



The Effect Of Dividend And Profitability Policy On Company Value At PT. Nippon Indosari Corpindo Tbk 2015-2024 Period

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ABSTRACT

This study aims to analyze the effect of Dividend Payout Ratio and Profitability (Return on Equity) on Company Value (Price to Book Value) at PT Nippon Indosari Corpindo Tbk for the period 2015-2024. The method used is quantitative descriptive with secondary data from the company's annual financial statements. Data analysis was carried out using SPSS version 29, including descriptive statistical tests, classical assumption tests, multiple linear regression analysis, hypothesis tests, and coefficient of determination tests. The results show that dividend policy has a negative and significant effect on company value, with $t_{count} > t_{table}$ or $-2.795 > 2.365$ and a significance value of $0.027 < 0.05$, while profitability has a positive and significant effect on company value, with $t_{count} > t_{table}$ or $4.647 > 2.365$ and a significance value of $0.002 < 0.05$. Simultaneously, both variables have a significant effect on company value with $F_{count} > F_{table}$ or $14.935 > 4.74$, and a significance value of $0.003 < 0.05$. The Adjusted R Square Determination Coefficient shows a 75.6% contribution of both variables to company value, while 24.4% is influenced by other factors not examined.

Keywords: Dividend Policy, Profitability, Firm Value

INTRODUCTION

Indonesia has a very large population, which continues to grow annually. This has led to increased consumer activity, reflecting evolving lifestyles and purchasing power. One sector that significantly contributes to supporting consumption needs is the food and beverage industry. In the second quarter of 2021, the food and beverage subsector contributed 6.6% to the national Gross Domestic Product (GDP) and 38.42% to the GDP of the non-oil and gas processing industry, making it the largest contributor compared to other subsectors (Ministry of Industry, 2021).

Company value is an important benchmark for investors to comprehensively assess a company's prospects and condition. This value is reflected in the stock price, which is influenced by both internal and external factors. One measure of company value is Price to Book Value (PBV), a ratio that compares the stock's market price to its book value. A PBV above 1 indicates positive market expectations regarding profitability prospects, while a PBV below 1 reflects a negative signal for investors (Suta et al., 2016 in Khoirunnisa et al., 2018).

Dividend policy is one factor influencing company value. The Dividend Payout Ratio (DPR) reflects the amount of net profit allocated as dividends. High dividend payments are generally a positive sign of a company's good financial performance (Sartono, 2016). Furthermore, profitability also influences company value because it reflects the extent to which a company is able to generate profits through optimal capital utilization. Return on Equity (ROE) is used as a proxy for profitability, indicating a company's effectiveness in generating net income from equity invested by shareholders (Kasmir, 2021).

Several previous studies have shown conflicting results. Prihadi Dwianggoro's (2022) study found that dividend policy had a significant positive effect on firm value, while Rizky Pranata and Taufik Awaludin's (2024) study found no significant effect. A similar finding is evident in profitability, where Khrystie Haryuning Marthen and Titiek Suwarti's (2023) study found a significant positive effect on firm value, while Eka, Jumawan Jasman, and Asriany's (2023) study found no significant effect. These discrepancies indicate a research gap that needs further examination.

PT Nippon Indosari Corpindo Tbk, the producer of Sari Roti branded bread, is a leading company in Indonesia's food and beverage sector. The company is resilient in the face of economic fluctuations and demonstrates dynamic financial performance in terms of net profit, dividends, equity, and share price. Therefore, this study was conducted to analyze the effect of dividend policy and profitability on the company's value at PT Nippon Indosari Corpindo Tbk for the period 2015-2024.

METHOD

The research method used in this study is descriptive quantitative. According to Sugiyono (2022), quantitative methods are research methods based on the philosophy of positivism, used to study specific populations or samples, with data collection using research instruments and quantitative or statistical data analysis to test established hypotheses. This study aims to analyze the effect of dividend policy and profitability on company value at PT Nippon Indosari Corpindo Tbk, thereby generating empirical evidence that can explain the relationship between research variables.

The research was conducted at PT Nippon Indosari Corpindo Tbk, located in West Cikarang, Bekasi, using data obtained from the company's annual financial reports for the 2015-2024 period. Additionally, information on year-end closing stock prices was also collected from the official website of the Indonesia Stock Exchange www.idx.co.id and the company's official website www.sariroti.com.

The operational variables in this study include dividend policy as measured by the Dividend Payout Ratio (DPR), profitability as measured by Return on Equity (ROE), and firm value as measured by Price to Book Value (PBV). The study population includes all annual financial reports of PT Nippon Indosari Corpindo Tbk listed on the IDX for the period 2015-2024, while the sample was determined using a purposive sampling technique according to established criteria.

Data collection techniques were conducted through documentation methods, by accessing financial reports and stock price data from official sources, as well as literature studies to strengthen the theoretical foundation. Data analysis was conducted using SPSS version 29 software, through several stages, namely descriptive statistical tests, classical assumption tests (normality, multicollinearity, heteroscedasticity, and autocorrelation), multiple linear regression analysis, and hypothesis testing using the t-test, F-test, and coefficient of determination (R^2).

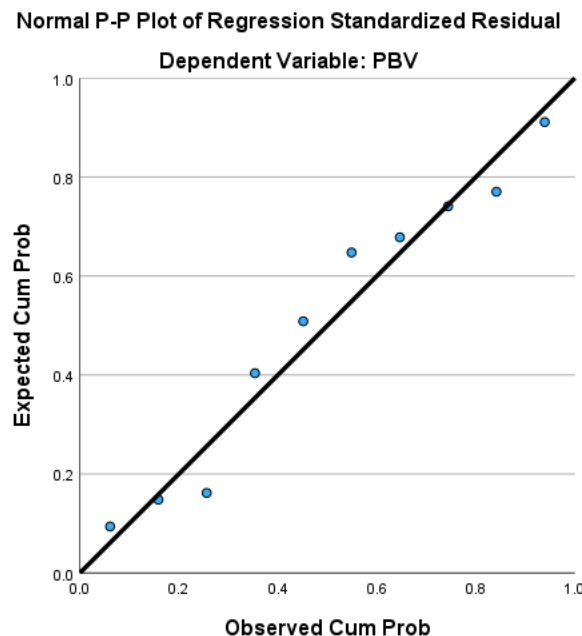
RESEARCH RESULT

A. Classical Assumption Test

The classical assumption test is the initial step before hypothesis testing through regression analysis, with the aim of ensuring that the regression model meets the necessary classical requirements. In this study, the classical assumption test includes normality, multicollinearity, heteroscedasticity, and autocorrelation.

1. Normality Test

According to Ghozali (2021: 196), the normality test aims to determine whether the confounding variables or residuals in a regression model have a normal distribution. This study tested for normality by examining histograms, normal p-plots, and using the one-sample Kolmogorov-Smirnov test with a significance value of 0.05 or 5%.



Source: Output SPSS Version 29, 2024

Figure 1. Histogram Graph of Normality Test Results

The graph shown in Figure 1 shows a symmetrical data distribution pattern clustered around the mean, resembling a bell-shaped curve. This pattern indicates that the data in this study are normally distributed.

Source: Output SPSS Version 29, 2024

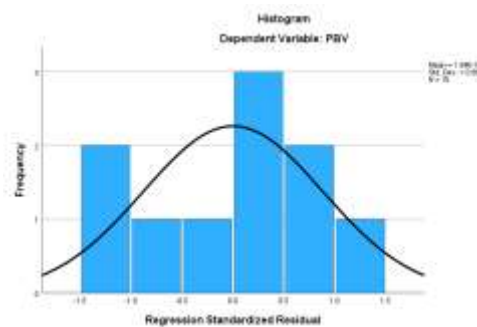


Figure 2 Graph of P-Plot Normality Test Results

The graph shown in Figure 2 shows that the data, symbolized by the dots, are spread out and follow a pattern consistent with the diagonal line. This result indicates that the research data has a normal distribution.

Table 1. One Sample Kolmogorov-Smirnov Results

One-Sample Kolmogorov-Smirnov Test			
			Unstandardized Residual
N			10
Normal Parameters ^{a,b}	Mean		.0000000
	Standard Deviation		.50865822
Most Extreme Differences	Absolute		.169
	Positive		.169
	Negative		-.166
Test Statistics			.169
Asymp. Sig. (2-tailed) ^c			.200 ^d
Monte Carlo Sig. (2-tailed) ^e	Sig.		.579
	99% Confidence Interval	Lower Bound	.566
		Upper Bound	.592

Source: Output SPSS Version 29, 2024

Based on the results of the One Sample Kolmogorov-Smirnov test in Table 1, with an Asymp. Sig. (2-tailed) value of 0.200, which exceeds the significance limit of 0.05, the residual data of this study is categorized as normally distributed.

2. Multicollinearity Test

According to Ghozali (2021: 157), the multicollinearity test is carried out to test whether there is a correlation or relationship between independent variables in the regression model. Multicollinearity can be seen from the tolerance value and the VIF (Variance Inflation Factor) value. Decision making is based on the following criteria:

- 1) If the tolerance value > 0.10 and the VIF value < 10 , then there is no multicollinearity between the independent variables in the regression model.

- 2) If the tolerance value is <0.10 and the VIF value is >10 , then there is multicollinearity between the independent variables in the regression.

Table 2
Multicollinearity Test Results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	DPR	1,000	1,000
	ROE	1,000	1,000

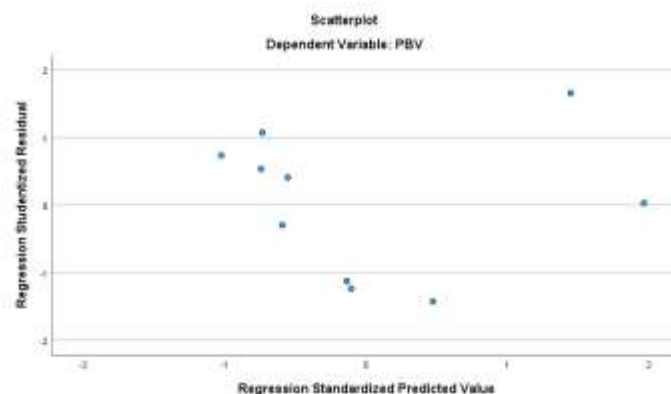
a. Dependent Variable: PBV

Source: Output SPSS Version 29, 2024

Based on the results of the multicollinearity test in Table 2 above, it shows that the DPR and ROE variables have a tolerance value of 1.000, while the Variance Inflation Factor (VIF) value for both is also 1.000. Because the tolerance exceeds the threshold of 0.10 and the VIF is below 10, it can be concluded that there are no symptoms of multicollinearity in the two independent variables in the regression model.

3. Heteroscedasticity Test

According to Ghozali (2021:178), the heteroscedasticity test aims to examine whether there is inequality in the variance of residuals from one observation to another in the regression model. To determine the presence or absence of heteroscedasticity in this study, a scatterplot graph was used between predicted values (ZPRED) and residuals (SRESID) and the Glejser test with a significance value of 0.05.



Source: Output SPSS Version 29, 2024

Figure 3 Heteroscedasticity Test Results (Scatterplot)

Based on Figure 3 above, the scatterplot graph shows that the data points are randomly distributed around 0, without forming any particular pattern. Therefore, the regression model can be said to be free from heteroscedasticity and suitable for use.

Table 3 Glejser Test Results

Coefficients ^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.240	.230		1,046	.330
	DPR	.001	.002	.176	.487	.641
	ROE	.010	.014	.242	.671	.524

a. Dependent Variable: ABRESID

Source: Output SPSS Version 29, 2024

Based on the Glejser test results in Table 3 above, the significance values obtained in the Glejser test were 0.641 for DPR and 0.524 for ROE. Considering that both values exceed the 0.05 significance level, it can be concluded that the regression model is free from heteroscedasticity.

4. Autocorrelation Test

According to Ghozali (2021: 162), the autocorrelation test aims to determine whether a linear regression model has a correlation between the residuals in period t and the residuals in the previous period ($t-1$). A good regression model is one that is free from autocorrelation. Autocorrelation arises because sequential observations over time are related to each other. In this study, the presence or absence of autocorrelation in the regression model was determined using the Durbin-Watson (DW) test.

Table 4
Autocorrelation Results (Durbin-Watson)

Model Summary					
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.900a	.810	.756	.57676	2,376

a. Predictors: (Constant), ROE, DPR

b. Dependent Variable: PBV

Source: Output SPSS Version 29, 2024

Based on the results of the Durbin-Watson test in table 5 above, it shows that the Durbin-Watson value obtained is 2.376. From the Durbin-Watson table with $n = 10$, $k = 2$ ($\alpha = 0.05$), the dL value is 0.6972 and the dU value is 1.6413. The calculation results show $dL = 0.6972$, $dU = 1.6413$, $4 - dU = 2.3587$, and $4 - dL = 3.3028$. Based on the tested criteria, the position of $d = 2.376$ is at $2.3587 < 2.376 < 3.3028$, so the test conclusion falls into the category of uncertainty zone (inconclusive) and the decision on the presence or absence of autocorrelation cannot be confirmed. To strengthen the analysis, an autocorrelation test was used with the Runs Test method.

Table 5. Autocorrelation Results (Run Test)

Runs Test	
	Unstandardized Residual
Test Valuea	.11521
Cases < Test Value	5
Cases >= Test Value	5

Total Cases	10
Number of Runs	7
Z	.335
Asymp. Sig. (2-tailed)	.737
a. Median	

Source: Output SPSS Version 29, 2024

Based on the results of the Runs Test in Table 6, the Asymp. Sig. (2-tailed) value is 0.737, which exceeds the 0.05 significance level. These results indicate that autocorrelation is not found in the regression model.

B. Multiple Linear Regression Analysis

According to Sugiyono (2022:258), "multiple linear regression analysis aims to predict the condition (rise and fall) of the dependent variable (criterion), if two or more independent variables as predictor factors are manipulated (their value is increased or decreased). Multiple linear regression analysis is used to determine the significance of two or more independent variables (X) on the dependent variable (Y). With the following formula: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$

Table 6. Multiple Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,362	.471		5,018	.002
	DPR	-.009	.003	-.460	-2,795	.027
	ROE	.137	.029	.765	4,647	.002
a. Dependent Variable: PBV						

Source: Output SPSS Version 29, 2024

Based on table 6 above, the results of the multiple linear regression equation are $Y = 2.362 - 0.009 X_1 + 0.137 X_2 + e$. The explanation of the multiple linear regression equation is as follows:

- The constant (α) is 2.362, indicating that when DPR and ROE are zero, the PBV is estimated to be 2.362.
- The regression coefficient of -0.009 indicates that DPR has a negative effect on PBV, where every 1 unit increase in DPR is estimated to reduce PBV by 0.009 assuming other variables remain constant.
- The regression coefficient of 0.137 indicates that ROE has a positive effect on PBV, where every 1 unit increase in ROE is estimated to increase PBV by 0.137 assuming other variables are constant.

C. Hypothesis Testing

1. Partial Test (t-Test)

According to Ghazali (2021: 148), the t-test is a statistical test used to assess the extent to which individual independent variables influence the content of the dependent variable. The decision-making criteria for the partial test in this study are:

- a. If $t \text{ count} > t \text{ table}$ and $\text{significance} < 0.05$, then H_0 is rejected and H_a is accepted, meaning that the independent variable has a significant effect on the dependent variable.
- b. If $t \text{ count} < t \text{ table}$ and $\text{significance} > 0.05$, then H_0 is accepted and H_a is rejected, meaning that the independent variable does not have a significant effect on the dependent variable.

Table 7. Partial Test Results (t-Test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2,362	.471		5,018	.002
	DPR	-.009	.003	-.460	-2,795	.027
	ROE	.137	.029	.765	4,647	.002

a. Dependent Variable: PBV

Source: Output SPSS Version 29, 2024

With a significance level (α) of 0.05, the degrees of freedom (df) are determined by the formula $t (\alpha/2; n - k - 1) = t (0.025; 7)$. Based on the t distribution table, the t table value is 2.365. Based on table 7, it is known that:

- a. Based on the partial test results, it is known that the DPR has a calculated t value $> t \text{ table}$, namely $-2.795 > 2.365$ and a significance value of $0.027 < 0.05$, which means H_{01} is rejected and H_{a1} is accepted. Therefore, the DPR has a negative and significant effect on PBV.
- b. Based on the partial test results, it is known that ROE has a calculated t value $> t \text{ table}$, namely $4.647 > 2.365$ and a significance value of $0.002 < 0.05$, which means it has an effect. Therefore, ROE has a positive and significant effect on PBV.

2. Simultaneous Test (F Test)

According to Ghozali (2021:148), the purpose of the F statistical test is to test whether the independent variables simultaneously influence the dependent variable. The decision-making criteria in the simultaneous test in this study are:

- a. If the calculated F value $> F \text{ table}$ and the significance value < 0.05 then H_0 is rejected and H_a is accepted, which means that the independent variables jointly influence the dependent variable.
- b. If the calculated F value $< F \text{ table}$ and the significance value > 0.05 then H_0 is accepted and H_a is rejected, which means that the independent variables together do not influence the dependent variable.

Table 8 Simultaneous Test Results (F Test)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	9,936	2	4,968	14,935	.003b
	Residual	2,329	7	.333		
	Total	12,265	9			

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

Source: Output SPSS Version 29, 2024

With a significance level (α) of 0.05, the degrees of freedom (df) for the numerator (N1) are obtained from $k - 1 = 3 - 1 = 2$, while the degrees of freedom for the denominator (N2) are obtained from $n - k = 10 - 3 = 7$. Based on the F distribution table, the Ftable value is 4.74..The simultaneous test results show that the calculated F value is $> F$ table, namely $14.935 > 4.74$ with a significance value of $0.003 < 0.05$, indicating an effect. Therefore, DPR and ROE have a significant simultaneous effect on PBV.

D. Coefficient of Determination Test (R2)

According to Ghozali (2021:147), the coefficient of determination test is conducted to measure the model's ability to explain variation in the dependent variable. An R^2 value approaching 1 or 100% indicates a very strong effect, while a value closer to 0 indicates a weaker effect.

Table 9
Coefficient of Determination Test (R2)

Model Summary				
Model	R	R Square	Adjusted R Square	Standard Error of the Estimate
1	.900a	.810	.756	.57676
a. Predictors: (Constant), ROE, DPR				
b. Dependent Variable: PBV				

Source: Output SPSS Version 29, 2024

Based on the results of the coefficient of determination test in table 9, The adjusted R-squared value is 0.756, or 75.6%. This means that 75.6% of the variation in Firm Value (PBV) can be explained by Dividend Policy (DPR) and Profitability (ROE), indicating a strong relationship. Meanwhile, the remaining 24.4% is influenced by factors outside the studied variables.

DISCUSSION

A. Influence Dividend Policy (X1) on Company Value (Y))

Based on the t-test results, Dividend Policy (DPR) was proven to have a negative and significant effect on Firm Value (PBV) at PT Nippon Indosari Corpindo Tbk for the 2015-2024 period. This is indicated by the calculated t value of -2.795, which is greater than the t table of 2.365, with a significance level of $0.027 < 0.05$. This finding is in line with research conducted by Susilowati et al. (2022) and Bahrhun et al. (2020), which both showed a negative and significant effect of Dividend Policy on Firm Value.

B. Influence Profitability (X2) on Company Value (Y)

Based on the t-test results, Profitability (ROE) was proven to have a positive and significant effect on Firm Value (PBV) at PT Nippon Indosari Corpindo Tbk for the 2015-2024 period. This is indicated by the calculated t value of 4.647, which is greater than the t table of 2.365, with a significance level of $0.002 < 0.05$. This

finding is consistent with research by Rusnaeni (2024) and Marthen and Suwarti (2023), which both found a positive and significant effect of ROE on PBV.

C. The Effect of Dividend Policy (X1) and Profitability (X2) on Company Value (Y)

Based on the F-test results, the Dividend Policy (DPR) and Profitability (ROE) variables simultaneously significantly influence the Firm Value (PBV) of PT Nippon Indosari Corpindo Tbk for the 2015-2024 period. This is indicated by the calculated F value of 14.935, which is greater than the F table of 4.74, with a significance level of $0.003 < 0.05$. This finding is in line with research by Oktavia et al. (2021) and Hastiningsih et al. (2024), which both found a significant influence of Dividend Policy and Profitability on Firm Value simultaneously.

CONCLUSION

Based on the results of data analysis and hypothesis testing conducted at PT Nippon Indosari Corpindo Tbk for the 2015-2024 period, the following conclusions were obtained regarding the influence of Dividend Policy and Profitability on Company Value:

1. The results of the partial test show that Dividend Policy, as measured by the Dividend Payout Ratio, has a negative and significant effect on Price to Book Value (PBV) as an indicator of Company Value.
2. The results of the partial test show that Profitability, as measured by Return on Equity, has a positive and significant influence on Price to Book Value as an indicator of Company Value.
3. The results of the simultaneous test show that Dividend Policy, as measured by the Dividend Payout Ratio, and Profitability as measured by Return on Equity, have a significant influence on Price to Book Value as an indicator of Company Value.

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