

FINANCIAL ANALYSIS OF COMPANY VALUE IN PROPERTY COMPANIES ON INDONESIA STOCK EXCHANGE FROM 2017 TO 2019

Setyani Sri Haryanti ¹⁾, Irwan Christanto Edy ²⁾

STIE Adi Unggul Bhirawa Surakarta^{1,2}

Email : setyani_pemnas@gmail.com, irwan_aub@yahoo.co.id

Abstract : This research aims to analyze the company value of companies engaged in property on the Indonesia Stock Exchange with financial ratios. The population are all companies engaged in the property sector, which are already listed on the Indonesia Stock Exchange. The sample used was 37 property companies that have been listed on the Indonesia Stock Exchange from 2017 to 2019. The sampling technique used purposive sampling technique. This study used secondary data, an analysis tool with Multiple Linear Regression. Financial analysis using profitability ratios as measured by return on asset, liquidity ratio by Cash Ratio, Solvency ratio by debt ratio, while the company value using Toben's Q. Results hypothesis testing proved that the profitability ratio and solvency ratio showed positive and significant effect to company value. The liquidity ratio shows negative and insignificant effect to company value. The results of the F test prove that the profitability ratio, liquidity ratio and solvency ratio together have a significant effect to company value. The test results of determination prove that the overall impact that the independent variable on the dependent variable of 17.1% while the remaining 82.9 % is influenced by variables or other models that are not included in this study

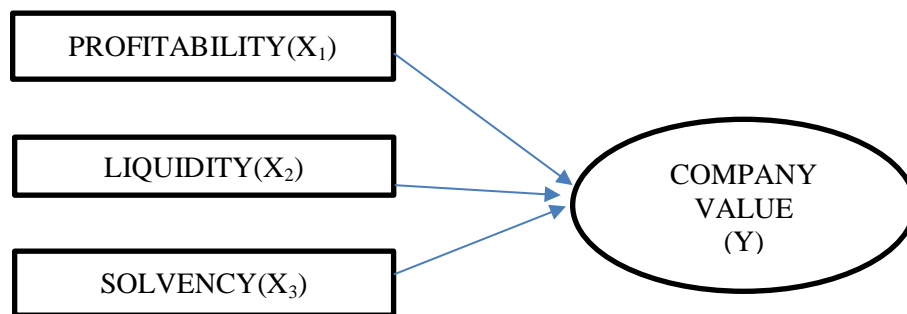
Keywords : *Profitability Ratio, Liquidity Ratio, Solvency Ratio, Company Value*

1. Introduction

Indonesia Stock Exchange (BEI) showed have 668 companies whose shares on the Stock Exchange in 2019. That shows growing existing business in Indonesia. Companies increasingly understand that business development requires capital not only from third party loans, but with a share issuance model. Especially in the property business which is quite developed to balance the population and the wide diversification of property products. The success of selling shares is inseparable from many influencing factors. And also many factors that influence the increase in company value. Not only from the point of view of financial factors, actually, there are many factors outside of finance that are sufficient to influence the increase in company value. In this study it is limited to financial factors only. The profitability ratio uses the return on asset measurement, namely the net profit after tax divided by total assets. Liquidity ratio measured by cash ratio, namely cash plus cash equivalents divided by current debt. Solvency ratio with debt ratio measurement, namely total debt divided by total assets. While the company

value using Toben's Q measurement of the number of shares outstanding multiplied by the closing share price added to the book value of total debt divided by the book value of total assets.

The problems of this study are “does the ratio profitability, liquidity ratio and solvency ratio affects positively and significantly to company value in property on Indonesia Stock Exchange from 2017 to 2019”. The purpose of this research is to analyze and provide empirical evidence that profitability ratio, liquidity ratio and solvency ratio positive and significantly influence company value at property company on Indonesia Stock Exchange from 2017 to 2019. The usefulness of this study as follows: practical uses, the research is expected to provide information about the value of the company that viewed from the profitability ratio, liquidity ratio and solvency ratio on company property in Indonesia Stock Exchange from 2017 to 2019 .



Picture 1.

Sources : Novari and Lestari (2016), Santoso (2018), Ramdhonah, Solikin, and Sari (2019), Reviani and Wijaya (2019), Amira and Sofia (2019), Afriyani and Jumria (2020), Akbar and Fahmi (2020), Oentoro and Susanto (2020), Sari and Ariesta (2019), Arumbarkah, Faisal, and Pelu (2019), Apriyana and Rahmawati (2018), Monalisa (2019), Santania and Jonnardi (2020)

Hypothesis 1: Profitability has a positive and significant effect on company value at property companies listed on the Indonesia Stock Exchange.

Hypothesis 2: Liquidity has a positive and significant effect on company value at property companies listed on the Indonesia Stock Exchange.

Hypothesis 3: Solvency has a positive and significant effect on company value at property companies listed on the Indonesia Stock Exchange.

2. Research Method

The type of data used in this research is quantitative data. The data source of this research uses secondary data obtained from the financial statements of the company which is the object of the research. The population in this study are all property companies that have been listed on the Indonesia Stock Exchange. The financial statements of property companies used in this study

are from 2017 to 2019. The sampling technique used was *purposive sampling*. The data analysis tool used is Multiple Linear Regression. The classical assumption test consisting of data normality test, multicollinearity test, autocorrelation test, heteroscedasticity test. Hypothesis testing, which consists of multiple linear analysis, t test, F test, and the coefficient of determination (R^2). In this study the dependent variable is firm value. The independent variables are profitability, liquidity, solvency.

3. Result and Discussion

3.1 Result

Descriptive Statistical Test Results

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Profitability	111	-.119	.835	.03704	.096149
Liquidity	111	.0038	5.4304	.779395	1.0706477
Solvency	111	.0190	3.2311	.387653	.3390638
Company value	111	.0415	7.9575	1.053148	1.2825438
Valid N (listwise)	111				

Result descriptive analysis also showed that the value of the average (mean) profitability is 0.037. Value the average (mean) ratio of liquidity is 0.78. Values the average ratio of the solvency is 0.39. Values the average (mean) of the company value is 1.05.

Classic Assumption Test

- Normality test

Table 2. Normality Test

			Unstandardized Residual
N			111
Normal Parameters	a,b	Mean	.0000000
		Std. Deviation	.72921021
Most Extreme Differences		Absolute	.124
		Positive	.124
		Negative	-.103
Kolmogorov-Smirnov Z			1.309
Asymp. Sig. (2-tailed)			.065

a. Test distribution is Normal.
b. Calculated from data.

The *Kolmogorov-Smirnov* test results in table 2 show that overall the variables used in this study were normally distributed with an *Asymp Sig (2-tailed)* greater than the *level of significance* (α) 0.05.

- Multicollinearity

Table 3. Multicollinearity

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.090	.140		.63	.524		
	Profitability	1.675	.759	.198	2.20	.029	.934	1.071
	Liquidity	-.004	.071	-.005	-	.954	.870	1.150
	Solvency	.381	.100	.358	3.81	.000	.856	1.168

a. Dependent Variable: Company Value

It can be concluded that all independent variables in this study are free from multicollinearity because they have a *Variance Inflation Factor (VIF)* value < 10 and a Tolerance value > 0.10.

- Autocorrelation**

Table 4. Autocorrelation

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.440 ^a	.193	.171	.73936	1.864

a. Predictors: (Constant), Solvency, Profitability, Liquidity

b. Dependent Variable: Company value

Table 4 showed that the value of the Durbin-Watson is 1.864. This value of the Durbin-Watson between DU and (4-DU) is 1.758 and 2.242. The conclusion of that is not happen autocorrelation between variable.

- Heteroscedasticity**

Table 5. Heteroscedasticity

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.444	.220		-2.017	.046
	Profitability	2.144	1.192	.158	1.800	.075
	Liquidity	-.210	.111	-.173	-1.898	.060
	Solvency	-.877	.157	-.513	-5.586	1.781

a. Dependent Variable: Absut_1

It shows that the parameter coefficient for all independent variables used in this study has a significant level of > 0.05. This proves that the regression model used does not occur heteroscedasticity.

- Hypothesis testing

The results of double linear regression in this study can be seen as follows :

Table 6. Coefficient Regression

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.090	.140		.639	.524		
	Profitability	1.675	.759	.198	2.208	.029	.934	1.071
	Liquidity	-.004	.071	-.005	-.057	.954	.870	1.150
	Solvency	.381	.100	.358	3.814	.000	.856	1.168

a. Dependent Variable: Company value

It is known that the regression equation a is as follows :

$$Y = 0.090 + 1.675 (X_1) - 0.004 (X_2) + 0.381 (X_3)$$

Interpretation of the equation regression linear multiple above are as follows :

1. $\alpha = 0.090$ positive constant value, that company value (Y) has a positive value if profitability (X_1), liquidity (X_2), solvency (X_3) and company value (X_4) are constant .
2. $b_1 = 1.675$ indicates that the profitability variable (X_1) has a positive effect on company value (Y), meaning that the higher the profitability ratio, the higher the company value, assuming that the other variables are constant.
3. $b_2 = -0.004$ indicates that the liquidity (X_2) has a negative effect on company value (Y), meaning that the lower the profitability ratio, the higher the value of the company, with the assumption that the other variables constant.
4. $b_3 = 0.381$ indicates that the solvency (X_3) has a positive effect on company value (Y), meaning that the higher the solvency ratio, the higher the value of the company, with the assumption that the other variables constant.

The results of the t significance test in this study are as follows:

1. The results of the partial calculation, the probability value of the significance of profitability is 0.029, so it is less than 0.05, which means that profitability has a significant effect on company value .
2. The results of the partial calculation, obtained the probability value of the significance of liquidity of 0.954 so that it is more than 0.05, which means that liquidity has no significant effect on company value.
3. The results of the partial calculation, obtained a solvency significance so that it is less than 0.05, which means that solvency has a significant effect on company value

The full F test results in this study can be seen as follows:

Table 7. Anova

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14,027	3	4,676	8,553	.000 ^a
	Residual	58,492	107	.547		
	Total	72,519	110			

a. Predictors: (Constant), Solvency, Profitability, Liquidity

b. Dependent Variable: Company value

The result of the test F known to the magnitude of the value of F for 8553 with a value of significance $0.000 < 0.05$, so it can be concluded that it is jointly variable effect on the value of the company

Results of the test of determination on research is more following this :

Table 8. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.440 ^a	.193	.171	.73936	1,864

a. Predictors: (Constant), Solvency, Profitability, Liquidity

b. Dependent Variable: Company Value

Table 8 showed that the value of the coefficient of determination (R^2) Adjusted R Square of 0,171 This is meaningful influence that is given by the variable independent of the variable dependent amounted to 17.1 % , while the remaining 82.9 % is influenced by variable or other models that are not included in the study this .

3.2. Discussion

The effect of profitability on company value in property companies listed on the Indonesia Stock Exchange. Hypothesis test showed that the profitability has a positive and significant effect on the company value at property company listed on the Indonesia Stock Exchange, which means that the first hypothesis which states that profitabilitas positive and significant impact on company value in property company listed on the Indonesia Stock Exchange is acceptable. The results of this study support research conducted by previous researchers (Novari and Lestari, 2016), (Santoso, 2018), (Ramdhonah, Solikin, and Sari, 2019), (Reviani and Wijaya, 2019), (Amira and Sofia, 2019) which states that profitability has a positive and significant effect on company value

The effect of liquidity on company value in property companies listed on the Indonesia Stock Exchange. Hypothesis test showed that liquidity negative and not significant to use company value in property company listed on the Indonesia Stock Exchange, which means that the hypothesis both the state that liquidity positive and significant effect on company value on property companies listed on the Indonesia Stock Exchange cannot be accepted or rejected. The results of this study do not support

research conducted by previous researchers (Afriyani and Jumria, 2020), (Akbar and Fahmi, 2020), (Oentoro and Susanto, 2020), (Sari and Ariesta, 2019), (Arumbarkah, Faisal, and Pelu, 2019) which states that liquidity has a positive and significant effect on company value

The effect of solvency on company value in property companies listed on the Indonesia Stock Exchange. Hypothesis testing shows that solvency has a positive and significant effect on company value at property companies listed on the Indonesia Stock Exchange. This means that the third hypothesis which states that solvency has a positive and significant effect on company value at property companies listed on the Indonesia Stock Exchange can be accepted. The results of this study do not support the research that has been done by previous researchers (Apriyana and Rahmawati, 2018), (Monalisa, 2019), (Santania and Jonnardi, 2020) which stated that the solvency of the positive and significant effect on company value

4. Conclusions

Conclusions

Profitability has a positive and significant impact on the company value at property company listed on the Indonesia Stock Exchange. Liquidity has a negative and insignificant effect on company value at property companies listed on the Indonesia Stock Exchange. Solvency has a significant positive and significant effect on company value at property companies listed on the Indonesia Stock Exchange. It is known that the coefficient of determination (R^2) or adjusted R Square of 0.171. This means that the influence exerted by variables independent of the variable dependent 17.1%, while the remaining 82.9% is influenced by variables or other models that are not included in the study this.

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