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THE IMPACT OF CASH FLOW, COMPANY SIZE, AND FINANCIAL LEVERAGE ON THE PROFITABILITY OF SEAFOOD COMPANIES IN VIETNAM

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Abstract. This study aims to investigate the influence of operational cash flow (OCF), company size (SIZE), and financial leverage (FLV) on gross profit (GP), operating profit (EBIT), and net profit (NP) within the seafood sector in Vietnam. This study uses secondary data obtained from the financial statements of 24 seafood companies published over a five-year period from 2019 to 2024. The analysis employs descriptive statistics and incorporates three linear regression models to assess the relationships among the variables. The results show that both OCF and SIZE have a positive impact on GP and EBIT, while FLV does not exhibit any significant effect on these profit measures. Additionally, the analysis reveals that OCF and SIZE positively influence GP, EBIT, and NP, whereas FLV exerts a negative effect on these outcomes of financial indicators. Based on the findings, seafood companies are advised to implement robust cash flow management strategies, determine an appropriate company size, establish an optimal capital structure, and exercise prudent debt management to mitigate potential financial risks. However, given the presence of large companies operating across multiple sectors, the findings may not fully capture the intricacies of the entire seafood industry. Therefore, further research is warranted to explore these factors in greater depth and strengthen empirical evidence on these dynamics.
Keywords: seafood companies, financial leverage, cash flow, profitability, company size.

1. INTRODUCTION

One of the critical aspects of a company's financial management is the determination of an optimal capital structure, as it significantly impacts profitability, financial risk, and overall company valuation. The primary objective of financial management is to maximize asset value for shareholders, thereby enhancing the company's overall valuation and market worth. Effective financial management policies play a vital role in driving the company's financial performance and ensuring its long-term sustainability. A positive operating cash flow, coupled with effective cash flow management, is crucial for a company to maintain liquidity and provides essential information for assessing its financial health. This, in turn, positively influences its profitability. In the contemporary business landscape, company size is a crucial factor in shaping financial outcomes. Larger companies often benefit from economies of scale, allowing them to lower their production costs compared to smaller counterparts. This size-related advantage often enhances their profitability and serves as an indicator of their market positions (Pratiw et al., 2024). The strategic use of debt, or financial leverage, can provide companies with additional financial resources and enhance their corporate performance. However, it is imperative to maintain a balance and implement careful debt management practices to mitigate potential financial risks that could result in insolvency. Thus, effective financial management is instrumental in boosting profitability and creating shareholder value, while also considering the interests of other stakeholders (Wanyama & Olweny, 2013). Profit is typically defined as a company's income generated from its revenues after accounting for all incurred expenses (Alarussi & Alhaderi, 2018). Commonly used metrics in empirical studies include gross profit, operating profit, and net profit, all

of which serve as critical indicators of the company's economic performance. The interplay between operating cash flow, company size, financial leverage, and profitability is a key area of focus within financial management that has garnered considerable academic attention. Understanding how these factors interact and influence each other is crucial for managers, researchers, and policymakers alike.

Firstly, insights into financial health and sustainability are pivotal for assessing a company's capacity to generate profit. Research in this area can deepen our understanding of dynamic factors that influence profitability. Secondly, exploring the correlation between company size and profitability aids in identifying the optimal size that promotes operational efficiency and provides a competitive edge in the marketplace (Niresh et al., 2014). Thirdly, examining the nexus between financial leverage and profitability equips managers with the knowledge to determine the optimal level of leverage, striking a balance between the benefits of debt financing and its associated risks (Shaikh et al., 2022).

Numerous studies across various fields have explored the effects of cash flow, company size, and financial leverage on profitability, resulting in a spectrum of viewpoints. Some research suggests a positive relationship (Ikechukwu et al., 2015; Liman & Mohammed, 2018), while others highlight negative impacts (Abeyrathna & Priyadarshana, 2019; Dirman, 2020; Shaikh et al., 2022). Notably, there exists a research gap, as no studies have concurrently examined Gross Profit (GP), Earnings Before Interest and Taxes (EBIT), and Net Profit (NP) as dependent variables – three profitability crucial indicators that deserve comprehensive examination (Kagan & Investopedia, 2020). Furthermore, the lack of research centered on the seafood industry in Vietnam underscores a contextual gap that merits further investigation.

The primary aim of this study is to investigate the effects of OCF, SIZE, and FLV on GP, EBIT, and NP within the seafood sector in Vietnam. The seafood industry has played an increasingly important role in Vietnam's economy, contributing substantially to foreign currency revenues and providing employment opportunities for millions. This research holds practical significance in the realm of seafood exports, a crucial economic activity for Vietnam. Notably, the seafood export sector generated revenues exceeding 10 billion USD in 2024, reflecting a 12% growth compared to 2023 (VASEP, 2025). Consequently, this study is imperative, offering both theoretical and practical insights that contribute to addressing existing knowledge gaps within academic literature on this topic.

2. LITERATURE REVIEW

A cash flow statement is a critical component of financial reporting, offering a transparent overview of a company's cash flow dynamics. It details how the company generates cash through its business operations and allocates funds for investments and financing activities. This statement succinctly presents essential financial information that stakeholders need for informed decision-making. It also serves as a valuable analytical tool for assessing cash flow-related metrics within the company. The statement categorizes cash flow into three primary areas: cash flow from operating activities, cash flow from investing activities, and cash flow from financing activities. Of partciualr importance is cash flow from operating activities, which plays a pivotal role in determining the financial health and profitability of the organization (Sayari & Mugan, 2017).

Operational Cash Flow (OCF) refers to the cash generated from the core revenue-generating activities of a company, excluding investment and financing activities. Net cash flow, or cash flow from operating activities, represents the difference between total cash inflows and total cash outflows from these activities within a given reporting period. OCF serves as a critical indicator for evaluating the company's liquidity and overall financial health (Atieh, 2014). The distinction between cash inflows and outflows in operating activities is termed net cash flow from operating activities, a metric which offers valuable insights for investors (Burke & Wieland, 2017). A positive operating cash flow enables a company to meet its liabilities, repay debts, distribute dividends, and pursue new investment opportunities. In contrast, a negative cash flow necessitates the search for alternate funding sources, which may disrupt business operations and impair the company's liquidity. The implementation of effective cash flow management policies is intrinsically linked to enhancing a company's financial performance, underscoring the essential role that cash flow plays in determining the vitality or distress of the company's business operations (Sayari & Mugan, 2017). Fahlevi and Marlinah (2018) emphasize the significance of OCF ratio as a critical indicator for assessing a company's capacity for recovery. The current ratio, return on assets, and OCF collectively influence the company's financial distress status. According to Bernardin and Tifani (2019), information derived from OCF serves as a vital signal for external stakeholders and creditors, enabling them to evaluate a company's financial condition and its ability to fulfill financial obligations. Additionally, Hamshari (2020) suggests a relationship between OCF and earnings per share, while Rahmawati and Narsa (2020) note that OCF has a significant positive impact on dividend policy. Cash flow from operating activities is recognized as a crucial measure of a company's financial health, effectively distinguishing between financially stable companies and those encountering difficulties (Dirman, 2020). This indicator reflects the company's capability to generate adequate cash flow to meet its

obligations, sustain its operations, distribute dividends, and invest in new growth opportunities, all without dependence on external funding sources (Mukadar et al., 2021). Mukadar et al. (2021) further indicate that OCF exerts a positive influence on return on assets (ROA) and return on equity (ROE), but the impact is not statistically significant. Conversely, Ahmad et al. (2024) assert that OCF has a more significant impact on ROA than on ROE. Investors often regard OCF as a key indicator of a company's ability to generate dividends, while creditors are likely to gain confidence in the company's financial stability if it consistently maintains positive operating cash flow. Hidayat and Chyavani (2024) highlight that a persistent trend of negative cash flow over several years serves as a clear indication of poor financial health.

Company size (SIZE) can be classified as either large or small, based on criteria such as revenue or total assets. Larger companies often encounter challenges, including slower decision-making processes and difficulties in adapting to market changes (Tricker, 2009). These factors can significantly impact financial outcomes, requiring them to proactively address these challenges to enhance operational agility and improve financial performance. In today's business environment, company size plays a critical role; larger companies can produce goods at substantially lower costs compared to their smaller counterparts. Research has increasingly focused on the relationship between company size and profitability (Niresh et al., 2014). Findings indicate divergent perspectives depending on the research context. For instance, Niresh et al. (2014) reported no significant relationship between company size and profitability in the manufacturing sector. Conversely, other studies showed that company size has a considerable influence on both profitability and value in manufacturing firms (Budisaptorini et al., 2019). Furthermore, Abeyrathna and Priyadarshana (2019) revealed that company size has a negligible effect on return on assets (ROA) and net profit for manufacturing companies. Despite these varying perspectives, it is widely acknowledged that company size positively affects financial health. Specifically, a larger total asset base enhances a company's capacity for future debt repayment (Susilawati et al., 2017; Dirman, 2020). Company size can be determined using metrics such as total assets, logarithmic size, or share value (Indrawan & Damayanthi, 2020). Additionally, company size serves as a valuable indicator for assessing financial results, with larger companies typically having easier access to external funding sources (Lukman & Tanuwijaya, 2021). This access is crucial for understanding a company's position within its market and industry (Arfan, 2022). In summary, while the relationship between company size and profitability remains complex and context-dependent, the overall implications of company size on financial health and market positioning are undeniably significant.

Financial Leverage (FLV) refers to the strategic use of debt to finance a company's activities, playing a crucial role in shaping its financial outcomes. When strategically managed, debt can augment financial resources and enhance overall company performance (Denis & McConnell, 2003). However, elevated leverage can lead to substantial financial costs (Alzomaia & Ahmed, 2013), as fixed debt obligations requires companies to generate additional profits to meet interest and repayment requirements. In cases where a company faces operational challenges, the burden of debt repayment can become overwhelming, potentially resulting in insolvency (Brigham & Houston, 2019). The FLV ratio serves as a measure of the financial risk associated with debt usage; the extent of a company's debt directly influences its financial risk profile. Consequently, investors often scrutinize FLV as it impacts investment ratios and opportunities (Rohmadini et al., 2018).

Debt to Equity Ratio (DER) is a widely used metric for assessing the relationship between a company's debt and its equity. This ratio is calculated by comparing total debt, including current liabilities, to total equity. Bernardin and Tifani (2019) contend that the debt-to-asset ratio can positively influence the prediction of financial distress. However, Dirman (2020) notes that a high DER does not necessarily indicate financial distress, just as a low DER does not automatically signify financial stability. This is attributable to the fact that a company may possess significant total liabilities while simultaneously holding substantial total assets, allowing it to fulfill its obligations through asset liquidation. In a recent analysis, Oktaviani et al. (2024) documented the positive effect of financial leverage on company value; conversely, Aljundi et al. (2024) found no statistically significant relationship between FLV and profitability in industrial firms.

Profit serves as a key indicator for assessing a company's financial results, but it is also widely viewed as the outcome of utilizing company resources (Makau & Kosimbei, 2014). In general terms, profit is defined as a company's income generated from revenue after deducting all incurred expenses within a given period (Alarussi & Alhaderi, 2018). There are various profit indicators, each serving a specific purpose. Among them, GP, EBIT, and NP are widely used in empirical research. GP reflects the relationship between sales revenue and the cost of goods sold, EBIT measures operating profit before accounting for interest and taxes, and NP is a general measure of the company's management results.

Gross Profit (GP), specifically, reflects the difference between net revenue and the cost of goods sold during a given reporting period. In recent years, scholars have increasingly recognized gross profit as a signal of future profitability (Chiu & Haight, 2014). According to Cerniat and Hasan (2020) and Sari (2020), GP has a stronger predictive ability for future cash flow than EBIT, while NP has no impact. GP serves as a basis on which users of financial reports can identify how profit margins may change under competitive pressure. GP has, therefore, become a focal point for users of financial

statements, especially investors (Hutagalung & Siagian, 2022), and it also provides managers with essential information, including the Gross Profit Margin (GPM). Companies with long-term competitive advantages often achieve a higher and more stable GPM compared to those without advantages. Sustainable competitive advantages enable them to price their products well above production costs. Without competitive advantages, companies often resort to price reductions to remain competitive (Clark & Buffett, 2023).

Earnings Before Interest and Taxes (EBIT), commonly referred to as operating income or operating profit, is generated from a company's core business activities. This metric is calculated prior to the deduction of interest and taxes, which are considered non-operating expenses. It serves as a critical indicator of operational efficiency, as it isolates the financial performance of the company's primary activities without the influence of financing or tax-related factors. Operating profit is frequently utilized by managers in decision-making processes, as it reflects the revenues and costs that management can directly control, offering valuable insights into operational effectiveness (Dermawan & Indrajathi, 2017).

Net Profit (NP), also known as net earnings, represents the residual amount of income after all total expenses and corporate income tax are deducted from revenue. NP, thus, serves as a vital indicator of a company's true profitability at the conclusion of an accounting period. It is essential for assessing profitability as it encompasses all aspects of revenue and expenses incurred (Kagan & Investopedia, 2020).

When analyzing financial outcomes and calculating specific ratios, EBIT information is often favored over NP, as NP can vary significantly due to differing regulations and interest costs across companies (Adiloğlu & Vuran, 2017). A change in EBIT can lead to a magnified impact on NP, making EBIT a more comparable metric. Moreover, EBIT is often prioritized for the estimation of a company's long-term stock value (Brigham & Houston, 2019). Given that companies possess varying capital structures and tax rates, EBIT allows investors to standardize and compare companies based on their fundamental business operations rather than external financial factors. It represents their earnings capacity related to revenue generated from ongoing activities (Kagan & Investopedia, 2020).

To enhance NP, strategies must include optimizing prices, discontinuing unprofitable products, managing inventory effectively, and reducing overhead and total direct costs. It is also important to note that a company may report positive EBIT while still experiencing a loss or negative net income within a given quarter or fiscal year, necessitating a comprehensive analysis of GP, EBIT, and NP (Kagan & Investopedia, 2020). Furthermore, NP provides critical information regarding dividend distributions to investors (Hutagalung & Siagian, 2022), while both EBIT and NP play significant roles in forecasting future cash flows (Aullawati & Suwarno, 2023).

The Relationship between OCF, SIZE, FLV, and Profitability

The interplay between cash flow and profitability is remains a critical area of financial analysis, as cash flow can be rendered ineffective if it does not contribute to a company's profitability. Several studies, including those by Ikechukwu et al. (2015) and Liman and Mohammed (2018), have identified a positive correlation between OCF and company profitability. Furthermore, the financial performance of a company is notably influenced by cash flow, as highlighted by Christian and Dewi (2022), demonstrating a consequential relationship between these metrics (Dahham, 2023). However, Arifaj et al. (2023) study, which utilized linear regression analysis to investigate the effects of OCF, SIZE, and FLV on ROA among the largest public companies in Kosovo, revealed that OCF did not significantly impact ROA.

SIZE is a crucial determinant of profitability. Doğan (2013) identified a positive relationship between various SIZE indicators and company profitability. In the contemporary business landscape, SIZE is of paramount importance, as larger companies can manufacture products at significantly lower costs compared to their smaller counterparts (Niresh et al., 2014). Additionally, SIZE has a substantial effect on the determination of profitability and value in production firms (Budisaptorini et al., 2019). Conversely, Belkaoui (2007) posits that larger SIZE may adversely affect income smoothing – the practice of adjusting the temporal distribution of income to present a less volatile income statement without increasing the reported income for a given period (Belkaoui, 2007). In cases of low profitability, some companies may resort to income smoothing techniques to artificially inflate reported profits (Indrawan & Damayanthi, 2020). Notably, Arifaj et al. (2023) found a relationship between SIZE and ROA, further highlighting the multifaceted impact of SIZE on financial performance.

Research on the relationship between FLV and profitability suggests that FLV significantly affects a company's financial outcomes (Arifaj et al., 2023; Shaikh et al., 2022). A review of existing literature on this topic reveals two distinct perspectives. The first indicates a positive correlation between FLV and profitability, as evidenced by Ramadan (2015), Nassar (2016), and Dimisyqiyani et al. (2017). Conversely, the second perspective highlights a negative relationship between FLV and company profitability, a conclusion supported by findings from Abubakar (2015) and Aljundi et al. (2024). The broader literature has also emphasized that the interplay between OCF, SIZE, FLV, and profitability constitutes a crucial area of inquiry within financial management. A nuanced understanding of how these variables interact is vital for both researchers and practitioners seeking to optimize financial performance.

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Firstly, investigating the relationship between OCF and profitability offers important insights into a company's financial health. OCF serves as a significant indicator of the company's capacity to generate adequate cash flow to sustain operations and fulfill debt obligations (Burke & Wieland, 2017). By analyzing the influence of OCF on profitability, researchers can gain a deeper understanding of the company's ability to generate profits (Dahham, 2023).

Secondly, the effect of SIZE on profitability remains a pertinent topic in the contemporary business landscape (Tricker, 2009). Understanding the correlation between SIZE and profitability assists in identifying the optimal scale for achieving ROA and enhancing market competitiveness (Doğan, 2013). Furthermore, this understanding equips managers with critical insights for formulating policies, structuring organizations, and developing effective financial management strategies tailored to businesses of varying SIZEs. The impact of SIZE has thus emerged as a key focus in research concerning the relationship between SIZE and profitability (Niresh et al., 2014).

Thirdly, FLV is a crucial determinant of a company's capital structure, financial obligations, and financial risks (Denis & McConnell, 2003). Analyzing the relationship between FLV and profitability enables managers to pinpoint the optimal level of leverage that effectively balances the advantages of debt financing with the associated risks. FLV is also an important factor for investors, as it significantly influences potential investment opportunities (Rohmadini et al., 2018). Overall, research has consistently indicated that FLV has a positive effect on profitability (Shaikh et al., 2022) and contributes to enhancing company value (Oktaviani et al., 2024).

In summary, a growing body of research has examined the effects of OCF, SIZE, and FLV on company profitability. Various indicators have been employed to assess profitability, including ROA (Ahmad et al., 2024; Liman & Mohammed, 2018), ROE (Sangawi et al., 2023; Shaikh et al., 2022), and NP (Abeyrathna & Priyadarshana, 2019). Research has spanned multiple fields (Ahmad et al., 2024; Budisaptorini et al., 2019; Niresh et al., 2014), with a predominant use of linear regression analysis techniques (Sangawi et al., 2023; Arifaj et al., 2023; Ahmad et al., 2024). Findings from this body of research revealed a mix of results, with some studies reporting positive impacts (Ikechukwu et al., 2015; Liman & Mohammed, 2018) whereas others indicating negative impacts (Abeyrathna & Priyadarshana, 2019; Dirman, 2020; Shaikh et al., 2022). Still, there is a lack of research that simultaneously examines GP, EBIT, and NP as dependent variables. The necessity of analyzing these three profit types has been highlighted (Kagan & Investopedia, 2020). Furthermore, the existing literature has not addressed this issue within the fisheries industry in Vietnam, thus exposing a critical gap that requires further investigation. This paper accordingly aims to explore the effects of OCF, SIZE, and FLV on GP, EBIT, and NP of fisheries companies in Vietnam, thereby contributing to filling the research gap in this area.

3. RESEARCH METHODOLOGY

The secondary data in the study was obtained from the published financial reports of 24 companies operating in the seafood sector in Vietnam over a period of 5 years from 2019 to 2024, with a total of 120 observations. On this basis, this study examines the impact of OCF, SIZE, and FLV on GP, EBIT, and NP. The following three regression models were constructed based on the reviewed literature.

Model (1): $GP = b_0 + b_1 \, OCF + b_2 \, SIZE + b_3 \, FLV$

Model (2): $EBIT = b_0 + b_1 \, OCF + b_2 \, SIZE + b_3 \, FLV$

Model (3): $NP = b_0 + b_1 \, OCF + b_2 \, SIZE + b_3 \, FLV$

Where: b_0 is the constant, and b_1, b_2, b_3 are the coefficients.

The research variables include three dependent variables: gross profit (GP), operating profit (EBIT), and net profit (NP); and three independent variables: operating cash flow (OCF), company size (SIZE) which is the natural logarithm of total assets (Ln Total Assets), and financial leverage (FLV) which is total debt divided by total assets. The study uses descriptive statistics and regression analysis methods to achieve the stated aim, with the regression analysis conducted using SPSS 25 software at a 95% confidence interval.

4. RESEARCH RESULTS AND DISCUSSION

4.1 Descriptive statistical analysis

From the collected dataset, the descriptive statistics for the variables integrated into the econometric models of this study are summarized in Table 1.

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Table 1. Summary of Statistics for Variables Integrated into the Econometric Model

Variables	N	Minimum	Maximum	Mean	Std. Deviation
- GP	120	147.00	2,975,935.07	384,657.2808	458,626.57758
- EBIT	120	-26,417.89	2,420,038.61	268,161.6643	385,252.49682
- NP	120	-38,573.15	2,012,919.89	210,781.1168	330,893.00171
- OCF	120	-60,2012.07	1,604,103.86	132,639.3077	364,499.31101
- SIZE	120	12.00	16.00	14.2333	1.13562
- FLV (%)	120	3.00	85.00	49.3500	20.98485
Valid N (listwise)	120				

Source: Analysis of the data of seafood companies in Vietnam from 2019-2023

The results from Table 1 show that:

• Gross profit (GP, million VND) in the study has a minimum value of 147.00; a maximum value of 2,975,935.07; an average value of 384,657.28; and a standard deviation of 458,626.57. The standard deviation being greater than the mean indicates variability in the data, evidenced by the considerable distance between the maximum and minimum values. This reflects a high disparity in GP among the companies in the study, providing managers with significant information that GP is likely to predict future cash flows better than EBIT.

• Operating profit (EBIT, million VND) has a minimum value of -26,417.89; a maximum value of 2,420,038.61; an average value of 268,161.66; and a standard deviation of 385,252.49, indicating high variability in EBIT among the companies. Some of the companies experienced negative EBIT (losses), while others performed considerably better. This also suggests that the companies in the study have different capital structures and tax levels, leading to their varied business performance.

• Net profit (NP, million VND) has a minimum value of -38,573.15; a maximum value of 2,012,919.89; an average value of 210,781.11; and a standard deviation of 330,893.00, indicating high variability in NP among the companies. Some of them had negative NP (losses), reflecting their unsatisfactory business results, while others performed significantly better. It should be noted here that net profit is an important indicator of the actual profit remaining at the end of an accounting period and has a significant impact on predicting future cash flows.

• Cash flow from operating activities (OCF, million VND) has a minimum value of -602,012.07; a maximum value of 1,604,103.86; an average value of 132,639.31; and a standard deviation of 364,499.31. Cash flow provides relevant information in determining a company's financial health, as positive cash flow allows the company to meet debt payments, distribute dividends, and invest; conversely, negative cash flow requires a search for alternative funding sources, potentially disrupting the company's operations and liquidity.

• Company size (SIZE, represented as LnTA) has a minimum value of 12.00; a maximum value of 16.00; an average value of 14.33; and a standard deviation of 1.13. Company size is classified as large or small based on the logarithm of total assets, where larger companies may find it easier to access external funding sources, indicating their market positions.

• Financial leverage (FLV%) has a minimum value of 3.00; a maximum value of 85.00; an average value of 49.35; and a standard deviation of 20.98. This suggests that the use of debt to finance company activities varies significantly and affects the company's profitability. Those companies with high leverage incur high financial costs, increasing their pressure to seek additional profits to cover interest and loan repayments.

4.2 Regression Analysis

The regression analysis was conducted using SPSS 25 with a 95% confidence interval, adjusted R square, and ANOVA test results to evaluate the model fit. The adjusted R square results of the three models are summarized in Table 2:

Table 2. Summary of Model Results

Model	b. Dependent Variable	R Square	Adjusted R Square	Durbin-Watson
(1)	GP	0.668	0.660	1.049
(2)	EBIT	0.686	0.678	1.126
(3)	NP	0.664	0.656	1.228
a. Predictors: (Constant), FLV, SIZE, OCF				

Source: Analysis of the data of seafood companies in Vietnam from 2019-2023

The results from Table 2 show that:

• The adjusted R square value of model (1) is 0.660, meaning that the independent variables included in the regression analysis model affect 66.0% of the variance in the dependent variable, while the remaining 34.0% is due to external variables and random error.

- The adjusted R square value of model (2) is 0.678, indicating that the independent variables included in the regression analysis model explain 67.8% of the variance in the dependent variable, with the remaining 32.2% attributable to external variables and random error.

- The adjusted R square value of model (3) is 0.656, suggesting that the independent variables included in the regression analysis model explain 65.6% of the variance in the dependent variable, while the remaining 34.4% is due to external variables and random error.

- This table further indicates that the Durbin-Watson values for models (1), (2), and (3) are 1.049, 1.126, and 1.228, respectively. According to Field (2009), if Durbin-Watson is less than 1 or greater than 3, it is important to note the potential for first-order autocorrelation.

The models' fit is evaluated using the ANOVA method, summarized in Table 3.

Table 3. Summary of ANOVA Test Results

Model	b. Dependent Variable	Df	F	Sig.
(1)	GP	3	77.917	0.000[b]
(2)	EBIT	3	84.587	0.000[b]
(3)	NP	3	76.550	0.000[b]
a. Predictors: (Constant), FLV, SIZE, OCF				

Source: Analysis of the data of seafood companies in Vietnam from 2019-2023

The table shows that the sig. value for the F test of all three models is $p < 0.05$, thus the regression models in the study are appropriate. The influence of OCF, SIZE, and FLV on GP, EBIT, and NP is summarized in Table 4:

Table 4. Summary of Regression Analysis Results

Coefficients[a]

Model (1)		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-2,716,851.509	349,485.555		-7.774	0.000		
	OCF	0.540	0.076	0.429	7.121	0.000	0.786	1.272
	SIZE	215,314.207	23,723.102	0.533	9.076	0.000	0.829	1.207
	FLV	-705.342	1,249.896	-0.032	-0.564	0.574	0.874	1.144
a. Dependent Variable: GP								

Model (2)		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-2,140,020.149	285,519.307		-7.495	0.000		
	OCF	0.459	0.062	0.434	7.401	0.000	0.786	1.272
	SIZE	171,663.052	19,381.069	0.506	8.857	0.000	0.829	1.207
	FLV	-1,945.549	1,021.128	-0.106	-1.905	0.059	0.874	1.144
a. Dependent Variable: EBIT								

Model (3)		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-1,571,016.250	253,640.762		-6.194	0.000		
	SIZE	130,110.027	1,7217.151	0.447	7.557	0.000	0.829	1.207
	FLV	-2,510.799	907.118	-0.159	-2.768	0.007	0.874	1.144
	OCF	0.406	0.055	0.447	7.366	0.000	0.786	1.272
a. Dependent Variable: NP								

Source: Analysis of the data of seafood companies in Vietnam from 2019-2023

Table 4 shows that the variance inflation factor (VIF) of all three models is less than 2, indicating no multicollinearity among the independent variables in the models.

- In model (1), the dependent variable is GP, with three independent variables: OCF, SIZE, FLV. The two variables OCF and SIZE have Sig. values < 0.05, indicating that these independent variables impact the dependent variable. The FLV variable has a Sig value = 0.574 > 0.05, indicating it does not affect the dependent variable. The regression model can be expressed as:

GP = -2,716,851.509 + 0.540 OCF + 215,314.207 SIZE

Both independent variables have positive regression coefficients, indicating a positive relationship with the dependent variable. GP increases by 0.540 VND when OCF rises by 1 VND at the same SIZE level. GP increases by 215,314.207 VND when SIZE goes up by 1 at the same OCF level.

•   In model (2), the dependent variable is EBIT, with three independent variables: OCF, SIZE, FLV. The two variables OCF and SIZE have Sig values < 0.05, indicating that these independent variables impact the dependent variable. The FLV variable has a Sig value = 0.059 > 0.05, indicating it does not affect the dependent variable. The regression model can be expressed as:

EBIT = -2,140,020.149 + 0.459 OCF + 171,663.052 SIZE.

Both independent variables have positive regression coefficients, indicating a positive relationship with the dependent variable. EBIT increases by 0.459 VND when OCF rises by 1 VND at the same SIZE level; EBIT increases by 171,663.052 VND when SIZE goes up by 1 at the same OCF level.

•   In model (3), the dependent variable is NP, with three independent variables: OCF, SIZE, FLV. All the three variables have Sig values < 0.05, indicating that they all impact the dependent variable. The regression model can be expressed as:

NP = -1,571,016.250 + 0.406 OCF + 130,110.027 SIZE – 2,510.799 FLV

The independent variables OCF and SIZE have positive regression coefficients, indicating a positive relationship with the dependent variable. NP increases by 0.406 VND when OCF rises by 1 VND at the same SIZE and FLV levels. NP increases by 130,110.027 VND when SIZE goes up by 1 at the same OCF and FLV levels. The independent variable FLV has a negative coefficient, indicating a negative relationship with the dependent variable. NP decreases by 2,510.799 VND when FLV increases by 1% at the same OCF and SIZE levels.

The findings of this study indicate that:

•   Company size (SIZE) positively impacts GP, EBIT, and NP of a company. This result is consistent with the perspective that company size is essential in today's business context, with larger companies producing goods at significantly lower costs than smaller ones (Niresh et al., 2014), and that company size affects profit and value determination in manufacturing companies (Budisaptorini et al., 2019). This result aligns with previous studies by Doğan (2013), Budisaptorini et al. (2019), and Arifaj et al. (2023).

•   Cash flow from operating activities (OCF) also positively impacts GP, EBIT, and NP of a company. OCF is an important indicator for assessing the company's financial health and distinguishing between companies that are thriving and those that are struggling financially (Dirman, 2020). This result aligns with prior studies, such as those by Ikechukwu et al. (2015), Liman and Mohammed (2018), Ahmad et al. (2024), which also documented a positive relationship between OCF and company profits.

•   Financial leverage (FLV) does not impact GP and EBIT but has a negative effect on NP of a company. This result aligns with the principle of trade-offs between risk and return in financial decision-making (Brigham & Houston, 2019). When the company incurs a large debt, a significant portion of its income is allocated to debt repayment through interest payments to creditors. High levels of debt, as indicated by financial leverage, increase the financial risks of the company. Therefore, prudent management of debt levels and a balance between leveraging for growth opportunities and avoiding excessive financial risks are essential. This result aligns with previous studies indicating a positive relationship between OCF and company profits (Abubakar, 2015; Aljundi et al., 2024).

5. CONCLUSION

Profit is a key indicator for assessing a company's financial performance, with various profitability metrics serving specific purposes, among which GP, EBIT, and NP are frequently used in empirical studies. The relationship between OCF, SIZE, FLV, and profit is a significant area of focus in financial management, attracting attention in numerous empirical studies, with findings presenting both positive and negative correlations. However, this topic remains under-explored, particularly in the context of Vietnam's seafood industry. This study offers important theoretical and practical implications, contributing to filling the research gap. The findings indicate that OCF and SIZE positively impact GP and EBIT, while FLV does not affect GP and EBIT. Another finding is that both OCF and SIZE have a positive relationship, whereas FLV negatively impacts GP, EBIT, and NP. Drawing on the findings, the study recommends that companies implement effective cash flow management policies, as these are signals for stakeholders to assess the companies' financial health. It is also essential to determine an optimal and appropriate scale to mitigate challenges related to organizational complexity and decision-making processes, ultimately enhancing operational performance and market competitiveness. Moreover, companies should establish an optimal capital structure, with careful debt management to

minimize or avoid potential financial risks. While the findings offer valuable insights, the study has certain limitations. For instance, large companies in the industry often operate across multiple sectors, which may distort the applicability of the findings to the context of Vietnam's seafood industry. Any discrepancies or intentional embellishments in financial reporting through various techniques, as well as the application of different accounting principles and methods, may lead to varying profit results that could influence the relationships among the factors in the research model. Future research should delve into these factors in greater depth to provide further empirical evidence.

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