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ANALYSIS OF THE DETERMINANTS OF FIRM VALUE IN PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE BEI IN 2019-2022

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Return on assets; debt to equity ratio; Company Value

ABSTRACT

This study aims to analyze and determine the effect of profitability as measured by *return on assets*, solvency as measured by *debt to equity ratio* to company value measured by *price book value.* This research uses quantitative methods with secondary data sources in the form of the company's annual financial statements. The population of this study is *property* and *real estate* companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2022 period. The sampling technique used *purposive sampling*, and a sample of 37 companies was obtained. The data analysis technique uses multiple linear regression with the SPSS 25 program. The results showed that the *return on assets* and *debt-to-equity ratio* had no effect on the value of the company.

INTRODUCTION

Along with business growth, a rapidly growing economy, and technological advances, companies must continue to improve their business activities to continue to advance and develop and be able to maintain their business continuity. To be able to develop its business, the company needs funds both from internal sources and from external companies (investors). Companies also need efforts to increase the value of the company, because if the company's value increases it will have a positive impact on the company's shareholders and be followed by an increase in stock prices due to the large number of investors who are interested in investing in the company.

Firm value is the amount of money a prospective buyer is willing to pay when the company is sold. Company value can be reflected in the stock price. The higher the share price, the higher the rate of return to investors and that means the higher the value of the company to maximize the profits of shareholders (Franita, 2018).

As for the phenomenon that occurred in the period between 2021 and July 2022, property stocks in Indonesia experienced considerable price declines even though the property sector itself began to show signs of recovery. Companies such as ASRI, BSDE, CTRA, and SMRA showed significant revenue and profit growth by the end of 2021. However, there was a mismatch between the improved financial performance and the drastic decline in share prices. This caused the valuations of property stocks to be very low, far below the actual value of the

company's assets. Valuation indicators such as the Price-to-book (PBV) ratio declined to one times the book or even less. Large property stocks such as BSDE, CTRA, and SMRA have PBV ratios of around 0.6X, 0.9X, and 1.0X respectively.

Meanwhile, small-cap property stocks have PBV ratios ranging from 0.3X to 0.4X. This comparison shows that the current valuation of property stocks is very low compared to the 2014-2015 boom, where PBV ranged from 2.0 to 3.0X. Even property companies such as Sentul City (BKSL), which was facing legal cases at the time, had a PBV ratio of around 1X.

In terms of this PBV, property stocks are currently signaling as if the Indonesian economy is in a "crisis". Under normal conditions, where the economy is growing, the share price of companies that own assets in the form of land and buildings should not be trading below book value. These property assets should have earning power and recurring income. This large correction in property share prices gives the impression that the market may be overly pessimistic about the property sector, especially given the growth that has occurred previously. This could be an opportunity for investors who see the long-term value of property assets and the potential for stock value recovery in the future (Bisnis.com, 2022).

Another phenomenon occurred in the real estate sector. Shares in the real estate sector, one of which is the company Lippo Karawaci Tbk (LPKR), have decreased by 1.50% to IDR 197 / share. Since experiencing its highest increase in 2016, which was at IDR 952, LPKR shares have continued to decline until 2021. LPKR shares have decreased several times to IDR 119 in 2020. LPKR posted a net loss in the third quarter of 2020 and has a price-book value (PBV) ratio of 0.53 times. The lower the PBV value, the cheaper the company value will be. By standard PBV will be considered cheap if the ratio is below 1 time. In 2019 the LPKR company recorded a net loss of Rp 1.98 and the third quarter of 2020 recorded a net loss of Rp 2.34 trillion.

Then another real estate company, namely the Ciputra Development Tbk (CTRA) company also experienced a decline in share price of 15.71% during the 2016-2021 period, after experiencing the highest increase at Rp 1,705 / share in 2016 CTRA shares continued to decline to the lowest price of Rp 412 / share in 2020. Meanwhile, based on CTRA's PBV ratio of 1.40 times, this figure is still relatively good. In the third quarter of 2020, the company's financial performance has decreased. CTRA's net profit was recorded to have decreased by 44% from Rp 417 billion as of September 2019, to Rp 232 billion in 2020. Revenues in the apartment, mall, and hotel sectors recorded a decline. The apartment division's revenue fell 70% to Rp 159 billion as of September 2020. Then mall revenue fell 30% to IDR 407 billion, and hotel revenue fell 58% to IDR 144 billion as of the third quarter of 2020 (CNBC Indonesia,2021).

This study proxies the profitability ratio with Return On Asset. Return On Asset (ROA) is a ratio used to assess the extent of net profit generated from funds invested in total assets. The higher the rate of return on assets, the greater the net profit generated from funds invested in total assets (Hery & Si, n.d.). Previous research conducted by (Damaianti, 2019) stated that profitability proxied by Return On Asset (ROA) has no significant effect on firm value, the same thing with research conducted by (Widyaningsih et al., 2022) which states that ROA has no significant effect on firm value. Meanwhile, research conducted by (Deva et al., 2022) states that ROA has a positive effect on the company.

In addition to profitability, company value can be influenced by the solvency (debt) ratio. This study uses the debt-equity proxy to measure the debt-to-capital ratio. The debt-to-capital ratio is a measure of the proportion of debt to capital. The DER ratio helps assess the comparison between funds provided by creditors and capital from company owners (Francis Hutabarat, 2023). Based on previous research conducted by (Octavus & Adiputra, 2020) stated that DER has a negative and insignificant effect on firm value. In line with research conducted by (Kadim & Sunardi, 2019) which states that DER has a negative or positive insignificant effect on firm value. Meanwhile, research conducted by (Farizki et al., 2021) states that DER has no effect on firm value. The research gap or differences in research results conducted by previous studies provide motivation to re-examine the effect of Return On Asset and Debt to Equity Ratio on firm value at different times.

RESEARCH METHODS

Type of Research

This research is a type of quantitative research because this research uses numerical data in the form of financial reports obtained from www.idx.co.id. Quantitative research is a research method based on the philosophy of positivism and is used to study certain populations or samples. research instruments are used for data collection. Data analysis is quantitative/statistical and aims to test the hypothesis that has been set (Sugiyono, 2017).

Research Population

Population is a general area consisting of objects/subjects that have a certain number and characteristics that have been determined by researchers to study and draw conclusions (Sugiyono, 2019). The population used in the study were real estate companies listed on the Indonesia Stock Exchange (IDX) totaling 92 companies.

Sampling Technique

In this study, the sampling technique used was non-probability sampling, namely sampling techniques based on the subjective judgment of researchers who did not provide equal opportunities for each element of the population to be sampled, using purposive sampling, namely sampling techniques with certain considerations (Sugiyono, 2019).

The criteria for companies sampled in this study are:

1. Property and real estate companies listed on the Indonesia Stock Exchange (IDX) for the period 2019-2022
2. Companies that have IPO before 2019.
3. Property and real estate companies that publish complete financial reports on the Indonesia Stock Exchange (IDX) in the 2019-2022 period.
4. Property and real estate companies that are profitable.
5. Property and real estate companies that experienced a decline in share price.

RESULTS AND DISCUSSION

Descriptive of Research Variables

a) Company Value (Price Book Value)

The company value used in this study is Price Book Value (PBV). PBV is the ratio between stock price and book value, PBV shows how much value the company can create

on the capital invested. Therefore, the greater the PBV value, the company is considered successful in creating value for its shareholders (Franita, 2018).

Table 1

Price Book Value data of Real Estate Companies Listed on the IDX in 2019-2022

NO	KODE EMITEN	Year			
		2019	2020	2021	2022
1	JPRT	1.13	0.79	0.88	0.67
2	PWON	1.76	1.21	1.25	1.10
3	LPLI	0.19	0.12	0.27	0.28
4	SMRA	1.66	1.03	1.10	0.80
5	RDTX	0.73	0.51	0.62	0.72
6	PLIN	1.05	0.88	0.81	0.68
7	MDLN	0.25	0.13	0.11	0.08
8	CTRA	0.03	0.02	0.02	0.02
9	DUTI	0.96	0.79	0.70	0.59
10	KIJA	1.27	0.86	0.77	0.69
11	SMDM	0.26	0.17	0.22	0.35
12	LPKR	0.51	0.52	0.54	0.42
13	LPCK	0.06	0.07	0.07	0.05
14	BKSL	3.88	1.08	1.98	1.80
15	RBMS	0.86	0.54	0.55	0.66
16	FMII	1.66	1.52	2.02	1.12
17	GMTD	2.65	2.95	2.92	2.69
18	INPP	1.41	1.44	1.37	0.87
19	GPRA	0.36	0.22	0.27	0.31
20	ASRI	0.58	0.32	0.40	0.31
21	BSDE	0.86	0.54	0.64	0.52
22	MKPI	2.76	2.87	4.06	3.39
23	BCIP	0.27	0.17	0.22	0.20
24	MTLA	0.78	0.67	0.69	0.57
25	BEST	0.14	0.12	0.04	0.20
26	TARA	0.36	0.25	36.55	0.10
27	PPRO	1.64	1.02	0.78	0.68
28	DMAS	1.97	1.88	1.95	1.46
29	BIKA	0.21	-0.31	-0.86	-0.30
30	URBN	6.28	2.44	0.97	0.50
31	LAND	0.07	0.08	0.13	0.16
32	MPRO	7.74	7.98	6.21	6.84
33	CSIS	0.83	0.27	0.40	0.35
34	RISE	3.04	2.44	2.00	3.16
35	POLL	13.17	40.88	18.58	2.28
36	CITY	1.71	0.48	1.06	0.95
37	PUDP	0.36	0.25	0.32	0.20

Source: Indonesia Stock Exchange (2023), data processing

a) Return On Asset

The independent variable (X1) of this study is Return On Asset (ROA) which is one of the profitability ratios. Return On Asset is a ratio used to see the extent to which investments made by investors can generate expected profits (Fahmi et al., 2020). This ratio shows asset turnover as measured by sales volume. The higher this ratio, the more profit will be obtained (Harahap, 2015). Data table Return On Asset (ROA) Real Estate Companies Listed on the IDX in 2019-2022.

Table 2
Return On Asset (ROA) data for Real Estate Companies Listed on the IDX in 2019-2022

NO	EMITENT CODE	YEAR			
		2019	2020	2021	2022
1	JPRT	0.09	0.09	0.07	0.07
2	PWON	0.12	0.04	0.05	0.06
3	LPLI	19.37	0.02	0.25	34.36
4	SMRA	0.03	0.01	0.02	0.03
5	RDTX	0.08	0.08	0.06	0.08
6	PLIN	43.72	54.87	37.40	45.06
7	MDLN	6.55	118.78	2.89	1.49
8	CTRA	0.04	0.03	0.05	0.05
9	DUTI	0.09	0.05	0.05	0.05
10	KIJA	11.58	3.71	7.13	3.13
11	SMDM	0.02	0.01	0.04	0.05
12	LPKR	0.22	0.23	0.12	0.11
13	LPCK	31.43	68.34	15.37	32.39
14	BKSL	3.99	0.01	0.01	0.03
15	RBMS	0.07	0.01	0.03	0.06
16	FMII	0.03	0.04	0.01	0.02
17	GMTD	0.09	0.08	0.07	0.12
18	INPP	71.16	0.03	0.03	0.06
19	GPRA	0.03	0.02	0.03	0.04
20	ASRI	0.05	0.03	0.01	0.05
21	BSDE	0.06	0.01	0.03	0.04
22	MKPI	0.08	0.03	0.04	0.09
23	BCIP	0.03	0.01	0.00	0.02
24	MTLA	59.39	62.05	59.39	62.05
25	BEST	0.08	0.02	0.02	0.04
26	TARA	0.94	5.79	19.75	1.49
27	PPRO	13.73	5.72	1.00	1.11
28	DMAS	0.18	0.20	0.12	0.18
29	BIKA	0.08	0.02	0.11	0.08
30	URBN	0.01	0.04	0.02	2.64
31	LAND	0.04	0.01	0.03	0.03
32	MPRO	26.91	7.22	15.46	3.95
33	CSIS	0.02	0.02	0.04	0.00

34	RISE	2.84	21.47	15.48	13.22
35	POLL	0.03	0.01	0.06	0.10
36	CITY	0.03	0.07	0.00	0.02
37	PUDP	0.07	0.07	0.08	0.43

Source: Bursa Efefk Indonesia (2022), data processed

b) Debt to Equity Ratio

The independent variable (X2) in this study is the Debt Equity Ratio which is one of the solvency ratios. The debt-to-equity ratio is the ratio between the amount of debt and the amount of equity owned by a company. This ratio helps creditors determine the amount of funds to be given to company owners.

Table 3
Debt to Equity Ratio (DER) Real Estate Companies Listed on the IDX in 2019-2022

NO	EMITENT CODE	YEAR			
		2019	2020	2021	2022
1	JPRT	0.51	0.46	0.44	0.42
2	PWON	0.44	0.50	0.51	0.48
3	LPLI	0.26	0.27	0.01	0.01
4	SMRA	1.59	1.74	1.32	1.42
5	RDTX	0.11	0.09	0.09	0.14
6	PLIN	0.08	0.11	0.11	0.12
7	MDLN	1.64	2.52	2.47	2.20
8	CTRA	1.04	1.25	1.10	1.00
9	DUTI	0.30	0.33	0.40	0.43
10	KIJA	0.93	0.95	0.93	1.02
11	SMDM	0.22	0.21	0.19	0.16
12	LPKR	0.60	1.20	1.32	1.61
13	LPCK	0.12	0.48	0.43	0.40
14	BKSL	0.61	0.47	0.59	0.62
15	RBMS	0.33	0.36	0.39	0.38
16	FMII	0.30	0.28	0.37	0.15
17	GMTD	0.60	0.69	0.93	1.05
18	INPP	0.26	0.33	0.57	0.60
19	GPRA	0.51	0.64	0.59	0.56
20	ASRI	1.07	1.26	1.30	1.10
21	BSDE	0.62	0.77	0.71	0.71
22	MKPI	0.32	0.36	0.37	0.27
23	BCIP	1.00	1.04	0.99	0.91
24	MTLA	0.45	0.42	0.45	0.42
25	BEST	0.09	0.08	0.08	108.42
26	TARA	0.07	0.04	0.02	0.02
27	PPRO	2.98	3.09	3.69	3.79
28	DMAS	0.17	0.22	0.14	0.16
29	BIKA	2.84	-10.26	-21.06	-9.84

30	URBN	1.50	0.89	1.01	1.11
31	LAND	0.45	0.55	0.60	0.57
32	MPRO	0.30	0.29	0.30	0.30
33	CSIS	1.29	1.01	0.83	0.76
34	RISE	0.25	0.29	0.17	0.18
35	POLL	1.53	3.74	4.11	1.85
36	CITY	0.14	0.09	0.09	0.09
37	PUDP	0.58	0.64	0.63	0.12

Descriptive Statistics Test

Descriptive statistics is a data processing model with the aim of showing data characteristics such as mean, median, mode, quartiles, variance, standard deviation, minimum value and maximum value, and graphs. The following is a descriptive statistics table using SPSS version 25:

Table 4
Statistical Descriptive Test Results

Descriptive Statistics

	N	Minimum	Maximum	Sum	Mean		Std. Deviation
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic
ROA	148	.01	118.78	942.97	6.3714	1.45145	17.65768
DER	148	-21.06	108.42	174.40	1.1784	.75391	9.17169
PBV	148	-.86	40.88	266.73	1.8022	.40175	4.88752
Valid N (listwise)	148						

Source: Results of Statistical Descriptive Test Output SPSS 25 (2024)

Based on the results of the output above, it shows variables that have a sample of 37 with 148 observations of the research sample:

a. The Return On Asset (X1) variable has the lowest (minimum) value of 0.01, the maximum (highest) value of 118.78 for an average (mean) of 6.3714 and a standard deviation of 17.65768. So the mean value of Return On Asset is smaller than the standard deviation, namely 6.3714 < 17.65768, which means that the Return On Asset data sample has varied data because the standard deviation value is greater than the mean.
b. The Debt debt-equity ratio (X2) variable has the lowest (minimum) value of -21.06, the maximum (highest) value of 108.42 for an average (mean) of 1.1784, and a standard deviation of 9.17169. So the mean value of the Debt To Equity Ratio is smaller than the standard deviation, namely 1.1784 < 9.17169, which means that the Debt To Equity Ratio data sample has varied data because the standard deviation value is greater than the mean.
c. The PBV (Y) variable has the lowest (minimum) value of -0.86, and the maximum (highest) value of 40.88 for an average (mean) of 1.8022 and a standard deviation of 4.88752. So the mean value of Price Book Value is smaller than the standard deviation, namely 1.8022 < 4.88752, which means that the sample data from Price Book Value has varied data because the standard deviation value is greater than the mean.

Classical Assumption Test

Normality Test

In this study, the data normality test used histograms, Normal PP-Plot, and Kolmogorov-Smirnov (K-S) non-parametric statistical tests. The following are the results of normality:

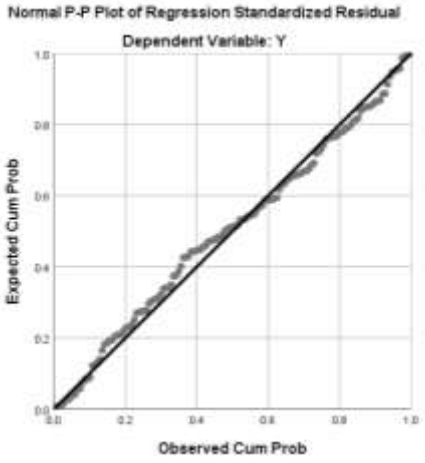

Figure 1
Histogram Results of Normality Test
Source: Histogram Results Normality Test Output SPSS 25 (2024)

Based on the image from the normality test, the histogram graph shows that the curve forms a symmetrical bell so it can be said that the residual data is normally distributed.

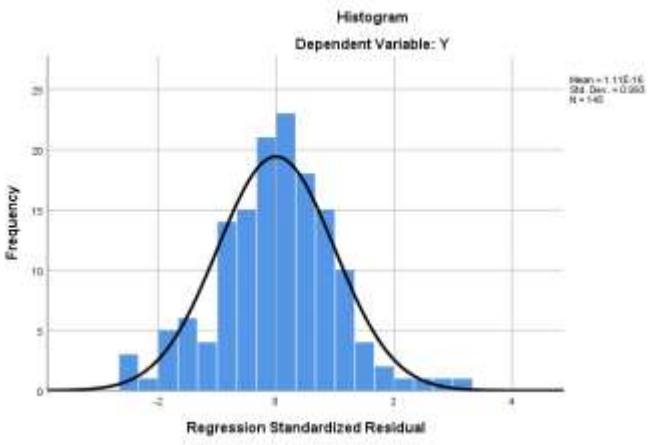

Figure 2
Normal P-P Plot Results
Source: SPSS 25 Output (2024)

Based on the results of the normality test, the normal probability plot (P-P Plot) test shows that the points spread near the diagonal line, and the distribution follows the direction of the diagonal line. This shows that the data in this study have met the classic assumption requirements of normality and are normally distributed.

The normality test was also carried out with the Kolmogorov-Smirnov (K-S) non-parametric statistical test by looking at the Adam. Sig (2-tailed).If the significance value <0.05 indicates that the data is not normally distributed. If the significance value> 0.05 indicates that

the data is normally distributed.

Table 5
Normality Test Results Before Outliers

One-Sample Kolmogorov-Smirnov Test		
		Standardized Residual
N		148
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.99317398
Most Extreme Differences	Absolute	.330
	Positive	.326
	Negative	-.330
Test Statistic		.330
Asymp. Sig. (2-tailed)		.000[c]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Source: SPSS 25 output (2024)

Based on the normality test image with the One-Sample Kolmogorov-Smirnov method with the Return On Asset, Debt To Equity Ratio, and Price Book Value variables, the Asym. Sig (2-tailed) value of 0.000. This means that the data is not normally distributed because it is less than 0.05 so a retest is carried out using outliers. The following are the results of the normality test with the one-sample Kolmogorov-Smirnov model using outliers, which previously amounted to 148 data to 145 data.

Table 6
Kolmogorov-Smirnov Test Results after Outliers

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		145
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.37348877
Most Extreme Differences	Absolute	.067
	Positive	.047
	Negative	-.067
Test Statistic		.067
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: SPSS 25 output (2024)

Based on the normality test image with the one-sample kolmogorov-smirnov model with the variables Return On Asset, Debt To Equity Ratio, and Price Book Value, the Asym. Sig (2-tailed) of 0.200. This means that the data is normally distributed because it is more than 0.05.

Multicollinearity test

To detect whether the regression model experiences multicollinearity, it can be seen from the variance inflation factor (VIF) for each independent variable, namely if the tolerance value> 0.10 and the VIF value < 10, it can be concluded that the regression model is free from multicollinearity.

Table 7
Multicollinearity Test Results

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	-.354	.169		-2.099	.038		
	ROA(X1)	.036	.044	.069	.807	.421	.947	1.056
	DER(X2)	.012	.097	.011	.124	.902	.947	1.056

a. Dependent Variable: Y(PBV)

Source: Multicollinearity Test Results SPSS 25 Output (2024)

Based on the results table above, it can be seen that the Variance Inflation Factor (VIF) value of Return On Asset (X1) of 1,056 Debt To Equity Ratio (X2) of 1,056 has a value less than 10. While the tolerance value of Return On Asset (X1) of 0.947 and Debt To Equity Ratio (X2) of 0.947 has a value greater than 0.10. So it can be concluded that there are no symptoms of multicollinearity between the independent variables.

Heteroscedasticity Test

The heteroscedasticity test can use the scatterplot test The scatterplot test is used to determine the presence or absence of heteroscedasticity with the following criteria:

1. If there is a certain pattern such as points that form a regular pattern (wavy, widening, and narrowing) then it indicates heteroscedasticity.
2. If there is no clear pattern and the dots spread above and below the number 0 on the Y axis, there is no heteroscedasticity.

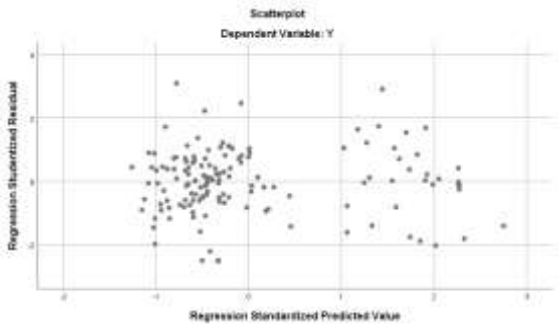

Figure 3
Heteroscedasticity Test Results
Source: Heteroscedasticity Test Results With Scatterplot Test Output SPSS 25 (2024)

Based on the results of the scatterplot test above, it shows that the points form a random spread pattern and the points spread above or below the number 0 and the Y axis. this indicates that there are no symptoms of heteroscedasticity in the regression model.

Autocorrelation Test

The autocorrelation test is to test whether, in a linear regression model, there is a correlation between confounding errors in period t and confounding errors in the previous period t-1. To see whether or not there is autocorrelation in the regression model can be done by using the Watson test with the following criteria:

Table 8
Durbin Watson test criteria

Null hypothesis	decision	If
There is no positive autocorrelation	Reject	$0 < d < dl$
No positive autocorrelation	No decision	$dl \leq d \leq du$
No negative autocorrelation	Decline	$4 - dl < d < 4$
No negative autocorrelation	No desicien	$4 - du \leq d \leq 4 - dl$
No autocorrelation, positive or negative	Not Rejected	$du < d < 4 - du$

Source: Ghozali (2018: 112)

The following SPSS output results are the results of the autocorrelation test using Durbin Watson as follows.

Table 9
autocorrelation test results

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.013[a]	.000	-.014	4.92073	1.284

a. Predictors: (Constant), DER, ROA

b. Dependent Variable: PBV

Source: Autocorrelation Test Results with Durbin Watson output SPSS 25 (2024)

Based on the results of the Durbin Watson value of 1,284, the value is compared with the

DW table with the number of samples (n) = 148 and the number of independent variables (k) = 2, so that the dl value = 1.7041 and the du value = 1.7588 are obtained. based on the provisions of the absence of autocorrelation if du < d < 4 - du, the results of the autocorrelation test obtained a value of 1.7588> 1,284 < 2.412. it is concluded that du there is autocorrelation between independent variables or there is positive autocorrelation.

Based on the results of the autocorrelation test, show that there is positive autocorrelation, so to overcome it, namely by using the Cochrane-Orcutt method. The Cochrane-Orcutt method uses the residual estimated value to obtain information on the p-value. thus it is concluded that using the Cochrane-Orcutt method is to recalculate the residual value in the regression model and reduce the number of samples to 147 data.

Table 10
Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.358[a]	.128	.110	4.62597	1.980

a. Predictors: (Constant), DER, ROA

b. Dependent Variable: PBV

Source: Autocorrelation Test Results with Cochrane-Orcutt method SPSS 25 output (2024)

Based on the results of the Durbin Watson value of 1.980, the value is compared with the DW table with the number of samples (n) = 147 and the number of independent variables (k) = 2, so that the dl value = 1.7030 and the du value = 1.7581 are obtained. Based on the provisions of the absence of autocorrelation if du < d < 4 - du, namely the results of the autocorrelation test obtained a value of 1.7581 < 1.980 < 2.2419, it can be concluded that there is no autocorrelation.

Multiple Linear Regression Analysis

Multiple linear regression analysis is a method used to determine the presence or absence of dependent variables and independent variables.

Table 11
Linear regression analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.354	.169		-2.099	.038
	ROA	.036	.044	.069	.807	.421
	DER	.012	.097	.011	.124	.902

a. Dependent Variable: Y

Source: SPSS 25 Data Processing Output (2024)

Based on the table above, the multiple linear regression analysis equation to test the effect of Return On Asset (ROA) and Debt To Equity Ratio (DER) on Price Book Value is as follows:

$$Y = - 0,354 + 0,036\ ROA + 0,012\ DER + e$$

1. Based on the regression equation above, the constant value is -0.354
2. The coefficient value of the Return On Asset variable (X1) is 0.036 which indicates that every 1% increase in Return On Asset will increase the Price Book Value by 3.6%.
3. The coefficient value of the debt to equity ratio variable is 0.012, which indicates that every 1% increase in debt to equity will increase the price book value by 1.2%.

Tabel 12

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.354	.169		-2.099	.038
	ROA	.036	.044	.069	.807	.421
	DER	.012	.097	.011	.124	.902

a. Dependent Variable: Y

Hypothesis Testing

T Test (Partial)

1. The T (Partial) test is used to test the independent variable on the dependent variable individually. For a significant level a = 5% or 0.05. The T test criteria are as follows:
   if $t_{hitung} > t_{table}$ or sig value <0.05 means H0 is rejected and Ha is accepted
   if $t_{hitung} < t_{table}$ or sig value> 0.05 means H0 is accepted and Ha is rejected

   From the T test results above, it shows a sig value of 0.421 with a significant alpha level set at 0.05, t count 0.807 and table 1.65559. In this case t count 0.807 < 1.65559 and sig value 0.421 > 0.05. So it can be concluded that H0 is accepted and Ha is rejected partially there is no significant effect between Return On Asset on firm value (PBV). Debt To Equity Ratio on firm value (PBV) through the results of the calculations carried out obtained t count 0.124 and t table 1.65559. In this case t count 0.124 < 1.65559 and sig value 0.902> 0.05. So it can be concluded that H0 is accepted and Ha is rejected partially there is no significant effect between Debt To Equity Ratio on firm value (PBV).

Table 13
Test of the Coefficient of Determination (R2-Test)

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.358[a]	.128	.110	4.62597

a. Predictors: (Constant), LAG_Y, DER, ROA

b. Dependent Variable: PBV

Source: SPSS 25 Data Processing Output (2024)

Based on the table above, it shows that the R Square value is 0.128 or 12.8%, meaning

that this percentage figure influences the independent variables: Return On Asset (X1), Debt To Equity (X2) on the dependent variable, namely Price Book Value of 12.8%. While the value of 87.2% (100% - 12.8%) is influenced by other variables.

Table 14
Simultaneous Test (F Test)

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	450.924	3	150.308	7.024	.000[b]
	Residual	3060.136	143	21.400		
	Total	3511.060	146			

a. Dependent Variable: PBV

b. Predictors: (Constant), LAG_Y, DER, ROA

Source: SPSS 25 Data Processing Output (2024)

Simultaneous test (F test is used to measure whether the independent variables in the model have a simultaneous influence (together) on the dependent independent variable. The criteria that determine the F test are as follows:

1. If the sig value <0.05 then Ho is rejected and Ha is accepted
2. If the sig value > 0.05 then Ho is accepted and Ha is rejected

Based on the table above, it shows that the significant value of 0.000 <0.005, it can be concluded that Ho is rejected and Ha is accepted so that it can be interpreted that Return On Asset and Debt To Equity Ratio simultaneously have a significant positive effect on Price Book Value.

Discussion

The Effect of Return On Asset on Company Value (PBV)

The results of the hypothesis test show that there is no influence between Return On Asset on the value of the Company (PBV) through the results of the calculations carried out obtained t count 0.807 and table 1.65559. In this case t count 0.807 < 1.65559 and sig value 0.421 > 0.05. So it can be concluded that H0 is accepted and Ha is rejected partially there is no significant effect between Return On Asset on firm value (PBV).

This shows that the amount of profit earned by the company does not affect the share price so that it is not a benchmark for investors to make investment decisions and it can also be said that high profitability will not guarantee that the company's value will be good because it is not only seen from profitability but seen from several other aspects.

This research is in line with research conducted by (Wildan et al., 2021) which states that Return On Asset has no effect on firm value (PBV).

Effect of Debt To Equity Ratio on Company Value (PBV)

The results of the hypothesis test show that there is no influence between Debt To Equity Ratio on firm value (PBV) through the results of the calculations carried out obtained t count 0.124 and t table 1.65559. In this case t count 0.124 < 1.65559 and sig value 0.902 > 0.05. So it can be concluded that H0 is accepted and Ha is rejected partially there is no significant effect

between Debt To Equity Ratio on firm value (PBV).

This shows that it is not the main factor for investors to invest in the company to see the value of the company from the debt owned by the company. The size of the Debt To Equity Ratio does not affect the value of the company, besides that investors consider other factors in making decisions to invest their capital.

This research is in line with research conducted by (Rizqia Muharramah et al., n.d.) which states that Debt To Equity Ratio has no effect on firm value (PBV).

The Effect of Return On Asset and Debt To Equity Ratio on Company Value (PBV)

Based on the results of the simultaneous test (F test), the Return On Asset and Debt To Equity Ratio variables on firm value (PBV) use a significance level of 0.05 and show a significance value of 0.000 <0.005 and F_{hitung} 7.024> F_{table} 3.28, so it is concluded that the independent variables Return On Asset (X1) and Debt To Equity Ratio (X2) simultaneously together have a significant effect on the dependent variable firm value (PBV), then H0 is rejected and Ha is accepted.

This shows that if the Return On Asset is high, the better the condition of the company, this shows that the use of assets owned by the company has succeeded in generating maximum net profit. Meanwhile, the low value of Debt to Equity Ratio indicates that the debt owned by the company is low and the company can manage its assets to pay off its obligations (debt), and can increase the profit generated. The use of debt (outside funds) that is low the company can avoid the risk of bankruptcy.

This research is in line with research conducted by (Putri et al., 2023) which states that Return On Asset and Debt to Equity Ratio simultaneously affect firm value.

CONCLUSION

This study aims to determine and analyze the effect of Return On Asset and Debt to Equity Ratio on firm value (Price Book Value) in Real Estate companies listed on the IDX for the period 2019 - 2022. Based on this research it can be concluded that Return On Asset partially has no significant effect on the company's value (Price Book Value) in Real Estate companies listed on the IDX for the period 2019 - 2022. Debt to Equity Ratio partially has no significant effect on firm value (Price Book Value) in Real Estate companies listed on the IDX for the period 2019 - 2022. Return On Asset and Debt to Equity Ratio simultaneously have a significant effect on firm value (Price Book Value) in Real Estate companies listed on the IDX for the period 2019 - 2022.

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