THE INFLUENCE OF PROFITABILITY, LIQUIDITY AND LEVERAGE ON FIRM VALUE IN PALM OIL PLANTATION COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE (BEI) FOR THE 2019-2021 PERIOD

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Abstrak

Penelitian ini bertujuan untuk menyelidiki bagaimana profitabilitas, likuiditas, dan leverage berdampak pada nilai perusahaan kelapa sawit yang terdaftar di Bursa Efek Indonesia dari tahun 2019 hingga 2021. Setiap perusahaan kelapa sawit yang terdaftar di Bursa Efek Indonesia (BEI) menjadi subjek penelitian ini. Sebanyak 36 sampel data untuk penelitian dikumpulkan berdasarkan kriteria tertentu secara purposif. Data yang digunakan adalah data sekunder yang diambil dari laporan keuangan. Data diuji dengan analisis regresi linier berganda. Hasil penelitian menunjukkan bahwa leverage mempengaruhi nilai perusahaan pada perkebunan kelapa sawit periode 2019-2021, sementara likuiditas dan profitabilitas tidak mempengaruhi nilai perusahaan.

Kata kunci: Profitabilitas, Likuiditas, Leverage, Nilai Perusahaan

Abstract

The aim of this research is to see how profitability, liquidity and leverage impact the value of palm oil companies listed on the Indonesia Stock Exchange during the 2019-2021 period. This research covers all palm oil companies listed on the Indonesia Stock Exchange (BEI). Sampling was carried out purposively based on specific criteria, which resulted in 36 data samples for research. The data used is secondary data taken from financial reports. Multiple linear regression analysis was used to analyze the data. The research results show that while liquidity and profitability do not affect firm value in oil palm plantations for the 2019-2021 period, leverage does affect firm value.

Keywords: *Profitability, Liquidity, Leverage, Firm Value*

INTRODUCTION

Objective period long the company is maximizing business value. Price that should paid candidate investors if the business is sold is the company value. Shareholder wealth is directly correlated with company value (Brigham & Houston, 2019). Company value is greatly influenced by investor assessments. Review report A company's finances can be used to carry out assessments by external parties such as analysts and investors. Value, according to Krisnando & Novitasari (2021), is investors' perception of a company, which is usually shown by its share price.

Increase value a company is very important because it contributes to the success and profitability of its owner. The stability and appreciation of share prices shows that the company value is increasing. To improve business performance, management will use creative methods. One of the plant products that plays an important role in the economy is palm oil. The reason is the ability to produce vegetable oils that are needed by industry. For being a producer oil palm The largest in the world, Indonesia has great potential to sell palm oil and palm kernel at home and abroad. In addition, the palm oil industry contributes 3.5% to Gross Domestic Product Indonesia (www. Ekonomi.republika.co.id).

Pandemic COVID-19 caused exports oil palm Indonesia decreased by around 11% in the first half of 2020. According to Kompas, the decline in palm oil exports had a negative impact on economic actors and palm oil producers. According to Joko Supriyono, president of the Association Businessman Coconut Indonesian Palm Oil (GAPKI), exports of palm products

in 2020 will reach 34 million tonnes, down 9% from 37.39 million tonnes in 2019 (www.cnbcindonesia).

Value a company is a price that can be paid by potential buyers in the capital market, especially prices shares (Nagian & Silva, 2021). Mark company is called value market because of value the company can generate the greatest profits for its shareholders. Every decision must be made correctly to increase company value. Companies must choose the financial resources to be used (Ramadhani, 2021)

When a business makes funding decisions, they must choose the right combination of capital to create an ideal capital structure where the business owner can also expect optimal profits. If a company is successful, it is considered to have value. The value of a company is represented by its share price; If price the shares high, then the value is too tall. According to Prayitno et al. (2022), trust market to company performance and prospects its future increases when the stock price is high.

The ability of a company to use its assets in a profitable way for the benefit of the company is known as profitability (Brigham & Houston, 2019). With high profitability, a company will be able to pay all its obligations and maintain the company's liquidity situation. Matter this gives a signal good to investors who want to invest in the company.

When viewed from company value, profitability has a significant advantage. High profitability can increase value, attract investors and improve the company's reputation. In addition, high profitability allows companies to maintain continuity of operations by meeting financial obligations and facing risks that may arise.

A company's liquidity is defined as their ability to pay their debts within one year (Brigham & Houston, 2019). Liquidity defined as ability something company to meet all its liabilities and current assets, which include readily liquid assets such as inventory, cash, securities and receivables (Suparyanto & Rosad, 2020). This can happen if debts are greater than current assets. A company's liquidity is determined by its capabilities company for pay debts or obligation short term when the time comes. A company is considered liquid if it can fulfill all its obligations. An illiquid company cannot do so. For this purpose, Current Ratio (CR), a metric used to measure organizational capacity, is calculated by comparing assets smoothly with obligation fluent.

The leverage ratio shows how well assets are financed and how well the company can pay long-term debt (Brigham & Houston, 2019). With the debt it has, the company hopes to increase its value by helping finance and manage its assets to generate profits. According to Suparyanto and Rosad (2020), the leverage ratio is a ratio related to collateral that measures a company's ability to pay its debts if it is dissolved or financed abroad. creditors or collateral parties. The amount of debt in the balance sheet will show the amount of the loan used to manage business activities. Leverage is ratio used by the company to evaluate its ability to fulfill term obligations short and long term at maturity (Detama & Laily, 2021).

METHODS

Study This looks at oil palm plantation companies which is listed on the Indonesia Stock Exchange (BEI) from year 2019 to 2021. This is based on data gathered from reports annual Which published every year. Secondary data is collected, recorded, and calculated according to the research. This study uses various regression data analysis methods. For research This is purposive sampling used according criteria specific, resulting in 23 samples data. Data used is data secondary taken from the reportnfinance. In addition, this research using classical hypotheses such as normality tests, multicollinearity, autocorrelation, and variable variance and testsiclassic assumption.

RESULTS AND DISCUSSION

Results Test Assumption Classic

Results Test Normality

The normality test is used to determine whether the regression model data, confounding variables, or residuals have a normal distribution. Normality Test Results are as follows:

Table 1. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		36
Normal Parameters, b	Mean	.0000000
	Std. Deviation	.60998770
Most Extreme Differences	Absolute	.101
	Positive	.101
	Negative	-.071
Statistical Tests		.101
Asymp. Sig. (2-tailed)		,200c,d

Based on test results normality with Kolmogorov-Smirnov (KS) statistical test, can be seen from the table that Asymp. Sig. (2-tailed) of 0.200, which is an excess value greater than 0.05. As a result, it can be said that the data from the model regression meets assumption normality.

Multicollinearity Test Results

Multicollinearity test The aim is to check whether there is a correlation between the independent variables in the model. Multicollinearity Test Results are as follows:

Table 2. Multicollinearity Test Results

Coefficientsa

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Profitability	,989	1,011
	Liquidity	,557	1,796
	Leverage	,561	1,781

The results from the table above show that the independent variable does not has multicollinearity. In addition, the regression model meets the multicollinearity assumption test. Variable tolerance values above 0.1 and VIF value below 10.

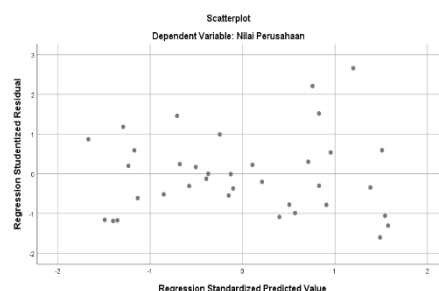## Heteroscedasticity Test Results

Figure 1. Scatter Plot Test Results

Scatter Plot testing for liquidity, profitability and leverage, shows unclear patterns, such as Which shown in picture in on. Additionally, there is no heteroscedasticity because the points are spread across above and below the number 0 on Y axis.

Results Test Autocorrelation

Autocorrelation test The aim is to find out whether there is a correlation between the intervention error for period t (current year) and the previous one year period in the regression model. Autocorrelation Test Results are as follows:

Table 3. Autocorrelation Test Results

Runs Test

	Unstandardized Residual
Test Valuea	-.09718
Cases < Test Value	18
Cases >= Test Value	18
Total Cases	36
Number of Runs	16
Z	-.845
Asymp. Sig. (2-tailed)	,398

Mark Asymp. Sig (2-tailed) 0.398 is more big than 0.05, according to the table above. Therefore, it can be concluded that No there is an autocorrelation problem on data used in models regression.

Results Regression Test Linear Multiple

Analysis Multivariate linear regression is a type of statistical analysis used to explain how a dependent variable relates to one or more independent variables. The results of the multiple linear regression test are as follows:

Table 4. Regression Test Results

Coefficientsa

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1 (Constant)	,658	,430		1,532	.135		
Profitability	-.212	1,156	-.031	-.183	,856	,989	1,011
Liquidity	,115	,089	,294	1,297	,004	,557	1,796
Leverage	,353	,205	,388	1,721	,095	,561	1,781

$$Y = 0,658 - 0,212X1 + 0,115X2 + 0.353X3 + \varepsilon$$

Test Coefficient Determination (R2)

This test measures how far the independent variable is able to explain the dependent variable. The results of the coefficient of determination test are as follows:

Table 5. Coefficient of Determination Test Results

Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.294a	,086	,001	,63794

Based on results testing the coefficient of determination, we can find out that profitability, liquidity, and leverage can contribute 8.6% of the company value variable, while the remaining 91.4% can be provided by other variables who does not researched in this research.

Test Simultaneous (F Test)

The F test is used to simultaneously test the influence of the independent variable on the dependent variable. The results of the F test are as follows:

Table 6. Simultaneous Test Results

ANOVAa

Model		Sumof Squares	df	Mean Square	F	Sig.
1	Regression	1,229	3	,410	1,007	.003b
	Residual	13,023	32	,407		
	Total	14,252	35			

Based on the simultaneous significance test, level significance 0.003 < 0.05. Therefore, the variables profitability, liquidity, and *leverage* greatly influences value palm oil plantation companies listed on the Indonesia Stock Exchange from 2019 to 2021. Thus, H1 is accepted.

Test Partial (t Test)

Table 7. Partial Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	,658	,430		1,532	.135
	Profitability	-.212	1,156	-.031	-.183	,856
	Liquidity	,115	,089	,294	1,297	,004
	Leverage	,353	,205	,388	1,721	,095

The Influence of Profitability, Liquidity and Leverage on Firm Value

Results F test (simultaneous) shows that profitability, and liquidity and leverage, affecting firm value at the same time. H1 is accepted, according to its significance value (0.003 < 0.05). In cases where the company really needs a financial performance assessment, investors can look at the financial performance ratios before buying shares.

Influence Profitability on Firm Value

As shown by SPSS test results, profitability significance value on value company is 0.856 > 0.05. Thus, you can it is concluded that the profitability variable which is proxied by Return on Assets (ROA) does not have a significant impact on value company. The hypothesis was later rejected. The research results show that profitability does not influence on value company, which means that company unable to use the assets properly effective and efficient, so it cannot generate profits that increase value company. Company profits fluctuate over the years and are trendy fluctuates, making investors not sure about what the company will achieve in the future. As a result, the company's value will not increase as indicated by its share price.

Influence Liquidity on Firm Value

Based on SPSS results, test results above shows the importance of liquidity to mark company is 0.004<0.05, so it can be concluded that the liquidity variable using the CR indicator has an effect significant to company value. Hypothesis accepted. Results of this research show that liquidity affects the value of the company in words Another thing, liquidity is the strength of palm oil companies on the Indonesian Stock Exchange. Good liquidity is a positive signal for a company investors and demonstrate that it is in a good financial position and that its management can manage the business efficiently and effectively to support its operations.

The Effect of Leverage on Firm Value

Based on the SPSS results, the test results in table 4.7 show that the significance value of leverage on company value is 0.095 > 0.05, so it can be concluded that the leverage variable using the DER indicator has no significant effect on company value. So the hypothesis is rejected. This research shows that value The company is influenced by leverage which is expressed by DER. In other words, a high DER does not always mean low company value. Likewise, investors view financial reports from various points of view, so a low DER does not always increase company value (Farizki et al., 2021). Because companies usually use their own capital (internal financing) to finance their assets, there is no leverage on their value. Fact that company having sufficient capital to finance assets obtained from its own capital causes the debt ratio to decrease. Indeed, the relatively high debt ratio (DER) shows The company's total liabilities are greater than its value.

CONCLUSION

In accordance with the results of data analysis and discussion which explains that Profitability and Leverage are statistically proven to have no effect on firm value. Meanwhile, liquidity has been statistically proven to have an effect on value company. Therefore, companies must understand the capabilities they have to manage existing assets so that the company can continue to develop. As an improvement over the limitations of the study, suggestions for the next author are that they can analyze various other variables related to profitability, therefore various different things can be found.

RECCOMENDATION

There are limitations to this study related to the limited number of company samples. The reason is that many companies lack information or do not meet the requirements as samples for this study. Therefore, it would be better if the subsequent study completes the company data as the research object using sources other than financial reports. Because several companies are late in submitting audited annual financial reports to the IDX so that the annual financial reports are not published.

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