

Analysis of the Impact of the Implementation of PSAK 115 on the Financial Performance of Real Estate Companies Listed on the Indonesian Stock Exchange

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Keywords	Abstract
Debt to Asset Ratio; Current Ratio; Sales Growth; PSAK 115; financial performance; real estate companies.	The study aims to analyze the effects of the Debt-to-Asset Ratio (DAR), Current Ratio (CR), and Sales Growth on the financial performance of real estate companies and to examine the moderating role of the implementation of PSAK 115 in these relationships. This study employs a quantitative approach using secondary data obtained from the financial statements of real estate companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The analysis was conducted using panel data regression with a moderation model to examine the direct effects of financial variables and the interaction effect of PSAK 115 implementation on companies' financial performance. The results indicate that the Debt-to-Asset Ratio (DAR) has a negative and significant effect on financial performance, suggesting that a higher level of leverage may reduce a company's ability to generate profits. Conversely, the Current Ratio (CR) has a positive and significant effect on financial performance, indicating that strong liquidity conditions can support operational effectiveness. Furthermore, Sales Growth demonstrates a positive relationship with profitability and contributes to improved company financial performance. The moderation test results reveal that the implementation of PSAK 115 significantly moderates the relationship between financial variables and company performance. These findings highlight that capital structure, liquidity, and sales growth are critical factors influencing the financial performance of real estate companies.

INTRODUCTION

The property and real estate industry occupies a strategic position as one of the important pillars supporting Indonesia's economic growth. In 2024, the industry's contribution to Gross Domestic Product (GDP) was estimated to be in the range of 14% to 16%, with a total value estimated at Rp2,349 trillion. In the same year, the property industry was also recorded as one of the major contributors to national investment realization, reaching IDR 122.9 trillion or approximately 7.2% of total investment realization (Ministry of Investment/BKPM, 2025). In addition to its contribution to capital formation, this industry generates a multiplier effect across various supporting sectors, including banking, construction services, and the building materials industry. Due to these characteristics, the dynamics of the property industry are often considered an early indicator reflecting broader macroeconomic conditions (Akinsomi et al. 2018; Cesa-Bianchi et al. 2015; Cohen et al. 2020; Vogiazas et al. 2017).

Issuers in the property and real estate sectors whose shares are traded on the Indonesia Stock Exchange are generally large-scale companies and are frequently used as references by investors, creditors, and capital market supervisory authorities. Their financial reporting accountability is crucial because property sales contracts typically involve substantial

transaction values, multiple stakeholders, and relatively long settlement periods. These conditions create a need for accounting standards capable of presenting revenue recognition in a reliable and transparent manner, ensuring that financial statements serve as credible and accountable foundations for decision-making (Barker et al. 2015; Dimitrov 2024; Elharon et al. 2025; Mesioye et al. 2024; Setyawan 2025).

As part of its efforts to achieve convergence with international financial reporting standards, the Financial Accounting Standards Board of the Indonesian Institute of Accountants issued PSAK 72, which regulates Revenue from Contracts with Customers. This standard was adopted from International Financial Reporting Standards (IFRS) 15. The effective implementation of this standard began on January 1, 2020, replacing several previous standards, including PSAK 23, which regulates Revenue, and PSAK 44, which regulates Accounting for Real Estate Development Activities. In the subsequent adjustment of accounting standard numbering, PSAK 72 was recodified as PSAK 115, while the substance of the regulation remained materially unchanged (Financial Accounting Standards Council, 2024).

This change represents a transition from a rules-based approach to a principles-based approach in revenue recognition (Manalu & Sumarna, 2023). The core principle of PSAK 115 is reflected in the five-step model of revenue recognition, which establishes the transfer of control over assets or services to customers as the primary basis for revenue recognition, rather than merely relying on the transfer of risks and rewards as applied in previous standards. The five stages include identifying contracts, identifying performance obligations, determining transaction prices, allocating transaction prices to each performance obligation, and recognizing revenue when performance obligations are satisfied. This approach requires entities to exercise greater professional judgment in determining when control over goods or services is transferred to customers, either progressively (over time) or at a specific point (point in time) (Bodolica et al. 2016; Napier et al. 2020).

For real estate companies, these changes have significant consequences. Prior to the implementation of PSAK 115, many developers recognized revenue gradually using the percentage-of-completion method as construction progressed. Following the adoption of the new standard, most residential property sales must recognize revenue at a single point in time, namely when the property unit is handed over to the buyer and control has effectively transferred (Wigiyanti & Basyir, 2024). Consequently, advances and installment payments received from customers that do not yet meet revenue recognition criteria must be classified as contract liabilities in the statement of financial position.

As a result, the financial statements of real estate companies that previously reported higher revenues during the construction period experienced a shift in reporting patterns, where revenue recognition was postponed until the units were actually transferred to customers. This change in revenue recognition patterns also affects various financial ratios commonly used to assess company performance. The accumulation of contract liabilities arising from customer advances may increase total liabilities, causing the Debt-to-Asset Ratio (DAR) to potentially rise even though the increase does not originate from interest-bearing debt. Conversely, because many contract liabilities are classified as current liabilities, the Current Ratio (CR) may decline.

The delay in revenue recognition has also reduced reported net income in the current

period, causing profitability ratios such as Return on Assets (ROA) and Return on Equity (ROE) to become more volatile across reporting periods (Amyulianthy, Rahmat, & Munira, 2022; Pradanti & Lestari, 2022). Sales Growth, which previously served as an indicator of business expansion, may also demonstrate different patterns compared with the period before the implementation of the standard.

This phenomenon has been supported by several empirical studies. Veronica, Lestari, and Metekohy (2019) found that real estate issuers that adopted PSAK 72 earlier experienced a decline in average net profit compared with the previous period. Lestari (2023), who analyzed property companies during the 2019–2021 period, also reported significant changes in profitability ratios following implementation. Meanwhile, a study conducted by Wigiyanti and Basyir (2024) on PT Ciputra Development Tbk revealed that ROA declined in the first year of implementation, although ROE and Net Profit Margin showed increasing trends in subsequent years. These findings indicate that the impact of PSAK 115 on financial performance is not uniform and may vary depending on the specific characteristics of each entity.

From the perspective of Signaling Theory introduced by Spence (1973), information disclosed through financial statements functions as a signal to external parties regarding a company's condition and future prospects. Financial indicators, commonly presented through financial ratios, serve as important instruments for investors in interpreting corporate information. If market participants fail to understand the implications of changes resulting from the implementation of PSAK 115, fluctuations in financial ratios caused by accounting adjustments may be misinterpreted as changes in actual operational performance. This condition highlights the importance of empirical research examining the extent to which solvency, liquidity, profitability, and sales growth ratios influence financial performance during the post-implementation period of PSAK 115.

The urgency of this research is reinforced by the strategic role of the real estate sector in Indonesia's economy and the substantial changes resulting from the implementation of PSAK 115. Given that the property industry contributes approximately 14%–16% to GDP and plays a significant role in national investment realization, understanding the impact of accounting standard changes on financial performance is essential for stakeholders. This research is particularly relevant during the transition and adaptation period following the implementation of the new standard. Investors, creditors, and regulators need to determine whether reported financial performance reflects genuine operational changes or merely accounting adjustments. Furthermore, this study provides insights for management in developing effective communication strategies regarding the implications of accounting standard changes for stakeholders. The study also contributes to the broader literature on accounting standard convergence and its economic consequences in emerging markets.

This study incorporates four financial indicators as independent variables: the Debt-to-Asset Ratio (DAR) as a solvency indicator, the Current Ratio (CR) as a liquidity indicator, Return on Equity (ROE) and Return on Assets (ROA) as profitability indicators, and Sales Growth as a measure of business expansion. These variables are assumed to influence the financial performance of real estate issuers listed on the Indonesia Stock Exchange. Meanwhile, the implementation of PSAK 115 is positioned as a moderating variable, based on the assumption that the quality of standard implementation within each company may strengthen or weaken the relationship between financial ratios and financial performance.

Previous studies examining the impact of PSAK 72 and PSAK 115 on the real estate sector have generally been conducted over relatively short observation periods, often covering only one to two years after implementation or focusing on case studies involving one or two companies. Research employing a longer observation period following the transition phase and positioning PSAK 115 as a moderating variable in the relationship between financial ratios and financial performance remains limited. Based on this research gap, the researcher proposes a study entitled “Analysis of the Impact of the Implementation of PSAK 115 on the Financial Performance of Real Estate Companies Listed on the Indonesia Stock Exchange” with an observation period from 2020 to 2024.

METHOD

This study employed a quantitative research method with a descriptive and verification approach. The quantitative approach was used to examine the effect of measurable financial ratios on the financial performance of real estate companies in the context of PSAK 115 implementation. According to Sugiyono (2018), quantitative research involves hypothesis testing through numerical data analysis using statistical methods. The descriptive approach was applied to describe the condition of financial ratios during the observation period, while the verification approach was used to test the proposed hypotheses regarding the effects of independent variables on the dependent variable, both partially and simultaneously.

The study used secondary data obtained from the annual financial reports of real estate companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. The data were collected from the official IDX website, company websites, and other reliable financial data sources. All financial reports used in this study had been audited by independent auditors and publicly disclosed.

The research was conducted on property and real estate sector companies listed on the Indonesia Stock Exchange. The observation period covered five years, from 2020 to 2024, resulting in panel data consisting of cross-sectional and time-series dimensions. In this study, the implementation of PSAK 115 was treated as a moderating variable, with the post-implementation period represented by a dummy variable. The year 2020 was categorized as the initial implementation period ($M = 0$), while 2021–2024 represented the period of full implementation ($M = 1$). This classification was based on the effective adoption of PSAK 115 regarding Revenue from Contracts with Customers starting January 1, 2020 (DSAK IAI, 2018; Mutiha, 2022).

The research population consisted of all property and real estate companies listed on the Indonesia Stock Exchange during the 2020–2024 period. The population included companies engaged in residential, commercial, industrial estate, and tourism property development activities.

The sampling technique used was purposive sampling, which involves selecting samples based on specific criteria aligned with the research objectives (Sugiyono, 2018). The criteria for sample selection were: (1) property and real estate companies listed consecutively on the Indonesia Stock Exchange during 2020–2024; (2) companies that published complete annual financial statements throughout the observation period; and (3) companies that provided the required data for measuring all research variables.

The data were analyzed using Moderated Regression Analysis (MRA) to examine

whether the implementation of PSAK 115 strengthened or weakened the relationship between the independent variables and financial performance. The analysis tested the effects of the Debt-to-Asset Ratio (DAR), Current Ratio (CR), and Sales Growth on financial performance, while also examining the moderating role of PSAK 115 in these relationships.

RESULTS AND DISCUSSION

After all classical assumption tests are declared fulfilled, the next stage of analysis is the testing of the research hypothesis using *the Moderated Regression Analysis* (MRA) technique. The selection of the MRA technique rests on the need to test the role of the moderation variable of the implementation of PSAK 115 in influencing the relationship between independent and dependent variables. In contrast to the usual multiple linear regression, MRA includes *interaction terms* between the moderation variable and the independent variable, so that the moderation effect can be statistically identified through the significance of the coefficient of the interaction term (Baron & Kenny, 1986; Ghazali, 2018).

The test was carried out on two regression models built in parallel, namely Model 1 which places *Return on Assets* (ROA) as a dependent variable and Model 2 which places *Return on Equity* (ROE) as a dependent variable. The use of these two models is intended to obtain a comprehensive picture of the influence of independent variables on both sides of the company's profitability, both from the perspective of the effectiveness of asset management and the perspective of return for shareholders. Separate sub-tests were also conducted for the *Current Ratio* variable given the limited availability of data in 2020

1. F Test Results and Coefficient of Determination

The F test is taken to assess the significance of the regression model in the overall scope, namely to examine whether all independent variables and their interaction tribes together (simultaneously) have a significant influence on the dependent variables. A model is declared significant when the significance of F is below the level of 0.05 (Ghozali, 2018). In addition to the F test, scrutiny was also carried out on the value of the determination coefficient reflected in *the Adjusted R Square number*. The value describes the proportion of variation in the dependent variable that can be explained by the combination of independent variables in the model while still taking into account the degree of freedom.

The results of the F test and the determination coefficient in both moderation regression models are presented in full in Table 4.6 below. The values in the table are the main basis for assessing the feasibility of regression models in general before the partial coefficient interpretation is carried out.

Table 1. F Test Results and Coefficient of Determination (MRA Phase 2)

Model Regression	R	R Square	Adj. R Square	F Calculate	Sig. F
Model 1 (Dependen ROA)	0,772	0,595	0,539	10,380	0,000
Model 2 (Dependen ROE)	0,760	0,578	0,521	9,880	0,000

Based on Table 1, it can be seen that both models of moderation regression produce a significance of F of 0.000, a number well below the limit of 0.05. In Model 1 whose dependent variable is ROA, the calculated F value that appears is 10.380, while in Model 2 with the dependent variable in the form of ROE, the calculated F is obtained as 9.880. These two figures

confirm that the variables *Debt to Asset Ratio*, *Control Profitability Ratio*, *Sales Growth*, as well as their interaction rate with the PSAK 115 moderation simultaneously have a significant influence on the financial performance of *real estate companies*. Thus, the feasibility of the two regression models as a means of testing the study hypothesis has been empirically proven.

With regard to the value of the determination coefficient, the Model 1 obtained an *Adjusted R Square* of 0.539. This value provides an understanding that the combination of independent variables and their interaction rates is able to explain 53.9 percent of the movement in *Return on Assets*, while the remaining 46.1 percent is explained by other factors beyond the reach of the study model. On the Model 2, the *Adjusted R Square* that appears is 0.521. This figure means that the model is able to explain 52.1 percent of the movement of *Return on Equity*, while the remaining 47.9 percent is influenced by variables outside the model. The value of the determination coefficient in both models is quite high for financial accounting studies with limited panel data, so that the regression model constructed can be considered to have *adequate* explanatory power.

2. Partial t-Test Results – Model 1 (ROA Dependent Variables)

The partial t-test was carried out with the aim of examining the significance of the influence of each independent variable along with the interaction rate on the dependent variables individually. This test is key in identifying which variables really contribute significantly to financial performance, as well as measuring the direction and magnitude of these influences. The decision-making criteria stipulate that a hypothesis is accepted if the significance value *t* is less than 0.05. The results of the partial t-test in Model 1 with ROA as the dependent variable are presented in Table 2.

Table 2. Results of Determination Coefficient Analysis

Variabel	B	Std. Error	Beta	t Count	Say.	Remarks
(Constant)	0,046	0,016	—	2,945	0,004	—
HOME (X1)	-0,078	0,028	-0,328	-2,812	0,006	Negative Signifikan
ROE (X3)	0,322	0,073	0,495	4,395	0,000	Significant Positives
<i>Sales Growth</i> (SG)	0,085	0,035	0,208	2,412	0,018	Significant Positives
PSAK 115 (M)	-0,016	0,008	-0,182	-2,083	0,041	Negative Signifikan
STILL × M	-0,041	0,018	-0,215	-2,312	0,024	Reinforcing Negativity
ROE × M	-0,118	0,056	-0,207	-2,124	0,037	Weakening the Positive
SG × M	-0,031	0,015	-0,162	-2,011	0,048	Weakening the Positive

Based on the test results in Table 2, the Model 1 regression equation can be formulated as follows: $ROA = 0.046 - 0.078 DAR + 0.322 ROE + 0.085 SG - 0.016 M - 0.041 (DAR \times M) - 0.118 (ROE \times M) - 0.031 (SG \times M) + e$. A constant value of 0.046 indicates the magnitude of ROA if all independent variables are zero. The DAR variable has a negative coefficient of -0.078 with a significance of 0.006, so it can be stated that an increase in DAR by one unit will decrease the ROA by 0.078 units, assuming the other variables are constant.

The ROE variable displays a positive coefficient of 0.322 with a significance of 0.000, which means that every increase in ROE by one unit will increase the ROA by 0.322 units. The *Sales Growth variable* provides a positive coefficient of 0.085 with a significance of 0.018, which shows the positive contribution of sales growth to the profitability of assets. The moderation variable of PSAK 115 showed a negative coefficient of -0.016 with a significance of 0.041, indicating that the full post-implementation period of PSAK 115 tends to result in a slightly lower ROA than the transition period.

The most interesting results were found in the interaction tribe. The interaction of DAR $\times$ M resulted in a negative coefficient of -0.041 with a significance of 0.024. Since the basic influence of DAR is already negative, the interaction rate that is also negative means that the implementation of PSAK 115 reinforces the negative effects of DAR on ROA. In the interaction of ROE $\times$ M with a coefficient of -0.118 and a significance of 0.037, the application of PSAK 115 actually weakened the positive effect of ROE on ROA. A similar thing occurred in the interaction of SG $\times$ M with a coefficient of -0.031 and a significance of 0.048, which suggests that PSAK 115 weakens the positive effect of *Sales Growth* on ROA

3. Partial t-test results – Model 2 (ROE Dependent Variables)

Model 2 is designed as a parallel to Model 1, by placing *Return on Equity* (ROE) as a dependent variable. The role swap between ROA and ROE in these two models is intended to examine the consistency of findings from two profitability perspectives. If the influence pattern produced in Model 2 is in line with Model 1, then the conclusion of the study will have a higher level of reliability. The results of the partial t-test for Model 2 are presented in detail in Table 3.

Table 3. Partial t-test results – MRA Model 2 (Dependent ROE, N=75)

Variabel	B	Std. Error	Beta	t Count	Say.	Remarks
(Constant)	0,074	0,023	—	3,225	0,002	—
HOME (X1)	-0,116	0,039	-0,305	-3,012	0,004	Negative Signifikan
LENGTH (X3)	0,432	0,092	0,478	4,685	0,000	Significant Positives
<i>Sales Growth</i> (SG)	0,108	0,043	0,232	2,512	0,014	Significant Positives
PSAK 115 (M)	-0,024	0,011	-0,193	-2,183	0,032	Negative Signifikan
STILL $\times$ M	-0,055	0,023	-0,212	-2,345	0,022	Reinforcing Negativity
LENGTH $\times$ M	-0,150	0,066	-0,221	-2,275	0,025	Weakening the Positive
SG $\times$ M	-0,038	0,019	-0,175	-2,034	0,045	Weakening the Positive

The regression equation formed in Model 2 is as follows: $ROE = 0.074 - 0.116 \text{ DAR} + 0.432 \text{ ROA} + 0.108 \text{ SG} - 0.024 \text{ M} - 0.055 (\text{DAR} \times \text{M}) - 0.150 (\text{ROA} \times \text{M}) - 0.038 (\text{SG} \times \text{M}) + e$. It appears that the pattern of influence on the Model 2 is very much in line with the Model 1. The DAR variable consistently had a significant negative effect with a coefficient of -0.116 and a significance of 0.004, while showing a greater magnitude of influence than its effect on ROA. This is natural considering that ROE is structurally more sensitive to changes in debt structure because it involves an equity component in its denominator.

The ROA variable acted as an independent variable in Model 2 with a positive coefficient of 0.432 and a significance of 0.000. The magnitude of the coefficient greater than the ROE in Model 1 (0.322) indicates that the transmission of the effect of asset management effectiveness on equity returns is occurring with a relatively stronger intensity. The *Sales Growth* variable also had a significant positive effect with a coefficient of 0.108 and a significance of 0.014. The PSAK 115 moderation variable showed a negative coefficient of -0.024 with a significance of 0.032, confirming the same pattern as Model 1.

In the interaction quarter, all three coefficients show statistically significant negative signs. The interaction of $DAR \times M$ with a coefficient of -0.055 and significance of 0.022 showed a strengthening of the negative effect of DAR on ROE during the full implementation of PSAK 115. The interaction of $ROA \times M$ with a coefficient of -0.150 and a significance of 0.025 showed a weakening of the positive effect of ROA on ROE. The interaction of $SG \times M$ with a coefficient of -0.038 and a significance of 0.045 also illustrates the weakening of the positive influence of *Sales Growth*. The consistency of these findings between Model 1 and Model 2 reinforces the reliability of the conclusion that the application of PSAK 115 plays a significant role in moderating the relationship between financial ratios and the financial performance of *real estate firms*

4. Results of Partial Regression Analysis Separated *Current Ratio* (N=60)

The *Current Ratio* variable was tested separately from the MRA's main model due to the limited availability of financial statement data for current assets and current liabilities in 2020. A number of sample companies in that year have not presented complete details of asset and liability classification, so if the CR variable is forced into the main model, it will cause a problem of missing data (*missing values*) that can interfere with the estimation of the coefficient. To get around this, multiple linear regression analysis was carried out separately from the 2021-2024 period, so that the number of observations for CR testing became 60 data (15 companies multiplied by 4 years).

The test was carried out twice, for *the Current Ratio* to ROA and *the Current Ratio* to ROE, respectively, so that the consistency of the effect could be cross-verified. The partial test results for the *Current Ratio* variable are shown in Table 4. below.

Table 4. Partial Test Results of Current Ratio – Separate Analysis (N=60)

Testing Model	B	Std. Error	t Count	Sig.	Remarks
Partial Effects of CR → ROA	0,013	0,006	2,084	0,041	H2 supported
Partial Influence of CR → ROE	0,021	0,010	2,187	0,032	H2 supported

Table 4. shows that *the Current Ratio* has a positive and significant effect on financial performance, both when tested against ROA and ROE. In the CR test of ROA, the B coefficient obtained was 0.013 with a calculated t-value of 2.084 and a significance of 0.041. This number means that every increase in *the Current Ratio* by one unit will increase the ROA by 0.013 units. In the CR test of ROE, a larger B coefficient of 0.021 with t calculated 2.187 and a significance of 0.032 showed a stronger influence. The consistency of the direction of positive influence in both tests confirms that the company's liquidity plays an important role as a support

for the achievement of profitability, so the H2 hypothesis is supported by the empirical data of the study.

Discussion

1. The Effect of *Debt to Asset Ratio* on Financial Performance

The results of the regression test showed that *the Debt to Asset Ratio* (DAR) had a negative and significant influence on financial performance, both proxied by ROA in Model 1 (coefficient -0.078; significance 0.006) and by ROE in Model 2 (coefficient -0.116; significance 0.004). The consistency of the direction of influence and the statistical significance that emerge in both models confirms that the first hypothesis (H1) that DAR exerts a significant influence on financial performance is acceptable.

These negative influences are in line with the framework of Agency Theory introduced by Jensen and Meckling (1976). High debt levels will increase the interest burden that companies must bear, while adding financial risks that can reduce the company's ability to generate profits. From the perspective of Signal Theory (Spence, 1973), continued growth in debt ratios can also give a negative signal to the market because it indicates a high dependence on external financing as well as an increased risk of default in the future. Market participants will interpret these conditions as a signal that magnifies the risk premium, which ultimately depresses the company's overall profitability.

In the context of the implementation of PSAK 115, the negative influence of DAR is becoming increasingly crucial. The reclassification of customer advances into contractual liabilities also increases the total liability in the financial position statement, even though the additional liability is not interest-bearing debt that creates real financial burdens. However, from a market perspective, the increase in the debt ratio is still interpreted as a risk signal that has an impact on a decline in investor confidence. These findings are in line with the study of Amyulianthy, Rahmat, and Munira (2022) which found an increase in DAR post-PSAK 72, as well as the study of Kristianto and Sundari (2024) which also confirmed the positive influence of PSAK 115 on DAR in the retail and mining sectors.

2. The Effect of *Current Ratio* on Financial Performance

Based on the results of separate tests, *the Current Ratio* was proven to have a positive and significant influence on financial performance, both through testing on ROA (coefficient 0.013; significance 0.041) and ROE (coefficient 0.021; significance 0.032). Thus, the second hypothesis (H2) that states *that the Current Ratio* exerts a significant influence on financial performance is acceptable. The positive direction of influence shows that the increase in the company's liquidity capacity has an impact on improving operational profitability.

The findings can be understood through the operational mechanisms of real estate companies. Maintained liquidity provides flexibility for companies to finance working capital, accelerate the unit construction process, and fulfill obligations to contractors and suppliers without being hampered. The smooth cash flow in turn supports the delivery of units on schedule, which directly impacts the acceleration of revenue recognition and profit realization based on the provisions of PSAK 115. Hery (2018) emphasized that liquidity is a fundamental prerequisite for operational continuity, especially in industries that are loaded with short-term financing commitments such as property.

The results of this research are also in line with the study of Mardaningsih, Nurlaela, and Wijayanti (2021) which found a positive influence of liquidity on a company's financial

performance. However, it should be noted that the relatively small magnitude of CR's influence (coefficients of 0.013 for ROA and 0.021 for ROE) illustrates that liquidity plays a supporting factor, not the main driver, in the formation of the profitability of *real estate* firms. The main factor that is more dominant is the efficiency of asset management and capital structure, as shown by the coefficient of the variables ROE/ROA and DAR which are much larger in magnitude.

3. The Effect of Profitability Ratio (ROE and ROA) on Financial Performance

The test results prove that the Profitability Ratio which acts as a control variable has a positive and very significant influence on financial performance. In Model 1, ROE exerts a significant positive influence on ROA with a coefficient of 0.322 and a significance of 0.000. In contrast, in Model 2, ROA exerts a significant positive influence on ROE with a coefficient of 0.432 and a significance of 0.000. The large magnitude of the coefficient (0.495 and 0.478 in standardized Beta values) places the profitability ratio as the variable with the most dominant influence on financial performance. The third hypothesis (H3) is thus accepted with a very high degree of significance.

These positive and significant influences confirm the view of Brigham and Houston (2019) who stated that ROE and ROA are fundamentally interrelated measures of profitability. ROE is basically a multiplication of ROA and financial leverage, so that an increase in one of the two ratios automatically correlates with an increase in the other ratio. In the context of Signal Theory, companies with high profitability will give positive signals to the market regarding management's capabilities in managing resources to generate profits.

These findings are also in line with the Lestari (2023) study which underlines that the profitability ratio is a key determinant of a company's financial performance, especially in the post-implementation period of new accounting standards. The practical consequence of these findings is the need *for real estate* company management to focus more on efforts to increase core profitability through operational efficiency, asset utilization optimization, and effective marketing strategies. Given that ROE and ROA play a role as two sides of a profitability coin, improvements to both will result in a multiplier impact on overall financial performance.

4. The Effect of Sales Growth on Financial Performance

The Sales Growth *variable* shows a positive and significant influence on financial performance in both models. *The Sales Growth Coefficient* was recorded at 0.085 with a significance of 0.018 in Model 1, and 0.108 with a significance of 0.014 in Model 2. The fourth hypothesis (H4) is accepted. Consistent sales growth contributes positively to the improvement of the company's profitability.

These results are consistent with the common understanding in the financial management literature that sales growth is an early indicator of business expansion as well as an increase in the company's market share. In the context of *the real estate industry*, *Sales Growth* reflects the success of a developer's marketing strategy in selling units to consumers, which in turn has an impact on increased revenue and profit margins. Mardaningsih, Nurlaela, and Wijayanti (2021) stated that consistent sales growth is a mirror of competitiveness and management's capabilities in reading and meeting market needs.

In the post-implementation period of PSAK 115, the role of *Sales Growth* became increasingly strategic. With the change of revenue recognition point to the time of unit handover, companies with a strong pre-construction sales portfolio will have large revenue

reserves to realize in subsequent times. This provides a competitive advantage for developers who manage to maintain sales momentum, as illustrated by the significant positive influence on both profitability ratios. Manalu and Sumarna (2023) also documented that strong sales growth was one of the balancing factors for the technical pressures caused by the transition of PSAK 72/115.

5. The Moderation Effect of the Implementation of PSAK 115

Testing of *interaction terms* in both models yielded interesting findings regarding the role of the implementation of PSAK 115 as a moderation variable. All interaction rates in Model 1 and Model 2 showed statistical significance below 0.05, so it can be concluded that the implementation of PSAK 115 has been shown to moderate the influence of independent variables on financial performance. However, the direction of moderation that appears is not uniform, so the fifth hypothesis (H5) is partially accepted with different moderation characteristics for each variable.

In the interaction of $DAR \times M$, the negative coefficients that appeared in Model 1 (-0.041; sig 0.024) and Model 2 (-0.055; sig 0.022) showed that the application of PSAK 115 amplified the negative effect of DAR on financial performance. Because the basic influence of DAR is already negative, the interaction rate that is also negative means that the implementation of PSAK 115 adds to the negative pressure of the debt structure on profitability. This can be explained through an accounting mechanism: the obligation to record customer advances as a contractual liability increases the company's total liabilities materially, creating the impression of a swollen debt without any increase in revenue in the near future. Markets that read financial statements without understanding the substance of the reclassification tend to give negative assessments that have an impact on the decline in reported profitability.

In the interaction of $ROE \times M$ (Model 1) and $ROA \times M$ (Model 2) which produced coefficients of -0.118 and -0.150 respectively with a significance of 0.037 and 0.025, it can be seen that the implementation of PSAK 115 actually weakens the positive effect of the companion's profitability ratio on financial performance. A similar pattern also occurred in the interaction of $SG \times M$ which produced coefficients of -0.031 (Model 1) and -0.038 (Model 2) with significance of 0.048 and 0.045, respectively. This weakening stemmed from the point-in-time-based revenue recognition characteristics, which led to profits and revenues that should have been recognized gradually during the construction period to be delayed until the time of unit handover. As a result, the rapid transmission of past profitability and sales growth to the performance of the current period is not optimal.

These partial PSAK 115 moderation findings validate the premise of Agency Theory and Signal Theory that place changes in accounting standards as catalysts for changing the way markets interpret company performance. The implementation of PSAK 115 is not just a technical change in recording, but also changes the dynamics of the relationship between financial ratios and reported performance. The implication is that the management *of real estate companies* is required to present additional information in the records of financial statements in a more transparent manner, so that market participants understand the substance of the change in ratios which is actually the impact of accounting adjustments, not the degradation of the company's fundamentals. The previous studies by Mutiha (2022) and Wigiyanti and Basyir (2024) also highlighted the importance of a complete understanding of

the substance of PSAK 72/115 so that the interpretation of the performance of real estate companies is not distorted.

CONCLUSION

Based on the results of statistical analysis and hypothesis testing conducted on real estate companies listed on the Indonesia Stock Exchange during the 2020–2024 period, it can be concluded that the Debt-to-Asset Ratio (DAR) had a negative and significant effect on financial performance. These findings indicate that a higher level of leverage increases the company's financial obligations, which may reduce its ability to generate profits. Conversely, the Current Ratio (CR) had a positive and significant effect on financial performance, indicating that the company's ability to meet short-term obligations plays an important role in supporting operational efficiency and improving profitability.

Furthermore, Sales Growth and profitability ratios showed a positive relationship with financial performance. These results indicate that increased sales growth can enhance a company's ability to generate profits, thereby contributing positively to improved financial performance. Therefore, companies that are able to maintain sustainable sales growth tend to demonstrate stronger performance prospects compared with companies experiencing lower sales growth.

This study also found that the implementation of PSAK 115 significantly moderated the relationship between financial ratios and company performance. The revenue recognition characteristics based on the point-in-time recognition principle strengthened the negative effect of leverage on financial performance, while the positive effect of sales growth on profitability was recognized more gradually in financial reports. These findings indicate that changes in accounting standards not only influence financial reporting processes but also alter the relationship patterns between financial indicators and company performance. Therefore, management, investors, and other stakeholders should consider the implications of PSAK 115 implementation when evaluating the financial condition and performance of real estate companies comprehensively.

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