

Analysis of the Effect of ROE, DPR, Growth, on Price Book Value (PBV) at PT. Unilever 2020–2022

Rizka Maya Shova

University of August 17, 1945 Surabaya

E-mail: 1222100059@surel.untag-sby.ac.id

Sella Harvianna

University of August 17, 1945 Surabaya

E-mail: 1222100060@surel.untag-sby.ac.id

Maria Yovita R.Pandin

University of August 17, 1945 Surabaya

E-mail: yovita_87@untag-sby.ac.id

Street. Semolowaru No.45, Menur Pumpungan, Sukolilo sub-district, Surabaya, East Java 60118

Abstract. PBV (Price to Book Value) is the ratio of the stock market price to the book value per share. PBV shows how far a company is able to create company value relative to the amount of capital invested. The higher the PBV value, the more successful the company is in creating value for shareholders. This research aims to determine the effect of stock assessments on ROE, DPR, Growth on PBV in the 2020-2022 period. This research is research using quantitative methods. It is said to be a quantitative method because the data collected comes from the Indonesia Stock Exchange (BEI) in the form of financial reports. The results obtained after the analysis were carried out were that there was an influence between the ROE, DPR, Growth variables on the PBV variable in the PT Financial Report. Unilever 2020-2022.

Keywords: ROE (Return On Equity), DPR (Dividend Payout Ratio), Growth, PBV (Price Book to Value)

INTRODUCTION

Investment management is the activity of managing investments with the aim of obtaining optimal returns with minimal risk. In today's globalization, investment management is becoming increasingly developed. Therefore, investment has become an important part of the business world due to the rapid technological and economic development in Indonesia. This has led people to make investments.

In this context, stock valuation has a close relationship with investment because it involves analyzing and assessing the value of shares in a company as part of an investment strategy with PBV (Price to Book Value / PBV).

PBV is a ratio used to evaluate the market price of a company's shares through comparison with the book value per share. The use of PBV can help identify whether a company's shares are overvalued or undervalued. In addition, PBV is also related to other stock valuation factors, such as ROE, DPR, and Growth.

PT Unilever, which is the object of this research, is a company that runs its business in consumer goods. The growth of ROE, DPR, and Growth at PT Unilever Indonesia Tbk is estimated based on the annual reports presented on the Indonesia Stock Exchange (IDX).

PT Unilever Indonesia Tbk has advantages in ROE, DPR, Growth which can be assessed in the assessment of its shares with PBV. A high ROE can increase the value of PBV because it shows the company's ability to generate high profits. A stable DPR implies stable dividends for shareholders.

PT Unilever in its company growth is a key indicator in stock valuation. This research was conducted to answer problems related to how the effect of ROE on PBV at PT Unilever on the IDX for the period 2020-2022, the effect of DPR on PBV at PT Unilever on the IDX for the period 2020-2022, the effect of Growth on PBV at PT Unilever on the IDX for the period 2020-2022.

Problem Formulation

Based on the results of the description above, the following problems can be formulated:

1. Does ROE affect PBV at PT Unilever on the IDX for the period 2020-2022?
2. Does DPR have an effect on PBV at PT Unilever on the IDX for the period 2020-2022?
3. Does Growth have an effect on PBV at PT Unilever on the IDX for the period 2020-2022?
4. Does ROE, DPR, and Growth have an effect on PBV at PT Unilever on the IDX for the period 2020-2022?

Objectives of Research

The purpose of making this research (article) is:

1. Analyzing the effect of ROE on PBV at PT Unilever which is listed on the IDX in 2020-2022.
2. Analyzing the effect of DPR on PBV at PT Unilever which is listed on the IDX in 2020-2022.
3. Analyzing the effect of Growth on PBV at PT Unilever which is listed on the IDX in 2020-2022.
4. Analyzing the effect of ROE, DPR, Growth on PBV at PT Unilever which is listed on the IDX in 2020-2022.

LITERATURE STUDY

Investment and Portfolio Management

(Hadi, 2019) explains that investment includes decisions about how to allocate funds or resources to obtain future profits.

(Jogiyanto, 2010) describes investment as paying off current consumption to be used in productive assets over a specified period of time.

(Hidayat, 2019) defines a portfolio as a set of investment instruments organized to achieve a common investment objective.

Penilaian Saham

(Parahita, 2008), Valuation is the process of determining the right price for a stock including the potential gains and losses over a longer period of time compared to other investment options. Investing in stocks is considered to have greater risks and returns. The value approach is used to assess the intrinsic value of securities, which should be based on facts. This value reflects the current value of the cash flows provided to the investor, which is calculated by discounting at a rate of return that corresponds to the level of risk associated with it.

((IVSC), 2019), Valuation is the process or action of evaluating the value of an asset or liability by utilizing international valuation standards. Therefore, individuals with technical skills, experience, and knowledge in the field of assessment are needed. This indicates that the assessment should be carried out by individuals who have sufficient expertise and capability.

ROE

(Harahap, Return On Equity (ROE), 2015) Explains that ROE is the ratio between net profit after tax and total equity. ROE reflects the income that the owners of the company, both common and preferred shareholders, can enjoy from the capital they have invested in the company. This ratio reflects the company's ability to generate profit based on the investment recorded in the shareholders' book. The higher this ratio, the better, showing that the financial position of the company owner is stronger. In this context, return on equity is considered the most crucial ratio.

To be able to find out ROE in a financial report, the following formula is needed:

$$\text{ROE} = \frac{\text{Laba Bersih}}{\text{Ekuitas}}$$

DPR

(Indrayani, 2020) DPR (dividend payout ratio) is a ratio that indicates the extent to which dividends are distributed in relation to the company's net income. The higher the DPR, indicates that the company has sufficient resources to pay dividends to investors. Generally, investors look for companies that pay high dividends, so they tend to choose companies with high dividend payout ratios. This situation can increase the interest of investors in the company with a large DPR, which in turn can increase the value of the company's shares.

To be able to find out the DPR in a financial report, the following formula is needed:

$$\text{DPR} = \frac{\text{Dividen}}{\text{Laba Bersih}}$$

Growth

(Harahap, 2012), growth opportunity reflects the opportunity for companies to invest in profitable projects. The level of growth opportunity of a company will affect the amount of investment required.

$$\text{PL} = \frac{\text{Laba Bersih it} - \text{Laba Bersih it-1}}{\text{Laba Bersih it-1}}$$

PBV

(Rivai, PBV (Price Book Value), 2013) Price to Book Value (PBV) Is a ratio that is used to assess whether the value of a company's shares is too low or too high. If the stock price is below the company's book value, the stock is considered undervalued, while if the price exceeds the book value, it is categorized as overvalued. In the context of research, PBV is used as one of the variables to measure its impact on the share price of banking companies listed on the Indonesia Stock Exchange. PBV helps investors evaluate whether the company's current share price is too high or too low compared to its book value.

To be able to find out ROE in a financial report, the following formula is needed:

$$\text{PBV} = \frac{\text{Harga Pasar}}{\text{BV / Book Value}}$$

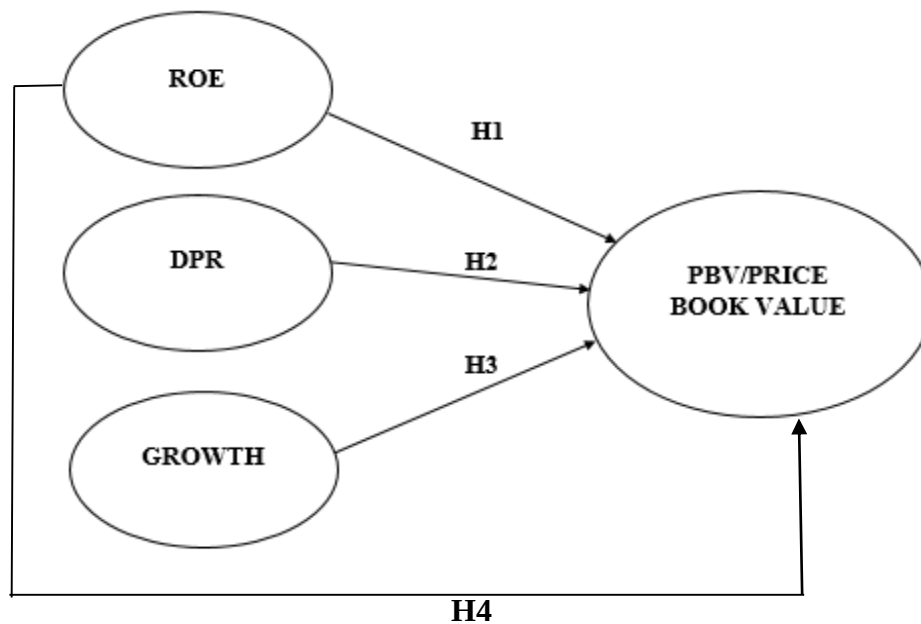
Hipotesis Penelitian

H1= Influence of ROE on PBV at PT Unilever on the IDX for the period 2020 - 2022

H2 = Influence of DPR on PBV at PT Unilever on the IDX for the 2020-2022 Period.

H3 = Influence of growth on PBV at PT Unilever on the IDX for the 2020-2022 period.

H4 = Influence of ROE, DPR, Growth on PBV at PT Unilever on the IDX in 2020-2022



RESEARCH METHOD

Research Design

This research uses a quantitative research method. Kuantitatif method This research is because the data collected comes from the Indonesia Stock Exchange (IDX) in the form of financial reports. The financial report of PT Unilever is used to find out how the influence of ROE, DPR, GROWTH on PBV at PT Unilever which is taken from 2020-2022.

Place and Time of Research

The place of research was carried out on the Indonesia Stock Exchange (IDX) website, namely by collecting anlnlual reports for 2020-2022. Data search time was conducted in October 2023.

Data Type

The main data type in this research is secondary data. According to Sugiyonlo's definition (2019: 193), secondary data is a source that does not provide data directly to data collectors. Secondary data is obtained from sources that can support research, such as documents and literature. The type of data used in PT Unilever belongs to the category of secondary data because it contains information that is widely distributed in the public domain.

Data Source

The financial report of the last year's shares and the anlnlual report of PT. Unilever sample for the year 2020-2022 which was collected from one of the official websites of the Indonesia Stock Exchange (IDX) and several other sources of information.

Data Collection Technique

The data collection technique in this research uses a structured observation technique. This method is a stage to extract data and information with the purpose of research. The data taken comes from the Indonesia Stock Exchange (BEI) with annual financial reports from 2020 to 2022, the data obtained will then be processed according to the needs and requirements of the research.

Variable Definitions

(Farhady, 1981) Variables can be defined as attributes of individuals or objects that experience variation between one individual and another or between one object and another. In this research context, there are two categories of variables, namely dependent variables and independent variables. The dependent variable is the object in a study that will change in line with changes in the independent variable. Basically, dependent variables depend on independent variables, so dependent variables would not exist without the existence of independent variables. On the other hand, the independent variable is a type of variable that has the ability to influence changes in the dependent variable. In this research, there is 1 dependent variable (Y), namely PBV (Price Book Value) and 3 independent variables (X), namely ROE (Return On Asset), DPR (Dividend Price Ratio), and Growth (Earnings Growth).

Data processing

In doing this research, several processes are needed in data processing. The steps begin with data analysis, data interpretation, and generalization, and end with conclusion.

Technique of Hypothesis Testing and Data Analysis

The hypothesis testing technique in research requires a Validity Test stage in which this test has the aim of testing the effect of variable X (DPR, ROE, and Growth) on Variable Y (PBV).

RESULTS AND DISCUSSION

Hypothesis Test

Simultaneous Regression Test (Test f)

Simultaneous Regression Test has the aim to test how Simultaneous variable X (ROE / Return On Equity, DPR / Dividend Price Ratio, and Growth / profit growth) gives an influence on variable Y (PBV / Price Book Value). The following is a table of f test results that are used for Simultaneous Regression Analysis:

The results of the study show that the variables of Growth, DPR (Dividend Payout Ratio), and ROE (Return on Equity) do not have a significant influence on PBV (Price Book Value). The significance value of $0.00 < 0.05$ indicates that these variables are rejected as factors that influence PBV. This means that, based on the research results, there is no strong evidence that supports a significant relationship (Hypothesis rejected) between company growth (Growth), dividend payout ratio (DPR), and return on equity (ROE) with PBV.

Uji Regresi Parsial (Uji t)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	6.934	2.202		3.149	.014
	ROE	-.491	.149	-.480	-3.293	.011
	DPR	-.055	.143	-.049	-.383	.712
	Growth	.539	.153	.539	3.520	.008

a. Dependent Variable: PBV

Based on Partial Regression Test (t test)

The results of the t hypothesis test on the company PT Unilever show that the significance value of the ROE variable (Return On Equity) is 0.011, the significance value of the DPR (Dividend Payout Ratio) is 0.712, and the significance value of the Growth variable is 0.008. To be able to determine the significance, it can be done by comparing the significance values with the commonly used threshold of 0.05.

1. The results of the analysis show that ROE (Return On Equity), has a significance value of 0.011, which is smaller than the 0.05 threshold. This means that there is strong enough statistical evidence to reject the null hypothesis, indicating that ROE has a significant effect on PBV.
2. The result of the analysis shows that DPR (Dividend Payout Ratio) has a significance value of 0.712, which is greater than the 0.05 threshold. This indicates that there is not enough statistical evidence to reject the null hypothesis, so DPR does not have a significant effect on PBV.
3. Growth analysis results, there is a significance value of 0.008, which is smaller than the threshold of 0.05. This indicates that there is strong enough statistical evidence to reject the null hypothesis, indicating that growth has a significant effect on PBV.

So, based on the results of the t hypothesis test, ROE (Return On Equity) and Growth have a significant effect on PBV (Price to Book Value), while DPR (Dividend Payout Ratio) does not have a significant effect on PBV in the company PT Unilever.

CONCLUSIONS

1. The results of the t hypothesis test on the company PT Unilever show that the ROE (Return On Equity) variable of 0.011 and growth of 0.008 has a significant effect on PBV (Price to Book Value).
2. DPR (Dividend Payout Ratio) does not have a significant effect on PBV (Price to Book Value) because the significance value of DPR (Dividend Payout Ratio) is 0.712.
3. The results of the Hypothesis f test on the company PT Unilever show that the variables ROE (Return On Equity), DPR (Dividend Payout Ratio), and Growth do not have a significant effect on PBV (Price Book to Value). Because the significance value of 0.00 < 0.05 indicates that these variables are rejected as factors that affect PBV.

SUGGESTIONS

1. Researchers who conduct research on the company data of PT Unilever can add several independent variables or other independent variables that are considered to have an influence on PBV (Price to Book Value) besides DPR, ROE, Growth.
2. Further researchers are expected to expand the scope to understand the impact of DPR, ROE, and Growth on PBV comprehensively, including its influence on stock prices and investment decisions.

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