

# ANALYSIS OF THE INFLUENCE OF FINANCIAL PERFORMANCE ON COMPANY VALUE IN THE COSMETIC AND HOUSEHOLD INDUSTRY IN 2015-2019

Fairuzita Mahdiya Putri<sup>1\*</sup>, Salamatum Asakdiyah<sup>2</sup>

Jurusan Magister Manajemen  
Fakultas Ekonomi Dan Bisnis Universitas Ahmad Dahlan  
Universitas Ahmad Dahlan – Kampus 2  
Jl. Pramuka No. 42, Pandeyan, Kec. Umbulharjo, Kota Yogyakarta, Daerah Istimewa Yogyakarta  
55161  
[mpfairuzita@gmail.com](mailto:mpfairuzita@gmail.com), [salamatum\\_2009@yahoo.com](mailto:salamatum_2009@yahoo.com)

## ABSTRACT

**Purpose:** This study aims to analyze the effect of financial performance which includes: Liquidity, Leverage, Profitability, and the three financial ratios on Company Value in the cosmetic and household industries listed on the Indonesia Stock Exchange for the period 2015 - 2019. **Methods:** The sample in this study is a company PT. . Unilever Indonesia, PT. Kino Indonesia, PT. Victoria Care Indonesia, PT. Martina Berto, PT. Mustika Ratu, PT. Cottonindo Arista, and PT. Mandom Indonesia is listed on the Indonesia Stock Exchange (IDX) for the period 2015 – 2019. **Analysis data:** The sampling technique used in this study was a saturated sample. to find out the description of the effect of financial performance on firm value. The data is obtained from financial reports published by the Indonesia Capital Market Directory (ICMD). The data analysis method used is Multiple Linear Regression Analysis, Multicollinearity Test, Heteroscedasticity Test, Autoceleration Test, F Test, T-Test, and the coefficient of determination using Hypothesis Testing ( Dependent Variable (Y) and Independent (X = X1, X2, X3) ). **Result and discussions:** In the analysis and discussion of this study, it shows the results of the data analysis. Descriptive analysis. From the results of the study, Liquidity has two or more data from the same population, this is indicated by the standard deviation value which is smaller than the average value. As for leverage and profitability, the average data value is larger. The results of the classical assumption test on the multicollinearity test show that multicollinearity is not detected. The heteroscedasticity test showed that there were no heteroscedasticity symptoms in the regression model. The autocorrelation test concluded that the data has a negative autocorrelation. However, to fix it, it is concluded that there is still a negative autocorrelation. From the results of the above analysis Regression Equation:  $Y = 0.035 + 0.043 x_1 - 0.001 x_2 + - 0.004 x_3 + e$ . T-test results show that all X has no effect on Y. F test results show that all X has an influence on Y. The coefficient of determination is known to have a coefficient of determination or R square 0, 183, or 18.3%. This figure means that all variables X simultaneously (together) affect variable Y. While the remaining 81.7% is influenced by other variables outside this regression equation or variables not examined. And from the discussion of all hypotheses, liquidity, leverage, profitability, and three have no effect on firm value.

**Conclusion:** The results of this study indicate that liquidity itself has no effect on firm value. This can be proven that the cash ratio should have increased significantly, which means that the company is able to manage its current assets to cover its current liabilities. Meanwhile, leverage and probability affect the value of the company.

**Keywords:** Liquidity, Leverage, Profitability and the three financial ratios, firm value, companies in the cosmetics and household industries, Indonesia Stock Exchange.

## INTRODUCTION

Work is all dynamic activities and has a purpose to meet certain needs (physical and spiritual) and in achieving these goals he strives with full sincerity to realize

optimal performance as evidence of his dedication to Allah SWT. Like Surah At-Taubah verse 105.

liquidity is the ability of a company to meet its obligations to pay its short-term

debts, namely; accounts payable, dividend payable, tax payable, and others. Leverage is the use of borrowed funds to increase the potential return on an investment. Profitability is the ability of a company to generate profits during a certain period at a certain level of sales, assets and share capital. Financial ratios in research are very important. Because, in each study will compare the effect of the three financial ratios on financial statements. As in this study, we will compare the effect of the three financial ratios on the financial statements of PT Unilever Indonesia from 2015 – 2019.

Here the value of the company used is the manufacture company. Which is distributed in the cosmetic and household industries. The following are the names of the companies, among others; PT Unilever Indonesia Tbk (IDX: UNVR), PT. Kino Indonesia Tbk (IDX: KINO), PT. Victoria Care Indonesia Tbk (IDX: VICI), PT. Martina Berto Tbk (IDX: MBTO), PT. Mustika Ratu Tbk (IDX: MRAT), PT. Cottonindo Ariesta Tbk (IDX: KPAS), and PT. Mandom Indonesia Tbk (IDX: TCID). The formulation of the problem sought in the study shows "Does liquidity, leverage, profitability and the three ratios have a significant effect on firm value?". The purpose of this study is to examine liquidity, leverage, profitability and the three ratios of the effect on firm value.

## LITERATURE REVIEW

The establishment of a company must have a clear goal. There are several things that state the purpose of the establishment of a company. The first objective is to achieve maximum profit. The second goal is to prosper the property of the company or the shareholders. While the third goal of the company is to maximize the value of the company which is reflected in its share price. The three goals of the company are actually not substantially different.

## HYPOTHESIS DEVELOPMENT

### 1. Liquidity (X1)

Liquidity in theory is positively related to firm value. The higher the liquidity, the higher the firm value and the lower the liquidity the lower the firm value.

**H1: Liquidity has a significant effect on firm value**

### 2. Leverage (X2)

Leverage in theory is negatively related to firm value. The higher the leverage, the lower the firm value and the lower the leverage, the higher the firm value.

**H2: Leverage has a significant effect on firm value**

### 3. Profitability (X3)

Profitability in theory is positively related to firm value. The higher the profitability, the higher the firm value and the lower the profitability, the lower the firm value.

**H3 : Profitability has a significant effect on firm value**

### 4. Liquidity, Leverage, and Profitability (X4)

Financial Ratios or Financial Ratios are a company's financial analysis tool to assess the performance of a company based on a comparison of financial data contained in the financial statements (balance sheet, profit/loss report, cash flow report). The ratio describes a relationship or balance (mathematical relationship) between a certain amount and another amount

**H4: Liquidity, Leverage, and Profitability Have A Significant Effect on Firm Value**

## RESEARCH METHODS

The population in this study are manufacturing companies listed on the IDX during the 2015-2019 period. The sampling or technique used in this study is a saturated sample. Saturated sampling is a sampling technique in which all members of the population are used as samples. This study used secondary data, with multiple linear regression.

And Independent variable (X). The sampling method used is the Manufacturing Sector companies on the Indonesia Stock Exchange which successively distribute

dividends during the 2015-2019 research period. The number of companies used is seven. Classical Assumption Test: Multicollinearity Test, Heteroscedasticity Test, and Autocorrelation Test. Regression Analysis Test: Regression Equation, F Test, T-Test, and Coefficient of Determination.

## DATA ANALYSIS AND DISCUSSION

### Descriptive Analysis

#### 1.1. Discretive Analysis Output Results

Descriptive Statistics

	N	Mini mum	Maxi mum	Mean	Std. Deviation
x1	35	-.25	.21	-.0754	.06883
x2	35	-.18	21.95	2.9236	6.05474
x3	35	-.09	3.67	.1183	.61947
Valid N (listwise)	35				

Variable	Hasil	Keterangan
Likuiditas ( X <sub>1</sub> )	Nilai min. = -0.25 Nilai maks. = 0,21	PT. Cottonindo Ariesta Tbk (IDX: KPAS) PT. Unilever Indonesia Tbk (IDX: UNVR)
Leverage ( X <sub>2</sub> )	Nilai min. = - 0.18 Nilai maks. = 21.95	PT. Kino Indonesia Tbk (IDX: KINO) PT. Unilever Indonesia Tbk (IDX: UNVR)
Profitabilitas ( X <sub>3</sub> )	Nilai min. = -0.09 Nilai maks. = 3.67	PT. Mustika Ratu Tbk (IDX: MRAT) PT. Unilever Indonesia Tbk (IDX: UNVR)

From the results of research Liquidity has two or more data from the same population, this is indicated by the standard deviation value which is smaller than the average value. As for leverage and profitability, the average data value is larger Classic assumption test

#### 1.2. Classical assumption test results

TEST	RESULT	RESULT
1. Multicollinearity test	B Error .023 .003 .003 .003 standard error value where all three are less than one. And the beta coefficient value is also less than one.	Std. .010 .093 .001 .011 No multicollinearity
2. Heteroscedasticity	Sig. .000 .332 .253 .436 the significance value of the three variables	No heteroscedasticity

	above is greater than 0.05	
3. Autocorrelation	<ul style="list-style-type: none"> <li>Durbin-Watson : 1.544</li> <li>nilai dl = 1,283 dan du = 1,653</li> <li>4-dl &lt; d = 2,717 &lt; 1,544</li> </ul> New test <ul style="list-style-type: none"> <li>Durbin-Watson : 1.092</li> <li>4-dl &lt; d = 2,717 &lt; 1,092</li> </ul>	Negative autocorrelation

### Multiple Linear Regression Analysis

#### 1.3. Multiple linear regression analysis results

TEST	RESULT	INFORMATION
1. Regression model	B .035 .043 -.001 -.004	Y = 0,023+ 0,003 x <sub>1</sub> + 0,003 x <sub>2</sub> + 0,003 x <sub>3</sub> + e
2. T-Test result	T hitung 7.138 .985 -1.164 -.789 T table 2,039513	<ul style="list-style-type: none"> <li>X<sub>1</sub> = 2,039513 &gt; 0,985</li> <li>X<sub>2</sub> = 2,039513 &gt; 1,164</li> <li>X<sub>3</sub> = 2,039513 &gt; 0,789</li> </ul> => X <sub>1</sub> , X <sub>2</sub> , and X <sub>3</sub> has no influence to Y
3. F-Test result	F 2.322 Sig. .094 b	<ul style="list-style-type: none"> <li>Uji f = 2,322 significance 0,094 &gt; 0,05 which means that all the results of the F test show that X1, X2, and X3 have an influence on Y.</li> </ul>
4. Determination coefficient	R square 0, 183 Or equal to 18,3 %.	This figure means that the variables X1, X2, and X3 simultaneously (together) have an effect on the Y variable. the rest (100% - 18.3% = 81.7%) is influenced by other variables outside this regression equation or variables not examined.

## DISCUSSION

### hypothesis analysis results

#### 1. Effect of Liquidity (X1) on Firm Value (Y)

The liquidity variable has a significant value of 0.972 > 0.05, it can be concluded that liquidity has no effect on firm value.

H1: Liquidity (X1) has no effect on Firm Value (Y)".

## 2. Effect of Leverage (X2) on Firm Value (Y)

The leverage variable has a significant value of  $0.035 > 0.05$ , it can be concluded that liquidity has no effect on firm value.

H2: Leverage (X2) has no effect on Firm Value (Y)".

## 3. Effect of Profitability (X3) on Firm Value (Y)

The liquidity variable has a significant value of  $0.759 > 0.05$ , it can be concluded that liquidity has no effect on firm value.

H3: No effect on Profitability (X3) on Firm Value (Y)".

## 4. Effect of Liquidity (X1), Leverage (X2), and Profitability (X3) on Firm Value (Y)

The liquidity variable has a significant value of  $2.752 > 0.05$ , it can be concluded that liquidity has no effect on firm value.

H4: Liquidity (X1), Leverage (X2), and Profitability (X3) have no effect on Firm Value (Y)".

## CONCLUSION

Based on the analysis and discussion of the effect of liquidity ratios, leverage and profitability on firm value, the following conclusions can be drawn:

1. The Liquidity Hypothesis shows no effect on firm value.
2. Leverage hypothesis shows no effect on firm value.
3. Profitability hypothesis shows no effect on firm value.

## REFERENCES

- Mahendra, Dj Alfredo.Sri Artini Luh Gede.Suarjaya A.A Gede. PENGARUH KINERJA KEUANGAN TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN MANUFAKTUR DI BURSA EFEK INDONESIA.Universitas Udayana
- Fenandar, Gany Ibrahim and Raharja, Surya (2012) PENGARUH KEPUTUSAN INVESTASI, KEPUTUSAN PENDANAAN, DAN

KEBIJAKAN DIVIDEN TERHADAP NILAI PERUSAHAAN. Undergraduate thesis, Fakultas Ekonomika dan Bisnis.

Azizah Luthfiana. PENGARUH SOLVABILITAS, PROFITABILITAS, DAN LIKUIDITAS TERHADAP NILAI PERUSAHAAN. Universitas Negeri Yogyakarta

Alfredo Mahendra,Dj Luh Gede Sri Artini, A.A Gede Suarjaya. PENGARUH KINERJA KEUANGAN TERHADAP NILAI PERUSAHAAN PADA PERUSAHAAN MANUFAKTUR DI BURSA EFEK INDONESIA.