

ANALYSIS OF THE EFFECT OF SALES GROWTH, NET PROFIT MARGIN AND COMPANY SIZE ON THE COMPANY'S VALUE IN FOOD AND BEVERAGES COMPANIES LISTED IN IDX IN 2016-2019

Suprihatmi SW¹; Asih Handayani² dan Rahayu Triastity³
^{1,2,3}University of Slamet Riyadi Surakarta

ABSTRACT: Companies with good corporate value are companies with good financial performance and have a good return on investment. The purpose of this study is: to analyze the significance of the influence of sales growth, net profit margin and company size on the value of food and beverage companies listed on the Indonesia Stock Exchange in 2016-2019.

The population of this study is food and beverage companies listed on the Indonesia Stock Exchange as many as 14 companies. The sample techniques in this study used total sampling. Total sampling is a selection of samples in which the entire population is used as a research sample, namely as many as 14 food and beverage companies registered with IDX and publish their financial statements regularly during 2016-2019.

The results showed that Sales growth significantly influenced the value of Food and Beverages companies listed on the Indonesia Stock Exchange in 2016-2019. Net profit margin has a significant impact on the value of Food and Beverages companies listed on the Indonesia Stock Exchange in 2016-2019. The effect of the company's size on the value of Food and Beverages companies listed on the Indonesia Stock Exchange in 2016-2019 is statistically insignificant. Researchers should develop research by adding years of research and adding research variables. Further researchers should conduct further research in other sectors in order to know the variables that affect the value of the company

I. INTRODUCTION

The main objective of companies listed on the Indonesia Stock Exchange is to generate profits so as to increase the prosperity of owners or shareholders through increasing the value of the company (Saraswathi, Wiksuana and Rahyuda, 2016: 17). The company's better value can be used as a basis for investors to invest in the company. The company's value can be measured through several aspects, including the company's stock market price (Kusumaningrum and Rahardjo, 2013: 1) and financial performance. Companies with good financial performance will generate maximum profit so as to have a high level of return on investment. The increasing value of the company is characterized by a high return on investment in shareholders. Companies with good corporate value are companies with good financial performance and have a good return on investment as well (Yuliana, Sari and Chabachib, 2013: 1).

Sales have a strategic influence for the company, it is because the sale of products or services must be supported by the company's assets and if the sale wants to be increased then the company's assets must also be added. Sales growth plays an important role in the implementation of working capital management, because by knowing how much sales growth can be used by companies to predict the profit (Mandalika, 2016: 209).

Profitability in this study is measured by Net Profit Margin (NPM), the greater the NPM, the company's performance will increase, thus increasing investor confidence to invest in the company. Irawati (2010: 299) stated that NPM is used to measure profit after tax compared to sales so that if NPM gets bigger, the company's performance will be more productive, and will increase investor confidence to invest in the company.

The size of the company is an indicator that shows the financial strength of the company, the greater the company the higher the investor's interest to invest in its shares compared to small companies. Because investors want a stable profit usually large companies have a stable profit compared to small companies (Denziana and Monica, 2016: 242). The large size of the company indicates that the company is developing so that investors will respond positively and the company's value will increase (Imron, Hidayat and Aliyah, 2013: 83). The relative market share shows the company's competitiveness is higher than its main competitors. Investors will respond positively so that the value of the company will increase. Companies that have a large amount of total assets or so-called large companies will get more attention from investors, creditors and other users of financial information compared to small companies

This research was conducted on food and beverages sector companies listed on the Indonesia Stock Exchange. The food and beverage industry sector has a high appeal for investors. Data from the Investment Coordinating Board (BKPM) shows that the investment ratio of the food industry sector in the period 2014-2018

reached 47 percent. The food and beverage industry sector at the time of the economic crisis remained at a high level, because the products produced were a basic necessity for the community

Previous research on the influence of sales on the value of the company has been conducted by Yuliana, Sari and Chabachib (2013) in his research stated that sales have a positive and significant effect on Price to Book Value (PBV). Purnomosidi, et al (2014) stated that sales had a positive effect on the value of the company, but this result is contrary to the research of The Playwright (2015) whose research shows that sales growth negatively affects the value of the company, while Mandalika's research (2016) shows that sales growth does not have a significant influence on the value of the company.

Research on the influence of NPM on the company's value conducted by Gultom, Agustina and Wijaya (2013) and Munawaroh and Priyadi (2014) showed that NPM had a positive and significant effect on the company's value. Contrary to these results, Manoppo and Arie's research (2016) concluded that the influence of NPM on the company's value is statistically insignificant

Research on the influence of company size on the value of the company has been conducted by Purnomosidi, et al (2014) in his research shows that the size of the company has a positive effect on the value of the company. This result is contrary to dewi and Wirajaya research (2013) that the size of the company has no significant effect on the value of the company. Orientanti and Margasari (2014) in their research on the moderation effect of the size of the company showed that variable debt has a positive and significant effect on the value of the company, the size of the company significantly strengthens the influence of debt on the value of the company. Abbasi and Malik (2015) in their research showed firm size moderates the influence of firm growth on firm performance

Based on the background and formulation of the above problems, the purpose of this research is: to analyze the significance of the influence of sales growth, net profit margin, the size of the company to the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019.

II. LITERATUR REVIEW

Sales Growth

Sales growth is the success of investments made by food and beverages companies listed in IDX in the past period and can predict investments in the coming period, in assessing the success or predicting investments can be obtained from market opportunities. The calculation of sales growth in this study was measured using the following formula (Cashmere, 2012; 107):

$$\text{Sales growth} = \frac{\text{Sales year}_t - \text{Sales year}_{t-1}}{\text{Sales year}_{t-1}}$$

Net Profit Margin

Net Profit Margin is a ratio to measure how much the ability of IDX-listed food and beverages companies to pay off current debt by comparing net profit after tax with net sales. The calculation of net profit margin in this study was measured using the following formula (Cashmere, 2012: 79):

$$\text{Net Profit Margin} = \frac{\text{Net profit after tax}}{\text{Net sales}} \times 100$$

Company size

The size of the company is the size or size of assets owned by food and beverages companies registered in IDX. The size of the company in this study was measured by the natural logarithmic value (Ln) of the total assets.

Value of Firm

Value of Firm is the investor's perception of the company food and beverages listed in IDX which is often associated with the share price. The high share price makes the company's value also high. Value of Firm in this study was calculated using Price Book:

$$PBV = \frac{\text{Share price}}{\text{Book Value}}$$

Description: where the book value per share indicates net assets owned by shareholders by owning one share. The assumption of net assets is equal to the total shareholders' equity, so the book value per share is the total equity divided by the number of shares outstanding. The formula of book value as follows:

Description : Total equity is the total net assets owned by the company minus the debt while the number of shares is the total shares outstanding. The purpose of financial management is to maximize the value of the company, but behind that goal there is still a conflict between the owner of the company and the provider of funds as a creditor, if the company goes forward, then the value of the company's shares will increase, while the value of the company's debt in the form of bonds is not affected at all

RESEARCH METHODS

This research is intended to test the veracity of existing theories and some previous research by trying to see the influence of financial ratios to the value of Food and Beverages companies listed on the Indonesia Stock

Exchange in 2016-2019. The population of this study is food and beverage companies listed on the Indonesia Stock Exchange as many as 14 companies. Total sampling is a selection of samples in which the entire population is used as a research sample, namely as many as 14 food and beverage companies registered with IDX and publish their financial statements regularly during 2016-2019. The analysis tool used is with multiple linear regression analysis.

III. RESULT AND DISCUSSION

The results of multiple linear regression analysis with transformed data can be seen from the following table:

Table 1. Multiple Linear Regression Tests

Variabel	B	t	sig.
(Constant)	9,988	1,566	0,124
Lag X ₁	-7,424	-2,739	0,009
Lag X ₂	0,481	3,194	0,003
Lag X ₃	-1,178	-1,447	0,155

Secondary Data Processed, 2020

Based on the table above can be obtained the regression formula as follows:

$$Y = 9,988 - 7,424X_1 + 0,481X_2 - 1,178 X_3 + e$$

The interpretation of the above regression is as follows:

- a. Constants (a)
If all free variable values have a value of zero (0) then the value of the beta bound variable is 9,988.
- b. Coefficient value X₁ (Sales Growth)
The value of the Sales Growth coefficient is 7,424 and marked negative (-) indicates that Sales Growth has a relationship that is opposite to the company's variable value. This means that every increase in Sales Growth of one unit, the value of the company will decrease by 7,424 units.
- c. Coefficient value X₂ (Net Profit Margin)
The coefficient value of Net Profit Margin is 0.481 and marked positive (+), this indicates that Net Profit Margin has a relationship that is in the same direction as the company's variable value. This means that every increase in Net Profit Margin one unit then the value of the company will increase by 0.481 units.
- d. Coefficient value X₃ (Company Size)
The company size variable coefficient value is 1,178 and is marked negative (-). This means that every increase of 1 unit of company size, the value of the company will drop by 1,178 units.

In this t test for the basis of decision making based on whether or not the influence of free variables on bound variables. For the basis of decision making based on the level of significance using the provision if the p value of data processing results with SPSS < 0.05 then Ho accepted, H1 is rejected and applies otherwise

Hypothesis test 1

Hypothesis 1 is: "sales growth has a significant effect on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019". T test results on multiple linear regression tables are known that p value influence sales growth on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 amounting to 0.009 < 0.05 then Ho rejected. Then it can be concluded that the influence of variable sales growth on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 is statistically significant.

Hypothesis test 2

Hypothesis 2 is: "net profit margin has a significant effect on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019". The results of the t test on the double linear regression table are known that the p value of the influence of net profit margin on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 amounted to 0.003 < 0.05 then Ho was rejected. Thus hypothesis 2 which states that "net profit margin has a significant effect on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019" proved the truth.

Hypothesis test 3

Hypothesis 3 is: "the size of the company has a significant effect on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019". T test results on multiple linear regression tables are known that p value influences the size of the company on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 amounting to 0.155 > 0.05 then Ho received. So it can be concluded that the influence of variable size of the company on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 is statistically insignificant. Thus hypothesis 3 which states that "the size of the company has a significant effect on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019" is not proven to be true.

F test results used in testing the significance of variable sales growth, net profit margin, and company size together (simultaneously) against the value of Food and Beverages companies listed in IDX for the period 2016-2019 are as follows:

Table 2.F Tests

Test Description	F count	value	te
Uji F	6,470	01	Signifikan

Secondary Data Processed, 2020

F test result

F test result obtained F count of 6,470 with p value of $0.001 < 0.05$ indicating significant circumstances. Based on that, H_0 was rejected, which means there is a significant influence of free variables (sales growth, net profit margin, and company size) simultaneously on food and beverages bound variables listed on the Indonesia Stock Exchange in 2016-2019.

Determination Coefficient (R²)

The results of the calculation of the coefficient of determination (R²) to measure how much contribution the influence of free variables in describing variations of bound variables in this study are as follows:

Table 3.Coefficient of determination (R²)

Test Description	Adjusted R ²
KoefisienDeterminasi	0,251

Secondary Data Processed, 2020

The calculation result obtained adjusted value $R^2 = 0.251$ which means that it can be known that the contribution or influence given by variable sales growth, net profit margin, and the size of the company to the value of food and beverages companies listed on the Indonesia Stock Exchange 2016-2019 is 0.251 or 25.1%, while the remaining 74.9% is influenced by other factors that are not studied

Effect of sales growth on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019

The results showed that sales growth significantly affects the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 The results of this study support previous research from Yuliana, Sari and Chabachib (2013) which stated that sales growth has a significant impact on the value of the company. In terms of variable sales growth, sales affect the company because the sale of products or services must be supported by the company's assets and if sales increase then the company's assets also increase. Companies should increase sales growth because it plays a role in the management of working capital management, where if the company knows the growth of sales it can be used to analyze the profit earned.

The effect of net profit margin on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019.

The results showed that net profit margin significantly affects the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019. The results of this study support previous research from Gultom, Agustina and Wijaya (2013) and Munawaroh and Priyadi (2014) which stated that sales growth has a significant impact on the value of the company. In terms of variable net profit margin should the management of the company further increase profitability because it can be an attraction for shareholders. Profitability can be an indication of the company's good prospects so that it can trigger investors to increase the demand for shares, thus affecting the value of the company's sales on the stock and reducing some of the less productive assets that can interfere in improving the company's profit growth

The influence of the company's size on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019.

The results showed that the influence of the company's size on the value of food and beverages companies listed on the Indonesia Stock Exchange in 2016-2019 is statistically insignificant. The results of this study are not in line with previous research from Purnomosidi (2014) which stated that the size of the company to the value of the company. In terms of variable size of the company should be a concern of the management of the company. The size of the company is an indicator that shows the financial strength of the company. The large size of the company means that the company is developing so that investors will respond positively and the value of the company will increase. The larger the size of the company, the easier it is for the company to obtain a source of funding for the company's operations, the better and more sources of funds obtained, it will support the company's operations to the maximum, thus increasing the share price of the company

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