

The Effect of ROA, ROE and EPS on Company Value (On construction and Building Sector Companies)

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Abstract. The purpose of this study is to study financial performance using the ratio of Return On Assets (ROA), Return On Equity (ROE), and Earnings Per Share (EPS) with the Price Book Value (PBV) value of a company in the construction and building sector listed on the Indonesia Stock Exchange (IDX) for the 2019-2021 period. The method used in this study is a quantitative descriptive method. The data used in this study is secondary data obtained from the company's financial performance report. The technique used in this study was purposive sampling technique. Meanwhile, the data analysis used in this study is multiple linear regression, coefficients and determination using calculation tools using SPSS. The results of this study refer to the analysis of financial performance with profitability ratios, namely Return On Assets (ROA), Return On Equity (ROE), and Earnings Per Share (EPS) impacting the company's value from price book value (PBV).

Keywords: Return On Assets, Return on Equity, Earnings Per Share, Price Book Value

Introduction

The company's financial performance is one of the factors that investors look at to make choices in buying stocks. Analyze financial performance to find out the extent of the company's current condition, whether the condition is good or bad. In addition to financial performance, another indicator used by market participants in selecting stocks in the market is the comparison of market prices with the company's book value or PBV. PBVs can give an idea of how many times investors appreciate a stock based on the book value per share. The book value of the company is obtained from the total assets minus the total debt and then the result is divided by the number of shares. Some of the advantages of PBVs, firstly book value is a stable and simple measure that can be compared with market prices. Secondly, PBVs can be compared between similar companies to show signs of expensive or cheap prices of a stock, so by comparing the financial ratios of other similar companies or with the average of two industries at the same point based on the company's market value, an overview of the company's financial condition and achievements can be obtained so that investors can determine the right choice that according to their judgment has favorable prospects.

The construction and building sector is one of the sectors that investors are interested in, where investment in this sector is a long-term investment because property is a multipurpose asset that can be used by companies as collateral. The construction and building industry business is full of changes and challenges such as changes in consumer tastes, economic circumstances, politics, technological advances, competitors both local and global, suppliers, and government policies, thus impacting the increasingly fierce competition between companies. In facing this competition, the company is expected not only to be a healthy and innovative company but also to be able to take advantage of existing opportunities so that the company can survive and develop. The development of operational activities, the expansion or development of the company and competition between companies certainly requires large funding. To meet the needs of these funds, efforts are needed to find fresh money to be injected into the company for the implementation and development of the business field. The capital market is a means of forming capital and accumulating funds directed at increasing public participation in fund briefings to support development financing.

All decisions related to the company's financial performance will always be considered by investors in divesting their funds through the purchase of company shares. If the company's financial performance shows a good prospect, the stock will be in demand by investors so that the PBV and company value will also increase, but on the contrary, bad news about the company's financial performance shows a bad prospect in the future, this will be followed by a decrease in PBV in the capital market followed by a decrease in the company's value. In this case, there has been a capital market mechanism, where financial performance is a source of information that will always be monitored by investors. Thus, in order to be able to raise funds from the public or shareholders, the company is obliged to maintain the company's financial condition properly and pay attention to the

prospects and performance of the company in order to convince investors that they will get a return on their investments.

Literature Review

Signal Theory

Signal is an action taken by the company's management where management knows more complete and accurate information about the company's internals and future prospects than investors (Hartono, 2013). Signalling theory is rooted in pragmatic accounting theory. According to Atmaja (2018), pragmatic accounting theory focuses its attention on the influence of information on changes in the behavior of report users. One of the information that can be used as a signal is an announcement made by an issuer. This announcement can later affect the ups and downs in the price of securities of the issuer company that made the announcement. If the management signal indicates good news, it can increase the stock price.

Conversely, if management signals indicate bad news can result in a decline in the company's stock price. Therefore, managers are obliged to give signals about the condition of the company to stakeholders. The signals provided can be made through the disclosure of accounting information such as the publication of financial statements. Managers publish financial statements to provide information to the market. Investors can make mistakes in economic decision making, if the information submitted by the company's management does not match the company's actual conditions. So that asymmetric information occurs where the manager is superior in controlling information than other parties (stakeholders). In order to minimize the occurrence of information asymmetry based on signaling theory, the management must create an internal control structure that is able to maintain the company's property and ensure the preparation of reliable financial statements (Cashmere, 2015)

Financial Performance

According to Hery (2016) financial performance is a formal effort to evaluate the efficiency and effectiveness of the company in generating profits and certain cash positions. By measuring financial performance, it can be seen the prospects for growth and financial development of the company from relying on the resources it has. The company is said to be successful if the company has achieved a certain performance that has been set.

According to Fahmi (2017), company performance is an analysis carried out to find out the extent to which the company has implemented the established rules related to the use of finances appropriately and correctly. Such as by making a report that has met the standards and provisions in the SAK (Financial Accounting Standards) or GAAP (General Accepted Accounting Principle), and others.

According to Atma Hayat et al (2018) financial performance is the result or achievement that has been achieved by the company's management in managing the company's assets effectively over a certain period. Based on some of the definitions above, it can be concluded that financial performance is an analysis that describes the results or achievements that have been achieved by the company's financial management in managing funds and assets according to the standards set by the company.

Return On Assets

Return on Asset (ROA) is a ratio used to measure a company's ability to generate profits derived from investment activities. Or in other words, ROA is an indicator of a business unit to obtain a return on a number of assets owned by the business unit. This ratio is used to measure management's ability to earn overall profits. The larger the ROA, the greater the level of profit achieved by the company and the better the position of the company in terms of asset use (Brigham and Houston, 2016).

ROA can help companies that have carried out good accounting practices to be able to measure the efficiency of the use of capital that is sensitive to everything that affects the financial state of the company so that it can be known the company's position towards the industry. This is one of the steps in strategic planning. Profit is the main goal that is to be achieved in a business, including for banking businesses. The reason for achieving banking profits can be adequacy in fulfilling obligations to shareholders, assessing the performance of the leadership, and increasing the attractiveness of investors to invest their capital. High profits make the bank gain the trust of the

public which allows the bank to raise more capital so that the bank gets the opportunity to lend more broadly (Horne and Wachowicz, 2013).

Return on Equity

Optimal business results are achieved by using the company's capital invested in assets to make a profit. The income available to the owner of a capital invested by a company is measured by return on equity (ROE). The ratio aims to find out and measure how much the rate of return on own capital from the shares invested in the company through the amount of income or profit generated by the company. Return on equity measures a company's ability to obtain the profit available to shareholders (Duniarto, 2015).

ROE is a very commonly used profitability measuring tool to measure a company's performance. Companies that have a high ROE value are considered to have better performance. According to Damayanti (2016), ROE is used to measure the rate of return (reward rate) of equity. Securities analysts and stockholders are generally very concerned about this ratio, the higher the ROE that the company generates, the higher the share price. In line with that, according to Chatelia (2016), ROE is used to measure the amount of return on the investment of stockholders. The figure shows how well the shareholders' investment management is. ROE is measured in percent.

The ROE level has a positive relationship with the stock price so that the greater the ROE the greater the market price, because the amount of ROE gives an indication that the reverse that investors will receive will be high so that investors will be interested in buying the stock, and this causes the stock market price to tend to rise.

Earnings Per Share

Investors in investing in the capital market require accuracy in making decisions related to stocks. Accurate stock valuation can minimize risks so as not to make mistakes in decision making. Therefore, investors need to analyze the company's financial condition for decision-making in making stock investments. To evaluate the company's financial condition, investors can do so by calculating the company's financial ratio, namely Earnings Per Share (EPS).

Many theories from experts define Earnings Per Share (EPS), but in general Earnings Per Share (EPS) or earnings per share is defined as the level of net profit for each share that a company is able to achieve when carrying out its operations. Earnings per share or Earnings Per Share (EPS) is obtained from the profit for the current period printed by the company divided by the number of shares listed on the Indonesia Stock Exchange. Definition of Earnings Per Share (EPS) According to Irham (2019) is a form of providing benefits given to shareholders and each share owned.

According to Van Horne and Wachowicz in Fahmi (2018) Earnings Per Share is Earnings after taxes (EAT) divided by the number of common shares outstanding. Earnings Per Share (EPS) is the net profit that is ready to be distributed to shareholders divided by the total number of the company's shares (Tandelilin). Earnings Per Share (EPS) or earnings per share is a form of providing profits given to shareholders from each share they own (Fahmi, 2018). Thus, Earnings Per Share (EPS) is the amount of income received by shareholders from each ordinary share outstanding in a certain period. It can be concluded that Earnings Per Share (EPS) is a ratio that describes the amount of rupiah earned for each share and measures management's success in achieving profits for shareholders. (Mila, 2017).

Company Value

Price to book value (PBV) is a value that can be used to compare a stock more expensive or cheaper than other stocks. To compare, two or more companies must be from one business group that shares the same business traits (Bastian, 2006). Price to book value (PBV) is a calculation or comparison between the market value and the book value of a stock. With this PBV ratio, investors can know directly how many times the market value of a stock is valued from its book value.

PBV ratio can provide an overview of potential stock price movements so that from the picture, indirectly the PBV ratio also has an influence on the stock price. Market value divided by book value (price / book value). If in the analysis of book value investors only know the capacity per share of the value of the stock, investors can directly compare book value with market value (Dewi, 2013). Through the PBV ratio investors can find out directly how many times the market value of a stock is valued from book value. After knowing the PBV ratio, investors can directly compare pbv with stocks in their industry or those engaged in the same business sector. Thus

investors will get an idea of the stock price, whether the market value of the stock is relatively expensive or still cheap (Apsari, 2015).

Research Methods

The design in this study uses an explanatory approach. This approach aims to explain the relationship between two or more variables by testing hypotheses to reinforce or reject the results of pre-existing studies. The population for this study is all companies in Indonesia. Meanwhile, the research sample is construction and building sector companies listed on the IDX in 2019-2021. The type of data in this study is secondary data using the company's financial statements and the company's annual report which is sampled. Meanwhile, data sources use from various sources including the Indonesia Stock Exchange website and the website of each company.

Sampling in this study was carried out using the purposive sampling method. This is done by taking a sample of the population with the criteria of companies that publish annual reports in Indonesia online. The dependent variables of this study are the value of companies proxied using Price to Book Value (PBV), while the independent variables are Return On Assets (ROA), Return On Equity (ROE) and Earnings Per Share (EPS). The analysis method in this study uses a regression analysis test to test the effect of Return On Assets (ROA), Return On Equity (ROE) and Earnings Per Share (EPS) on the value of companies proxied using Price to Book Value (PBV). However, normality tests, multicollinearity tests, heteroscedasticity tests and autocorrelation tests were also carried out.

Data Analysis and Discussion

Descriptive Analysis Results

Descriptive statistics are tests that provide an overview or descriptive of a data that is described through a table form described through data processing or SPSS (Sugiono, 2017). The dependent variables used by the authors in this study are Price book value and the independent variables used are return on assets, return on equity, and return on investment. The results of the SPSS study are described in table 4.1. as follows :

Table 4.1.1 Descriptive Statistical Test Results

Descriptive Statistics					
	N	Mini	Maxi	Mean	Std. Deviation
ROA	36	0,12	3,18	1,39	1,09
ROE	36	1,06	22,98	11,09	5,76
EPS	36	1,28	54,16	22,66	14,45
PBV	36	0,16	4,48	1,36	1,12
Valid N	36				

(Source: SPSS 23)

From the results of the table above, it can be seen that the results of data processing using SPSS 23 are used two variable data, namely the dependent variable and the independent variable. The dependent variables in this study were profit growth as Y and the dependent variables Return On Assets as X1, Return On Equity as X2, and Earning Per Share as X3, Column N, which is the number of valid samples used by the study, as many as 36 data. Based on the result, the minimum value of the Variable Return On Asset is 0.12, the maximum value is 3.18, the average or mean value is 1.39 and the standard deviation is 1.09. Return On Equity has the lowest value of 1.06, the highest value of 22.98, the average value of 11.09, and the standard deviation of 5.76. Earning Per Share has the lowest value of 1.28, the highest value of 54.16, the average value of 22.66 and the standard deviation of 14.45. Price Book Value has the lowest value of 0.16, the highest value of 4.48, the average value is worth 1.36 and the standard deviation is worth 1.12.

Normality Test

This test aims to examine whether the disruptive variable is divided normally in the regression model (Ghozali, 2016). Used histogram, normal p-p and Kolmogrov-smirnov test on program SPSS 23 in normality test.

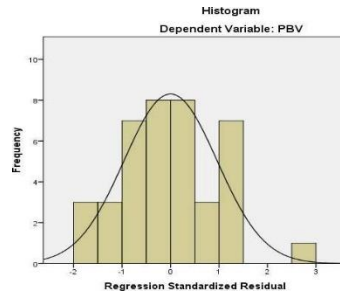


Figure 4.2.1 Histogram

(Source: SPSS 23)

From the results of the histogram graph illustration, it is known that the curve line is in the shape of a bell, it can be said that the data are distributed normally. Some other ways to view distributed data normally are with the following figure:

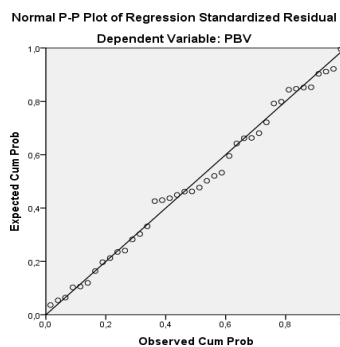


Figure 4.2.2 P-P Plot Regression Standardized

(Source: SPSS 23)

From the illustration of Normal P-P Plot Regression Standardized Residual above, it can be concluded that the data are distributed normally because all points follow and spread out on diagonal lines and are not far from diagonal lines.

However, using graphs in normality tests is not always appropriate, so another test called Kolmogorov-Smirnov Test is needed to be more sure that the data has been distributed normally. The results of the Kolmogorov-Smirnov Test are depicted with the following table:

		Unstandardized Residual
N		40
Normal Parameters ^a	Mean	0,00
	Std. Deviation	0,52
Most Extreme Differences	Absolute	0,068
	Positive	0,071
	Negative	-0,069
Test Statistic		0,069
Asymp. Sig. (2-tailed)		0,18

- 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 23)

From the data table above, it can be seen that the value of Asymp. Sig. (2- tailed) of 0.18 > 0.05 then it can be known if the data has been distributed normally.

Multicollinearity Test

The Multicollinearity test aims to see the existence of relationships between free variables found in regression models (Ghozali, 2016). A good regression model is a model in which there is no correlation that occurs between unbound variables, the units of which are the value of the variance inflation factor and the value of tolerance.

Table 4.3.1 Multikolonierity Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	0,041	0,192		0,212	0,842		
ROA	0,449	0,441	0,391	1,271	0,221	0,062	6,09
ROE	-0,009	0,019	-0,059	-0,489	0,632	0,349	2,54
EPS	0,039	0,019	0,558	2,039	0,054	0,084	3,31

a. Dependent Variable: PBV
(Source: SPSS 23)

From the results of the Multicollinearity test shown in the Coefficients table, ROA as X1 with a VIF value of $6.09 < 10$ (smaller), and ROE as X2 with a VIF value with a value of $2.54 < 10$, and EPS as X3 with a VIF value of $3.31 < 10$. It can be concluded that between the three indentent variables there is no multicollinearity.

Heterocedasticity Test

A model is said to be normal or good if the model does not experience heterocedasticity. The study used the spearman's model heterokedasticity test to see if the data experienced heterocedasticity. The results can be seen in table 4.4.1 below:

Table 4.4.1 Heterokedasticity Result

		ROA	ROE	EPS	PBV	Unstandardized Residual	
Spearman's rho	ROA	Correlation Coefficient	1,000	0,811*	0,959*	0,861*	-0,149
		Sig. (2-tailed)	.	0,000	0,000	0,000	0,32
		N	36	36	36	36	36
	ROE	Correlation Coefficient	0,812*	1,000	0,759*	0,692*	-0,071
		Sig. (2-tailed)	0,000	.	0,000	0,000	0,66
		N	36	36	36	36	36
	EPS	Correlation Coefficient	0,959*	0,758*	1,000	0,869*	-0,138
		Sig. (2-tailed)	0,000	0,000	.	0,000	0,35
		N	36	36	36	36	36
	PBV	Correlation Coefficient	0,861*	0,692*	0,881*	1,000	0,258
		Sig. (2-tailed)	0,000	0,000	0,000	0,000	0,07
		N	36	36	36	36	36
Unstandardized Residual	Correlation Coefficient	-0,149	-0,073	-0,138	0,257	1,000	
	Sig. (2-tailed)	0,351	0,696	0,385	0,112	.	
	N	36	36	36	36	36	

* Correlation is significant at the 0.01 level (2-tailed).
(Source: SPSS 23)

From the test above is the result of a heterocedasticity test with Pearsman's model, the table above can be explained that the significant value of ROA as X1 of 0.32 this value is greater than the limit of 0.05, the significant value of ROE as X2 of 0.66 this value is greater than 0.05 then the significant value of EPS as X3 of 0.35 this value is also greater than 0.05. So the conclusion of the spearsman's model heteroskedasticity test above did not occur symptoms of heteroskedasticity.

Autocorrelation Test

The autocorrelation test serves to determine the presence or absence of deviations in the autocorrelation assumption, namely the correlation between residual between observations of one and another observation in the regression model. The test used by the researcher is the Runs Test.

Tabel 4.5.1 Autocorrelation Result

	Unstandardized Residual
Test Value ^a	-0,041
Cases < Test Value	20
Cases >= Test Value	20
Total Cases	40
Number of Runs	16
Z	-1,439
Asymp. Sig. (2-tailed)	0,12

a. Median

(Source: SPSS 23)

In table 4.5.1, the SPSS output results for the Runs Test test show the asymp value. Sig.(2-tailed) of 0.12 is greater than 0.05, It can be concluded that there are no symptoms of autocorrelation in the test model above.

4.6 Multiple Linear Regression Analysis

This multiple linear regression analysis is shown to measure the degree of influence between free variables on the bound variable. Also used to estimate bound variables using free variabels.

Table 4.6.1 Multiple Linear Regression Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0,038	0,179		0,211	0,841
ROA	0,445	0,361	0,372	1,273	0,209
ROE	-0,009	0,015	-0,057	-0,488	0,631
EPS	0,035	0,019	0,558	2,052	0,051

a. Dependent Variable: PBV

(Source: SPSS 23)

Based on table 4.6.1, multiple linear regression calculations can be obtained, namely:

$$Y = \alpha + X1 + X2 + X3 + e$$

$$Y = 0,038 + 0,445 - 0,009 + 0,035 + e$$

There are several explanations of the equations that have been formulated above as follows:

Constants have a value of 0.038, if the Return On Asset (X1), Return On Equity (X2) and Operating Profit Margin (X3) have a value of 0, then the Price book value (Y) has a value of 0.038.

The profitability variable, namely Return On Asset (X1) is 0.445, meaning that if an increase of 1% of the company's profit points (X1) will increase the company's value (Y) by 0.445 assuming other independent variables are considered constant. The coefficient that is positively valued or pliers is positively related between the return on the asset and the price book value (Y). This means that the increasing return on assets (X1) will increase the price book value (Y).

The profitability variable or return on assets (X2) has a regression coefficient value of - 0.012. The value of this coefficient shows the negative relationship of profitability (X2) to the value of the company (Y). This means that if there is an increase in profitability (return on equity) (X2) by 1% then the company value (Y) will decrease by 0.009 assuming other independent variables are considered constant.

The earnings per share (X3) variable has a regression coefficient value of 0.035. The value of this coefficient indicates a positive relationship with the value of the company (Y). This means that if there is an increase in earnings per share (X3) by 1% then the company value (Y) will increase by 0.038 assuming other independent variables are considered constant.

t Test

The t test was carried out in order to find out how far the influence of partial (individual) independent variables on the dependent variable (Ghozali, 2016). Some independent variables are said to have an influence on the dependent variable if the variable is worthy of significant testing. If significant $t < 0.05$ then the hypothesis is accepted whereas if significant $t > 0.05$ then the hypothesis is rejected.

Table 4.7.1 t Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0,041	0,179		0,198	0,841
ROA	0,447	0,362	0,392	1,256	0,218
ROE	-0,009	0,017	-0,059	-0,486	0,628
EPS	0,038	0,019	0,558	2,052	0,049

(Source: SPSS 23)

Based on the results of the table above, the test results against the variable ROA, ROE, EPS against Price Book Value are explained that as follows: In t the table above is seen as significant 0.025 (2-sided test) with a degree of freedom $df = n - k - 1$ ($n =$ number of data, $k =$ independent variables) or $df = 40 - 4 - 1 = 35$.

From the results of the table, the variable X1 (ROA) was obtained to have a significant value of $0.218 > 0.05$ and t count $1.256 < t$ worth 2.04. In conclusion the ROA variable partially affects the value of the company but is not significant. Then H_0 is rejected and H_a is accepted.

Variable X2 (ROE) has a significant value of $0.628 < 0.05$ and the calculated t is worth $-0.486 > t$ table is 2.04. Then H_0 is rejected and H_a is accepted which means that the ROE variable partially negatively affects the value of the company.

The variable X3 (EPS) has a significant value of $0.049 < 0.05$ and t counts $2.052 < t$ table 2.04. Then H_0 accepted H_a is rejected meaning that the EPS variable does not have a positive effect on the value of the company. Of the 3 (three) variables above, the ROA variable (X1) has a significant positive effect. The ROE variable (X2) has a significant negative effect on the company's value and the EPS variable has a partial positive significant effect on the company's value.

F Test

The f test was carried out to find out how the influence of the three independent variables ROA, ROE, EPS on the dependent variable, namely the company value. The results of the f test can be seen in table 4.8.1 as follows:

Table 4.8.1 F Test Result

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	34,398	3	11,98	45,03	0,000b
Residual	8,774	36	0,252		
Total	43,272	39			

a. Dependent Variable: PBV

b. Predictors: (Constant), EPS, ROE, ROA

(Source: SPSS 23)

From the table above, the f test is explained as follows: The results of table 4.8.1 show a calculated f value of 11.98 and a significant value of 0.000. Looking at f a table with a significant value of 0.05 with df 1 (number of variables-1) $4 - 1 = 3$ with $df 2 = n - k - 1$ or $df 2 = 46 - 4 - 1 = 31$, the f value of the table is 2.765.

It can be seen that ROA, ROE and EPS have a significant value of 0.000 when viewed from this value more < 0.05 and the calculated f value of 45.03 is greater than 2.765. So the conclusion of this study is simultaneously ROA, ROE and EPS affect the value of the company. The conclusion of H_0 was rejected and H_a was accepted, which means that the three independent

variables namely ROA, ROE and EPS simultaneously have a significant effect on the dependent variable or the value of the company.

Determination Coefficient Test

The Determination Test annotated with R^2 is used to measure how far the variable X, namely ROA, ROE and EPS affects the variable Y or company value. The results of the coefficient of determination test can be seen in 4.9.1 as follows:

Tabel 4.9.1 Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,902a	0,782	0,778	0,502

a. Predictors: (Constant), EPS, ROE, ROA
b. Dependent Variable: PBV

(Source: SPSS 23)

Judging from the test results above in table 4.9.1, the Adjusted R Square value of 0.745 or 74.5% which means that the ROA, ROE and EPS variables affect the company value variable of 74.5% while the remaining 25.5% is influenced by other variables that are not studied in this study

Discussion

The Effect of Return on Asset on Company Value

The results of the t-test analysis in this study showed that the Return On Asset had a significant value of 0.218, this value was greater than 0.05 and the calculated t value was 1.256. Then H_0 is rejected and H_a is accepted with the conclusion that Return On Asset partially has an insignificant effect on the value of the company. This explains that the Return On Asset the amount of net profit obtained by the company when viewed from the level of assets does not guarantee this ratio shows the level of profitability of the company. The results of this study can be strengthened from the results of previous research, namely by (Rahayu, 2018), that partially the variable X1 ROA has a significant effect on variable Y, namely company value. Return On Asset is used by the company to measure how much the company's ability to make a profit using the assets used.

The Effect of Return on Equity on Company Value

The results of the t-test analysis in this study showed that the Return On Equity variable had a significant value of 0.628 greater than 0.05, and t counted -0.486. Then the hypothesis is rejected and the ROE has a significant effect on the variable value of the company. Return On Equity is used to measure a company's ability to generate net profit with capital or equity invested by shareholders. The results of this study are strengthened by previous research, namely by (Rachmania, 2016) stated that Return On equity has a significant effect partially on company value. Return On Equity is used to measure a company's ability to make a net profit with the company's own capital invested by the shareholder.

The Effect of Earnings Per Share on a Company's Value

The results of the t-test analysis showed that the total asset variable had a significant value of 0.049 less than 0.05 and a calculated t of 2.052. So the hypothesis is accepted which means that the variable X3 has a partial significant effect on the value of the company. EPS (Earnings per Share) or earnings per share is the level of net profit for each share that a company is able to achieve when carrying out its operations. Earning Per Share provides information to outside parties how far the company's ability to generate profit for each share outstanding in the market. Earnings per share or EPS is derived from the earnings available to holders of ordinary shares divided by the average number of ordinary shares outstanding. Earning Per Share is a comparison between net profit after tax in a financial year and the number of shares issued. The increase in Earnings Per Share means that the company is in the growth stage or its financial condition is experiencing an increase in sales and profits.

The Effect of Return on Asset, Return on Equity and Earnings Per Share on Company Value

From the results of the f test, it shows that the three independent variables, namely Return On Asset, Return On Equity and Earning Per Share have a significant value of 0.000 smaller than 0.05 with a calculated f value of 45.03 greater than the table f value of 2.765. So the hypothesis is accepted which means that simultaneously the three independent variables Return On Asset, Return On Equity and Earning Per Share simultaneously have a significant effect on Y the value of the company.

Conclusion

Based on the results of the above research, the conclusion can be made as follows : The variable return on assets (X1) has a significant value of 0.218 > 0.05, the conclusion of return on assets partially has no significant effect on the value of the company (Y). Then H0 is accepted and Ha is rejected. The return on equity (X2) variable has a significant value of 0.628 > 0.05, so it can be concluded that return on equity partially affects the value of the company (Y). Then H0 is accepted and Ha is rejected.

The variable earning per share (X3) has a significant value of 0.049 < 0.05 can be concluded that earning per share partially affects the value of the company (Y). Then H0 was rejected and Ha was accepted. The three independent variables namely return on assets, return on equity and earning per share on the f test have a significant value of 0.000 < 0.05 then concluded simultaneously the three variables affect the value of the company. Based on the results of the determination coefficient test, the adjust value of r square of 0.745, it can be explained that the three independent variables namely return on assets, return on equity and earning per share affect dependent variables or variable Y by 74.5%. The remaining 25.5% was affected by other variables not studied by the researchers.

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