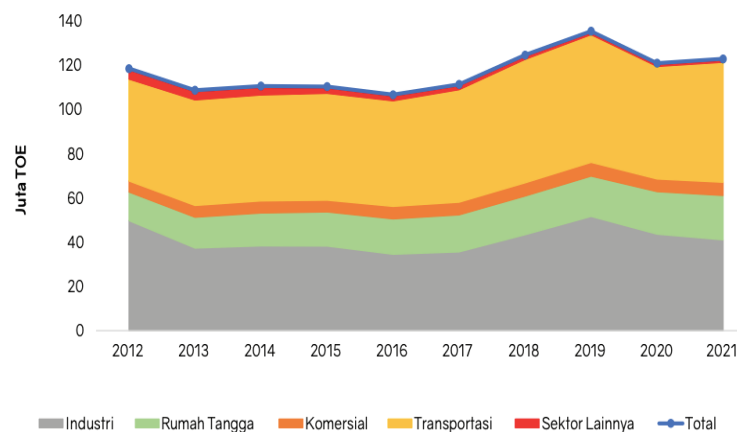


Figure 1. Final Energy Consumption Per Sector 2012-2021

Source: OEI, 2022

Regarding reserves and production, coal has a considerable amount, according to Indonesian Energy Outlook data. In 2018, coal reserves experienced a significant increase from the previous year, with total reserves of 40 billion tons, whereas previously, it was only 24 billion tons. The trend of coal reserves in Indonesia has continued to increase since 2012, even though production activities continue to run.

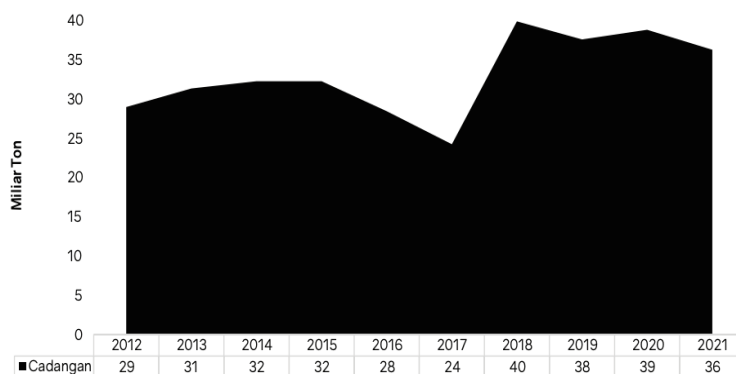


Figure 2. Indonesian Coal Reserves 2012-2021

Source: OEI, 2022

There was a significant increase in production activities in the 2012-2021 period; in 2012, coal production was 386 million tons to 614 million tons in 2021. 70.9% of this production was exported to meet India and China's needs, making Indonesia one of the largest coal exporting countries in the world, next to Australia(Suharyati et al., 2022).

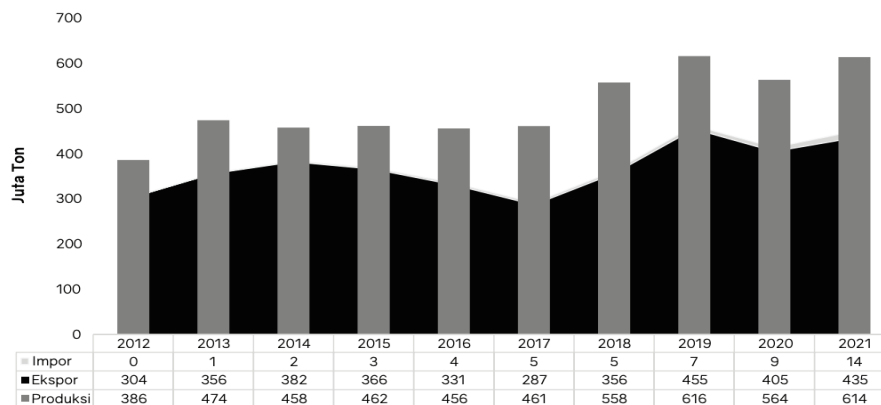


Figure 3. Indonesian Coal Production and Exports 2012-2021

Source: OEI, 2022

Coal as fossil energy is an energy source whose use continues to be reduced in Europe and America. Meanwhile, in Asian regions such as China and India, coal use continues to increase(Hangesthi et al., 2022). As much as 78% of coal use comes from Asian countries, as in the following diagram.

Pengguna Batubara Dunia 2021

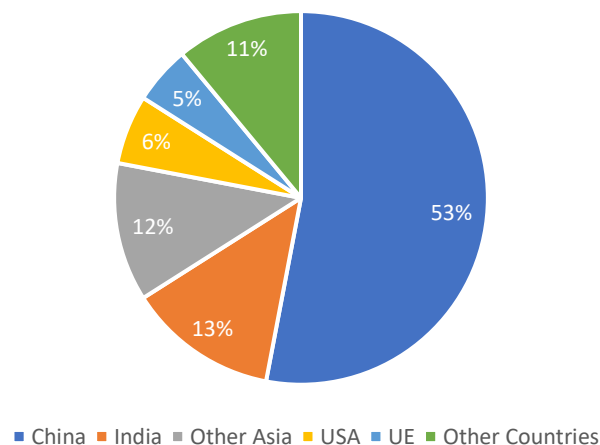


Figure 4. Coal Users in the World in 2021

Source: processed data, 2023

The Ministry of Energy and Mineral Resources (ESDM) released the Reference Coal Price (HBA), which has experienced a significant increase since 2016 from 52 USD/ton to 106 USD/ton in 2018. After that, the HBA decreased in the following years to its lowest point priced at 51 USD/ton in

Q4 2020, then experienced a very high increase in Q2 2021 at 92 USD/ton and continued to rise until in Q2 2022, it reached a price of 296 USD/ton (Hangesthi et al., 2022).

One of the reasons for the increase in coal prices in 2021 is that the global economy is starting to recover after the pandemic. On the other hand, the conflict between Russia and Ukraine has resulted in the cutting of natural gas supplies from Russia to the European Union, where Russia has so far contributed around 40% of the total natural gas supply needs in the European Union. (International Energy Agency, 2022). The energy shortage that is occurring in the European Union has forced several countries in the European Union to reactivate their coal-fired Steam Power Plants (PLTU) in order to increase the security of energy availability in their countries. (Strategic Review, 2023).

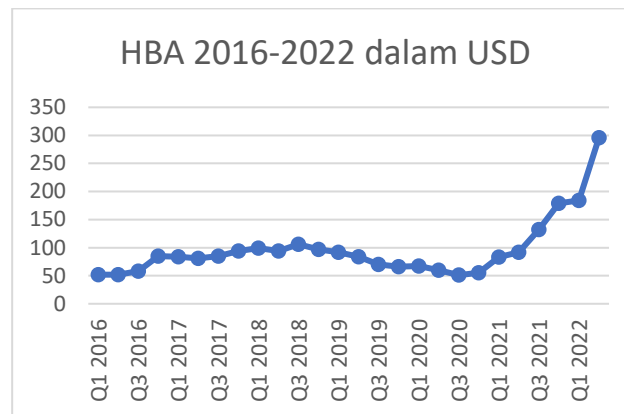


Figure 5. Reference Coal Price Graph 2016-2022

Source: processed data, 2023

Coal, as a non-oil and gas export commodity, has an extraordinary contribution to Indonesia's economic growth. However, for national energy independence and security, the government is trying to limit the number of coal exports, reducing the number of exports each year. It is targeting it to be closed in 2046 by Presidential Regulation (Perpres) number 22 of 2017 concerning the General National Energy Plan (RUEN) (Setiawan, Wibowo, & Rosyid, 2020).

Statistical data shows a growing trend in coal export activities and increased domestic demand for coal. It means that coal companies are still optimistic about plans to limit coal exports as regulated in Presidential Decree Number 22 of 2017. In line with optimism and increasing trends, companies will continue to maximize their production and enlarge their companies to meet the needs of the vast export market. Moreover, it reaps maximum profits in a limited time.

Many coal companies in Indonesia have gone public and listed their shares on the Indonesian Stock Exchange (BEI) to obtain additional capital from the public. (Efriyanti & Widjaja, 2022). At least in 2022, there will be 29 coal companies listed on the IDX with various company capitalization values.

Table 1. List of Coal Mining Companies on the IDX 2022

No	Name	Code
1	PT Adaro Energy Indonesia Tbk	ADRO
2	PT Bayan Resources Tbk	BYAN

No	Name	Code
3	PT Adari Minerals Indonesia Tbk	ADMR
4	PT Bumi Resources Tbk	EARTH
5	PT Indo Tambangraya Megah Tbk	ITMG
6	PT Bukit Asam Tbk	PTBA
7	PT Golden Energy Mines Tbk	GEMS
8	PT Dian Swaistika Sentosa Tbk	DSSA
9	PT Prima Andalan Mandiri Tbk	MCOL
10	PT Bumi Resources Minerals Tbk	BRMS
11	PT Harum Energy Tbk	HRUM
12	PT Indika Energy Tbk	INDY
13	PT Baramulti Suksessarana Tbk	BSSR
14	PT Petrindo Jaya Kreasi Tbk	PROFIT
15	PT Mitrabara Adiperdana Tbk	MBAP
16	PT Petrosea Tbk	PTRO
17	PT TBS Energi Utama Tbk	TOBA
18	PT Samindo Resources Tbk	MYOH
19	PT RMK Energy Tbk	RMKE
20	PT Delta Dunia Makmur Tbk	DOID
21	PT Golden Eagle Energy Tbk	SMMT
22	PT Resource Alam Indonesia Tbk	KKGI
23	PT Darma Henwa Tbk	GOD
24	PT Black Diamond Resources Tbk	COAL
25	PT Atlas Resources Tbk	ARII
26	PT Garda Tujuh Buana Tbk	GTBO
27	PT Alfa Energy Investama Tbk	FIRE
28	PT Borneo Olah Sarana Sukses Tbk	BOSS
29	PT SMR Utama Tbk	SMRU

Source: IDN Financials

Company size is an assessment of the company's size by looking at its total assets and can be transformed in the form of a natural logarithm(Ramadhani & Barus, 2018). Large companies tend to have easy access to capital & Widjaja (2022)due to the stability of cash flow and a more negligible risk of bankruptcy(Ramadhani & Barus, 2018).

The existence of factors in company size, such as the number of assets, number of employees, and capital structure, supports the ease of companies in convincing investors to invest in the company(Efriyanti & Widjaja, 2022). Thus, a conclusion can be drawn that a larger company size will make it easier for the company to obtain capital and create confidence that company size will positively impact company value.

On the other hand, increasing company size impacts higher company costs, where larger companies will have increasingly increasing standards to maintain existing human resources. Kolamban et al. in Luthfiyah & Utami (2022) believe that large companies' costs are high and impact increasing debt, ultimately making the company vulnerable to bankruptcy.

Large companies tend to optimize their asset functions by improving their performance. One of the parameters for increasing or optimizing performance is to look at sales growth compared to the

previous year's sales(Dewinta & Setiawan, 2016). Companies with a larger company size are more able to generate profits than companies with a smaller size.

Company performance can be measured by looking at its financial ratios. The Indonesian Accountants Association explains that financial performance describes a company's capability to manage and control its resources(Makatita, 2016). A company that can manage and control its resources well means that it has succeeded in its performance. On the other hand, companies that have yet to manage and control their resources effectively will have poor performance.

Because performance appraisal is so vital for the company, Fahmi (2017)provides a further perspective, stating that the company's financial performance is an analysis measuring the company in the aspect of sound and correct financial implementation. So that management's achievements in managing its assets effectively and correctly demonstrate the company's performance achievements.

Company performance can be measured using financial ratio analysis, a technique for knowing the relationship between certain items in the balance sheet and profit and loss statement partially or simultaneously. (Jumingan, 2018). The three dominant ratios that can be used as a reference in company performance are liquidity, solvency, and profitability, where profitability can show the company's success in generating profits. (Fahmi, 2017). Financial ratios can be used as an investment consideration for company performance and prevent investors from making mistakes in making investment decisions(Neni in Ryangga, S, & Suhendro, 2020)

This research aims to determine the financial performance of coal companies that go public by predicting company size and sales growth as predictor variables. The following are the specific research objectives of this study:

1. To determine the effect of company size on company performance in coal companies that go public.
2. To determine the effect of sales growth on company performance in coal companies that go public.
3. To determine the effect of company size and sales growth on company performance in coal companies that go public.

Literature review

Company size is a grouping of companies on a particular scale that classifies the size of the company based on aspects of total assets, share market value, average sales, and sales level (Machfoedz in Suwito and Herawati in Dewinta & Setiawan, 2016). Companies that increase their company size tend to find it easier to gain trust, such as when they need capital injections, compared to companies with a smaller size.

This convenience is a basis for companies to make company size an aspect that can improve performance. Trusted companies tend to find it easier to obtain capital, which means their sales will increase(Efriyanti & Widjaja, 2022). Management of sales proceeds will increase the profitability ratio so that company size can be expected to impact company performance.

Research conducted by Afiezan et al. (2020) has conformity with theory, while Veronica & Saputra (2021), Nainggolan, Sirait, Nasution, & Astuty (2022), And Vania & Tarmizi (2022), as well as Brastibian, Mujino, & Rinofah (2020) all prove that company size has no impact on company performance. It explains that a large company size poses a greater risk to the company, so it does not affect its performance. Therefore, this research establishes the first hypothesis that company size influences performance.

H₁: There is an influence of company size on company performance

Sales growth indicates yearly sales (Meidiyustiani in Vania & Tarmizi, 2022). Sales that continue to increase illustrate management's success in managing its marketing activities, where marketing is one of the spearheads of company sustainability.

Sales that continue to grow will increase the company's turnover. This increase will have an impact on increasing company performance, where in company performance, there is a profitability ratio, which measures the company's ability to earn profits. Sales that continue to increase are expected to impact company performance significantly.

Research conducted by Veronica Saputra (2021) and Bertibian, Mujino, and Rinofah (2020) proves that sales growth impacts or influences company performance. It is in line with the theory which explains that sales growth influences performance. On the other hand, research by Nainggolan, Sirait, Nasution, & Astuty (2022) And Vania & Tarmizi (2022) stated that sales growth did not affect performance. It is contrary to the theoretical concept that has been built. Therefore, this research establishes the second hypothesis: sales growth influences company performance.

H₂: There is an influence of sales growth on company performance

The effect of the simultaneous test shows that the modeling in the research has a good shape. Therefore, the simultaneous test is also considered a goodness of model fit or model suitability test. This research examines the influence or impact of company size and sales growth on company performance. For this reason, this research determines the third hypothesis to produce a good model, where company size and sales growth jointly influence company performance.

H₃: There is an influence of company size and sales growth on company performance

METHOD

The methodology in this research uses causal quantitative. The data used in this research is quantitative, which can be input on a statistical measurement scale. The secondary data source in this research was taken from the official BEI website. Data was collected using the documentation method, namely collecting secondary data from financial reports of coal sector mining companies in 2020-2022.

The population in this study are coal sub-sector companies listed on the Indonesia Stock Exchange. The sampling method used is purposive sampling, where criteria are determined to ensure that research is not hampered. The criteria set are coal sub-sector companies on the IDX in 2020-2022 that actively report activities in the form of audited financial reports, continue to be on the IDX list throughout the research period, and record positive profits during the research.

The results of the sampling criteria carried out on coal mining companies listed on the Indonesia Stock Exchange (BEI) for the 2020-2022 period were ten companies that recorded profits and can be seen in the following table:

Table 2. List of Coal Mining Companies According to Sampling Criteria

No	Code	2020	2021	2022
1	ADRO	1800	6663	4375
2	BSSR	368	1486	3009
3	BYAN	1763	9740	26010
4	DSSA	698	1956	7760
5	GEMS	974	2862	6850
6	HRUM	408	745	4590
7	ITMG	576	3888	13611
8	MBAP	381	700	2473
9	PTBA	1741	4853	10178
10	TOBA	678	644	1276

Source: BEI Secondary Data Processed (2023)

The data analysis technique in research that uses panel data regression techniques begins with a modeling test to determine the research model. Widarjono in Milky (2018) stated that three techniques are offered in panel data regression: the standard, fixed, and random effect models.

The classical assumption test is carried out before the panel data regression is carried out to ensure that the regression estimate meets the requirements of being free from classical research assumptions and produces the Best Linear Unbiased Estimator (BLUE) data. The classical assumption test is carried out according to Milky (2018). Suppose a model with an ordinary least squares (OLS) approach, such as the joint and fixed effect models, is selected. In that case, the test only includes heteroscedasticity and multicollinearity tests. Meanwhile, if the modeling uses a generalized least squares (GLS) approach, such as the random effects model, there is no need to test classical assumptions.

Hypothesis testing compares the probability value with the research significance level, namely 0.05, where a probability value below 0.05 indicates a significant influence. The coefficient of determination test is carried out to determine the ability of the independent variable to explain the dependent variable.

RESEARCH RESULTS AND DISCUSSION

Research result

The modeling test to determine between the standard effect model and the fixed effect model is carried out using the Chow test with the criterion that if the Chi-square probability is below the significance level, then the model selected is the fixed effect model. The Hausman test was carried out to determine whether the fixed effect model or random effect model was more appropriate to use in this research based on the criteria that when the Chi-square probability value is smaller than the significance level, the model selected is the fixed effect model.

Table 3. Chow test and Hausman test

Effects Test	Stat.	df	Prob.
Cross-section F	5.05	(9.18)	0.0017
Chi-square cross-section	37.81	9	0.0000
Test Summary	Chi-Sq. Stat.	Chi-Sq. df	Prob.
Random Cross-section	19.41	2	0.0001

Source: Secondary data processed using EViews 12 (2023)

Both tests show a probability Chi-square value below 0.05, which means that the most appropriate model to use is the fixed effect model. The current test can be ignored after two tests state the same answer.

The Glejser test is carried out to determine symptoms of heteroscedasticity. The results show no symptoms of heteroscedasticity with the parameter that the probability value of the independent variable is above the significance level.

Table 4. Glejser test

Variables	Coefficient	Std. Error	Prob.
Constanta	241.37	139.11	0.0998
Company Size	-7.71	4.56	0.1083
Sales Growth	0.12	0.09	0.1826

Source: Secondary data processed using EViews 12 (2023)

Meanwhile, the multicollinear was carried out a test to determine the correlation between vried out with the no correlation parameter above 0.90. The results of the multicollinearity test show that there is no multicollinearity assumption in the research data as follows:

Table 5. Multicollinearity Test

	<i>Company Size</i>	<i>Sales Growth</i>
<i>Company Size</i>	1,000	0.589
<i>Sales Growth</i>	0.589	1,000

Source: Secondary data processed using EViews 12 (2023)

Multiple regression tests are carried out to determine the effect of the independent variable on the dependent variable and to determine the slope or regression coefficient. The results of the multiple linear regression test in this research, which examines the influence of company size and sales growth on company performance, are as follows:

Table 6. Multiple Linear Regression Test

Variables	Coefficient	Std. Error	Prob.
Constanta	-1135,439	330.38	0.0029
Company Size	37,884	10.83	0.0026
Sales Growth	0.079	0.21	0.7092
F-statistic	6,606	-	0,000

Source: Secondary data processed using EViews 12 (2023)

The equations produced in this research are as follows:

$$ROA = -1135,439 + 37,884UP + 0,079PP$$

The slope value or coefficient of company size (UP) is 37.884 in a positive direction. It explains that every time the company size increases by 1%, it will increase ROA by 37.884%. Meanwhile, the slope or coefficient value of sales growth (PP) is 0.079 in a positive direction, which means that every time sales growth occurs by 1%, ROA will increase by 0.079%.

Company size (UP) has a significant influence on ROA. It is proven by the UP probability value being below the significance level of $0.0026 < 0.05$ and proving the influence of UP on ROA. These results accept research hypothesis 1, which states that size influences company performance.

In sales growth (PP), it can be seen that the probability value is above the significance level of $0.7092 > 0.05$, which indicates that PP does not have a significant influence on ROA. It rejects research hypothesis 2, which states that sales growth influences company performance.

The F-statistic value in the equation in this study is 6.606, with the probability value of the F-statistic being below the significance level of $0.000 < 0.05$. These results indicate that the independent variables (UP and PP) significantly influence the dependent variable (ROA). It means accepting research hypothesis 3, which states that company size and sales growth have a significant effect on company performance.

The coefficient of determination is tested and measured to determine how far an equation's independent variable can explain the dependent variable (Ghozali & Ratmono, 2017). The closer the R^2 value is to 1, the better the independent variable can explain the dependent variable and vice versa.

Table 7. Coefficient of Determination Test (R^2)

R-squared	0.80
Adjusted R-squared	0.68

Source: Secondary data processed using EViews 12 (2023)

The R-squared value is 0.80, or it can be stated that variations in the independent variables in this modeling (UP and PP) can explain the ROA variable by 80%. Then, a correction is made to the standard error, resulting in an adjusted R-square value of 0.68, or it can be stated that variations in the

independent variables in this model (UP and PP) can explain the dependent variable (ROA) by 68%. The remaining 32% is explained by other variables outside this research.

DISCUSSION

Company performance is a picture of the company in recording profits for the company in one period. The increase in profits that the company successfully records will be an illustration of the success of the company's performance in one financial period. Company profits do not necessarily describe performance measures, but some parameters can be used as a benchmark for the success of its performance.

When managing the financial function, companies must pay attention to managing assets that can be further capitalized to generate greater profits in the future. A company's ability to generate profits using capitalization of its assets can be measured by the Return On Assets (ROA) ratio, where the assets owned by this company generally consist of current and non-current assets. The higher the ROA value scored by the company, the more it shows the goodness and effectiveness of the company in managing its assets.

Coal mining companies have mining business activities using heavy equipment and are generally located on land they own. The large amount of activity in the mining industry makes mining companies strive to manage their wealth effectively. The coal industry does not hesitate to pour out investment funds for even more significant business expansion. It is illustrated by the increase in company size as assessed by the total assets recorded by the company each year during the research period. The company's increasing size shows the seriousness and sincerity of coal companies in exploring and producing the coal deposits they control.

As an energy industry, coal companies compete fiercely with the policies of most world leaders regarding environmentally friendly energy and new renewable energy (EBT). Since 2003, the European Union has introduced a plan for the energy transition from fossil energy to renewable energy in 2030. Since this environmentally friendly campaign emerged, the condition of the coal industry has experienced a fairly sharp decline since 2014. Coal prices also experienced a reasonably deep decline in Q1 2016 and Q2 2020.

Awareness of diverting energy from fossil to renewable energy has reduced global coal demand. This condition was made worse by the presence of the global SARS-COVID-19 pandemic, which forced the world to stop many activities, which meant that world energy became a production surplus and a demand deficit. It has worsened the coal industry in Indonesia as a world coal exporting country. This condition is reflected in the negative sales growth recorded by several coal companies in Q4 2020, where during the previous and subsequent periods, sales growth was always recorded in a positive direction.

The outbreak of war between Russia and Ukraine impacted energy issues in the European Union, where, up to now, Russia has provided natural gas energy supplies to the European Union as a substitute for environmentally unfriendly fossil energy. The European Union's entry into the Ukraine block caused Russia to stop its natural gas supplies, so some countries began to reactivate coal-fired steam power plants (PLTU). This condition is the answer to the crisis in the coal industry and caused world coal prices to experience a reasonably high rebound from Q3 2021 to Q2 2022. It is reflected in the soaring sales growth in Q4 2021 and Q4 2022 and the increase in ROA and company size in the same quarter.

Company size, which is reflected in the total assets of coal companies, on average, showed a decline in Q4 2020 and increased again in Q4 2021 and Q4 2022 even higher. It implies that there are critical conditions faced by the coal industry in the 2020 period, thereby eroding the value of the assets owned.

In average net profit after tax (EAT) Q4 2020, there has been a sharp decline since Q4 2019, showing symptoms of falling coal demand in that period. In Q4 2021, there was an increase in the average EAT value, and it was even higher in Q4 2022, which shows an increase in world demand for coal.

The results of this research are contrary to previous research conducted by Veronika & Saputra (2021), Nainggolan, Sirait, Nasution, & Astuty (2022), AndVania & Tarmizi (2022), as well as Brastibian, Mujino, & Rinofah (2020) all of which state that company size does not affect company performance. Veronica and Saputra (2021) state that company size poses a risk for the company; the greater the total assets owned, the greater the chance it will have on its performance.

Research whose results align with research et al. (2020) This is where company size influences company performance, using the research object, namely the coal industry sub-sector, where the characteristic of mining companies is substantial asset ownership. Because the mining industry is considered a significant capital business, when a coal mining company carries out its business activities, it must guarantee its production process. The options that can be made are to own assets in the form of heavy production equipment or rent them for an extended period to ensure the availability of production factors. These two choices have an impact on increasing the company's assets, whether they are in fixed assets or current assets, namely prepayments.

The larger the company size in a coal mining company, the greater the company's level of confidence in competing in establishing export contracts with other countries. The difficulties currently facing coal mining companies are not from the scarcity of the market but rather from the production process, which requires several supporting factors to accelerate.

It becomes necessary when a company increases its total assets or size and capitalizes these assets effectively to increase company profits. Therefore, increasing company size in the coal sub-sector has a significant impact on improving company performance.

Sales growth is reflected in the difference between revenue in year t and revenue in year $t-1$. Sales growth shows a positive direction, which means the company can exceed the revenue recorded in

the previous period. The company's success in increasing sales every year will reflect the company's expansive efforts to dominate the market in this industry.

Sales growth in Q4 2020 in this research mostly recorded negative values. This condition shows a decline in sales in Q4 2020 compared to Q4 2019, which strengthens the indication of a decline in demand for coal. Prices fell sharply in Q2 2020, indicating a supply surplus not matched by increased demand.

Sales growth that occurs consistently in each period will improve company performance. The recorded net profit will be allocated for development by investing in additional company assets in the form of new mining land or the addition of new heavy equipment, which is ultimately aimed at improving company performance.

The adverse growth conditions in Q4 2020 provided a significant gap in sales growth in Q4 2021 and Q4 2022. Company performance, as proxied by ROA, experienced a decline in Q4 2020 but not as far as the negative growth recorded in that period. Therefore, the performance of coal-fired companies is not affected by sales growth in this study.

This research rejects the hypothesis that has been established in this research, which means it is not in line with the iT study conducted by Veronika & Saputra (2021) and AndBrastibian, Mujino, & Rinofah (2020), which states that sales growth influences company performance. On the other hand, this research aligns with research conducted by Nainggolan, Sirait, Nasution, & Astuty (2022) AndVania & Tarmizi (2022), where sales growth is stated not to affect company performance.

Companies that increase their sales exponentially will face the consequences of increasing costs (Nainggolan, Sirait, Nasution, & Astuty, 2022). In the coal mining industry, several costs for several production factors have been prepared to produce a certain amount of coal. An increase in sales will require production units to increase production factors because costs increase and may need to be balanced with production results in average calculations. This cost increase makes the company inefficient, thereby creating risks.

CONCLUSION

Based on the test results and discussions previously stated, conclusions can be drawn in this research in response to the research objectives that have been previously planned as follows: (1) Company size has a positive and significant effect on company performance where company size in the mining industry requires the ability to ownership of substantial assets so that the company can produce optimal mining results. (2) Sales growth does not significantly affect company performance, where sales growth will impact increasing costs, and the quality of results will be the same in everyday situations.

This research hopes there will be significant benefits for the academic and practical world. Therefore, several suggestions were made for this research as follows: (1) It is recommended for future

researchers to increase the research period to at least more than five years. It can increase the accuracy of research results because the fluctuations have quite a sizeable average value and are expected to avoid extreme data deviations. (2) It is recommended that further research add opinions from experts in the coal mining industry to provide more depth to the results of research and studies. (3) Future researchers are advised to add other variables that are believed to have an impact on company performance, such as the liquidity aspect, which is one of the critical aspects in companies that produce daily costs, such as the coal mining industry, plus export sales conditions which generally use a credit payment scheme. Making the company have relatively good liquidity. (4) For the coal mining industry, preparing at least two targets, strategies for achieving them, and calculations is recommended. Companies generally make annual sales targets by considering internal and external conditions. Suppose a coal mining company tries to develop an expansionary plan. In that case, the company will be ready to welcome sudden high demand when it occurs, and it will become more effective and efficient in its production activities. (5) Coal companies are also advised to pay attention to the company size factor, which is a variable that impacts company performance. With the opportunities currently open for the coal industry, it is appropriate for companies to continue to increase their assets to become an aspect that accelerates production and increases sales in the future. On the other hand, increased assets will be able to guarantee the company from the risk of bankruptcy in the future. (5) Coal companies are also advised to pay attention to the company size factor, which is a variable that impacts company performance. With the opportunities currently open for the coal industry, it is appropriate for companies to continue to increase their assets to become an aspect that accelerates production and increases sales in the future. On the other hand, increased assets will be able to guarantee the company from the risk of bankruptcy in the future. (5) Coal companies are also advised to pay attention to the company size factor, which is a variable that impacts company performance. With the opportunities currently open for the coal industry, it is appropriate for companies to continue to increase their assets to become an aspect that accelerates production and increases sales in the future. On the other hand, increased assets will be able to guarantee the company from the risk of bankruptcy in the future.

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