

## The Influence Of Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), And Dept Equity Ratio (DER) On Stock Price Value on Empirical Study of Banking Companies Listed on the IDX in 2019 – 2022

Rama Einar Maska Praditya<sup>1✉</sup>, Kurnia Rina<sup>2</sup>

<sup>1,2</sup>Muhammadiyah University of Surakarta, Indonesia

Correspondence Author: [b200190364@student.ums.ac.id✉](mailto:b200190364@student.ums.ac.id)

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**Abstract:** This research aims to analyze the influence of sales growth ratio, price to book value, earnings per share, dept equity ratio on stock prices. The population of this research is banking companies listed on the Indonesia Stock Exchange (BEI) in 2019-2022. The research sample was obtained using purposive sampling, where there were 28 manufacturing companies that met all the criteria, resulting in 112 data which were then outliers to become 108 data as the research sample. The data source in this research was obtained from the BEI website. Type of quantitative research. The analytical tool used is SPSS version 25 with multiple linear regression testing. The results of the research analysis show that price to book value (PBV) and earnings per share (EPS) have a significant effect on the value of share prices.

**Abstrak:** Penelitian ini bertujuan untuk menganalisis pengaruh rasio *sales growth*, *price to book value*, *earning per shar*, *dept equity ratio* terhadap harga saham. Populasi penelitian ini adalah perusahaan perbankan yang terdaftar di Bursa Efek Indonesia (BEI) tahun 2019-2022. Sampel penelitian diperoleh dengan menggunakan *purposive sampling*, dimana terdapat 28 perusahaan manufaktur yang memenuhi semua kriteria, sehingga mendapatkan 112 data yang kemudian di outlier menjadi 108 data sebagai sampel penelitian. Sumber data pada penelitian ini diperoleh dari *website* BEI. Jenis penelitian kuantitatif. Alat analisis yang digunakan yaitu SPSS versi 25 dengan pengujian regresi linier berganda. Hasil analisis penelitian menunjukkan bahwa *price to book value* (PBV), dan *earning per share* (EPS) berpengaruh signifikan terhadap nilai harga saham, sedangkan *sales growth* atau pertumbuhan penjualan, dan *dept equity ratio* (DER) tidak berpengaruh terhadap nilai harga saham.



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### INTRODUCTION

The capital market is a meeting place for investors who have funds and companies as parties who need funds from investors, as a transaction place for buying and selling shares. However, investors certainly do not just buy shares in an issuer, investing in shares is a fairly risky investment compared to other forms of investment, but the level of profit (return) that investors get is higher than other forms of investment, therefore many investors who are more interested in

investing in shares. For this reason, investors need valid and accurate information that can be used as a signal to analyze whether an issuer is suitable for investors to invest in that issuer/company.

Financial reports are a source of company financial information that is used as a basis for making several decisions, such as assessing management performance, determining management compensation, giving dividends to shareholders, and so on (Martusa, 2020).

Financial reports are an important instrument for investors as a reference for investing in shares by considering indicators that influence the value of share prices.

Market price is the share price of an issuer on the capital market. Share prices are very sensitive to changes so share price information is very valuable for investors as a basis for making investment decisions. Like the Covid-19 pandemic, the value of share prices has become unstable. Several studies show significant changes in share price values before the Covid-19 pandemic and during the Covid-19 pandemic. Like research conducted by Ifa Nurmasari (2020) with the title "The Impact of Covid-19 on Changes in Stock Prices and Transaction Volume", the results of data processing show that there were significant differences in stock prices before and during the Covid-19 pandemic in Indonesia.

Financial report information can provide predictions regarding the profits that investors will get in the future through various analyses. One analysis that investors can use to analyze an issuer's shares is by using ratio analysis. Analysis of profitability ratios and market valuation ratios greatly influences investors' decisions to invest in an issuer. This ratio shows the company's ability to generate profits and the market valuation ratio shows the conditions occurring in the market.

Share prices are influenced by macro and micro economic factors, one of which is the level of sales growth or sales growth which is the result of a comparison between the difference between current year's sales and previous year's sales. Sales growth shows the success of investments in the past period and can be used as a prediction or reference for sales growth in future time. In addition, sales growth indicators can be used to assess the competitiveness of an issuer in the business industry. It can be concluded that the sales growth indicator is a component for assessing the prospects of an issuer in the future.

*Price to book value*(PBV) is a ratio that reflects the market's assessment of the value of share prices and is used to determine whether the share price of an issuer is considered too low (undervalued) or too high (overvalued), so that investors

can determine when is the right time to buy or sell a stock at the ideal time.

*Earnings Per Share*(EPS) is a ratio that is directly or indirectly related to profits and liquidity. This ratio helps investors evaluate company activities that influence the share price of an issuer in the capital market. Maximizing shareholder profits can be seen through the EPS (earnings per share) indicator which indirectly influences investors' confidence in investing company capital in the issuer. The greater the EPS (earnings per share) of an issuer, the greater the profit provided to shareholders or investors.

*Dept equity ratio*(DER) is one of the solvency or leverage ratios used to describe an issuer's ability to pay off obligations such as corporate debt. The DER ratio is an important ratio for companies and investors, the higher the dept equity ratio (DER) indicates the lower an issuer's profit or profitability and the inability to meet the company's debt payments. However, a higher dept equity ratio (DER) ratio in a banking company indicates that the banking issuer is in good condition, because the higher the dept equity ratio (DER) indicator in a banking issuer indicates that the company has more capital to reinvest. into profits from the banking company.

Based on the background of this problem, the author is interested in conducting research on the factors that influence the value of share prices in banking companies. Therefore, the author raised the research title **""The Influence of Sales Growth, Price To Book Value (PBV), Earings Per Share (EPS), and Dept. Equity Ratio (DER) on Share Price Value."**

## METHODS

The population of this research is banking companies on the Indonesia Stock Exchange (BEI) in 2019-2022. The sample was selected using a purposive sampling method so that a sample of 108 was obtained from 2019-2022. Sample results are based on the following criteria: Tax Avoidance

This research aims to analyze the quality relationship used to explain the influence of independent variables,

namely sales growth, price to book value (PBV), earnings per share (EPS), and debt equity ratio (DER) to share price value. The sample for this research was taken from banking companies listed on the Indonesia Stock Exchange (BEI) for the 2019-2022 period.

**Documentation method.**

Collection of data sourced from written objects. This research uses data sources in the form of financial reports on banking companies obtained from websites ([www.idx.co.id](http://www.idx.co.id)) and the official website of each company.

**Literature study method.**

Data collection to support this research is by reviewing various library literature such as journals, scientific papers, papers and reference books.

**RESULTS AND DISCUSSION)**

Descriptive statistics describe research data samples by describing the amount of data, average, minimum and maximum values, as well as standard deviations (Ghozali, 2011:19) of the dependent variable Stock Price Value and Independent variables Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Debt Equity Ratio (DER). The results of descriptive statistical tests in this study are as follows:

**Table 4.2**

DESCRIPTIVE TEST RESULTS	
Durbin Waston	Information
2,127	Autocorrelation does not occur

Source: SPSS. Data processed, 2023

The purpose of using the multicollinearity test is to test whether there is a significant correlation between independent variables in the regression model. Ridwan and Diyanti (2018: 4), state that a good regression model must meet the requirements, namely that there is no significant correlation between one independent variable and another or is able to meet the non-multicollinearity assumption. The following are the results of the multicollinearity test:

**Table 4.3  
Multicollinearity Test Results**

Variable	Tolerance	VIF	Information
GROWTH	0.981	1,040	Multicollinearity does not occur
PBV	0.977	1,023	Multicollinearity does not occur
EPS	0.992	1,008	Multicollinearity does not occur
DER	0.985	1,015	Multicollinearity does not occur

Source: SPSS. Data processed, 2023

Based on the results of the multicollinearity test above, it can be seen that the tolerance value is more than 0.10 and the VIF value is less than 10 for the variable Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Debt

Equity Ratio (DER) so that the variable is declared not to have multicollinearity.

The autocorrelation test aims to test whether there is a correlation between the residual error in period t and the residual error in period t-1 or previously in the linear regression model (Ghozali, 2011: 1100. Autocorrelation in this study uses the Durbin Watson statistical test with the calculation that the DU value  $< D < 4-DU$ . Autocorrelation Test Results are presented in the following table:

**Table 4.4  
Autocorrelation Test Results**

Source: SPSS. Data processed, 2023

Variable	N	Minimum	Maximum	Mean	Std. Deviation
GROWTH	108	-94.16	348.9	13,434	41,994
PBV	108	0.11	2.62	1,028	0.601
EPS	108	0.29	1158.79	154,572	0.340
DER	108	0.35	16.08	5,362	0.134

The results of data processing show a Durbin Watson (DW) value of 2.127. With the results  $DU < D < 4-DU / 1.7637 < 2.127 < 2.2363$ . With these results it can be concluded that there is no autocorrelation problem.

The heteroscedasticity test aims to detect whether there is an inequality of variance from the residuals of one observation to another observation in the regression model. In this study, to test the presence or absence of heteroscedasticity using the Spearman Rank correlation coefficient test. The following are the results of the heteroscedasticity test:

**Table 4.5**  
**Heteroscedasticity Test Results**

Variable	Sig	p-value	Information
GROWTH	0.242	P>0.05	Heteroscedasticity does not occur
PBV	0.108	P>0.05	Heteroscedasticity does not occur
EPS	0.886	P>0.05	Heteroscedasticity does not occur
DER	0.182	P>0.05	Heteroscedasticity does not occur

Source: SPSS. Data processed, 2023

Based on the results of the heteroscedasticity test above, it can be seen that the significance value is more than 0.05 so it is variable Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Dept Equity Ratio (DER) this variable is stated to not have heteroscedasticity.

**Multiple Linear Regression Test**

Testing in this research was carried out using multiple regression analysis, which is a statistical method that is generally used to examine the relationship between the dependent variable and several independent variables. This research uses 4 variables, namely Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Dept Equity Ratio (DER). The following are the results of multiple linear regression analysis:

**Table 4.6**  
**Multiple Linear Regression Test**

Variable	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
(Constant)	77,340	0.234		31,418	0,000
GROWTH	0,001	0,002	0,047	0,683	0,496
PBV	-0,860	0,140	-0,421	-6,152	0,000
EPS	0,003	0,000	0,617	9,082	0,000
DER	0,003	0,030	0,007	0,096	0,924

Source: SPSS. Data processed, 2023

Based on the results of the multiple linear regression test above, a regression equation model can be created as follows:  
 $AP = 7.340 + 0.001 X_1 - 0.860 X_2 + 0.003 X_3 + 0.003 X_4 + \epsilon$

From the regression equation, it can be interpreted as follows:

The constant value for the regression equation is 7.340 with positive parameters. This shows that Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Dept. Equity Ratio (DER) is considered constant, then the share price value will increase

The Sales Growth regression coefficient is 0.001 with positive parameters. This can be interpreted as every time there is an increase in Sales Growth, it will result in an increase in Share Prices.

The Price To Book Value (PBV) regression coefficient is -0.860 with negative parameters. This shows that the Price To Book Value (PBV) variable has a relationship in the opposite direction to the Share Price Value or the Price To Book Value (PBV) variable has a negative influence on Share Prices.

The Earning Per Share (EPS) regression coefficient is 0.003 with positive parameters. This can be interpreted as every time there is an increase in Earning Per Share (EPS), resulting in an increase in the share price.

Regression coefficient Dept Equity Ratio (DER) of 0.003 with positive parameters. This can be interpreted as every time there is an increase in the Dept. Equity Ratio (DER) resulting in an increase in share prices.

**Model Feasibility Test (F-test)**

The F test is used to find out whether all independent variables have the same influence on the dependent variable, according to the following table:

**Table 4.7**  
**F Test Results**

Variable	Tcount	Table	Sig.	Information
GROWTH	0.683	1,982	0.496	H1 Rejected
PBV	-6,152	1,982	0.00	H2 Accepted
EPS	9,082	1,982	0.00	H3 Accepted
DER	0.096	1,982	0.924	H4 Rejected

Source: SPSS. Data processed, 2023

From the F test results above, it can be interpreted that Fcount is greater than Ftable (28.771 > 2.46) and the significance value is smaller than 5% (0.000 < 0.05) proving that simultaneously the variables Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Dept Equity Ratio (DER) influence the share price value. It can be concluded that the regression model is declared fit of goodness.

**Coefficient of Determination Test (R2)**

The coefficient of determination (R2) is basically used for the purpose of measuring the model's ability to explain variations in the dependent variable in research. The following are the results of the coefficient of determination test (R2):

**Table 4.8**

**Coefficient of Determination Test Results (R2)**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726a	0.528	0.509	0.85909

Source: SPSS. Data processed, 2023

Based on the results of the data processing above, a value is obtained *adjusted R2* is 0.509 or 50.9%. It can be concluded that the variable Share Price Value can be explained by variables Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Dept Equity Ratio (DER) 50.9%. Meanwhile, the remaining 49.1% can be explained by other variables outside this research model.

**Statistical Test (t-test)**

Hypothesis testing is carried out using the t test which is used to test the regression coefficient individually (partially), namely by looking at the influence of all independent variables on the dependent variable.

**Table 4.9**  
**Statistical Test Results (t-test)**

Variable	Fcount	Ftable	Sig.	Information
GROWTH, PBV, EPS, DER	28,771	2.46	0,000	Fit Models

Source: SPSS. Data processed, 2023

Based on the t test results presented above, each variable can be interpreted as follows:

**Variable Sales Growth**

Variable Sales Growth has a tcount that is smaller than ttable (0.683 < 1.982) with a significant value greater than 5% (0.0496 > 0.05). So H1 is rejected, which means Sales Growth has no effect on Share Price Value.

**Variable Price To Book Value (PBV)**

Variable Price To Book Value (PBV) has tcount which is smaller than ttable (-6.152 < 1.982) with a significant value smaller than 5% (0.000 < 0.05). So H2 is accepted which is meaningful Price To Book Value (PBV) influence the share price value.

**Variable Earnings Per Share (EPS)**

Variable Earnings Per Share (EPS) has tcount which is greater than ttable (9.082 > 1.982) with a significant value smaller than 5% (0.000 < 0.05). So H2 is accepted which is meaningful Earnings Per Share (EPS) influence the share price value.

**Variable Dept. Equity Ratio (DER)**

Variable Dept. Equity Ratio (DER) has a tcount that is smaller than ttable (0.096 < 1.974) with a significant value greater than 5% (0.924 > 0.05). So H4 is rejected which means Dept. Equity Ratio (DER) has no effect on the share price value.

**CONCLUSION**

The conclusion contains a few simple sentences that answer the problem formulation or research objective presented in the beginning. The form of the sentence is not permitted to contain theories or formulas or statistical symbols. The writing systematics is aligned left-right and only the first line is indented into 7 letters using the usual Cambria font letter 11. No need to write suggestions or recommendations.

**SUGGESTION**

This research aims to determine the effect Sales Growth, Price To Book Value (PBV), Earning Per Share (EPS), and Dept

Equity Ratio (DER) on the value of share prices in banking companies in 2019-2023. This research uses a quantitative approach with secondary data. Based on the criteria, the sample for this research is 108 companies. In accordance with the discussion in the fourth chapter, the conclusions of this research are as follows, Sales Growth has no effect on the share price value, so the 1st hypothesis is rejected, *Price To Book Value* (PBV) has an effect on the share price value, so the 2nd hypothesis is accepted, *Earnings Per Share* (EPS) has an effect on the share price value, so the 3rd hypothesis is accepted, *Debt Equity Ratio* (DER) has no effect on the share price value, so the 1st hypothesis is rejected.

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