MARKET VALUE ADDED, EARNING PER SHARE AND DEBT TO EQUITY RATIO ON FIRM VALUE

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Abstract: The purpose of this research is to find out how the implementation of Market Value Added, Debt to Equity Ratio, and Earning Per Share simultaneously influences Firm Value. This research uses qualitative methods. The sample in this research uses financial reports from Consumer Non Cyclical companies listed on the Indonesia Stock Exchange (BEI) 2018-2022. The sampling technique in this research used purposive sampling. The research uses secondary data in this research through the library study data collection method. The instrument in this research uses a proportional scale. The research results show that Market Value Added to Firm Value has no effect and is not significant, Earning per Share on Firm Value has no effect and is not significant and Debt to Equity Ratio on Firm Value has a significant effect.

INTRODUCTION

Companies must compete to maintain their business because the development of increasingly modern Indonesian businesses requires management and company owners to make innovations or breakthroughs that are different and attractive to clients and potential clients. This means that companies are not only required to generate profits or financial benefits, they must also improve technology, improve the quality of human resources, improve product quality, and drive higher performance. Performance shows how much Good a company do activity its operations, including finance, marketing, fundraising, technology , and resources Power human . Performance is greatly influenced how much Good or bad activity operational a company (Bakhtiar, 2020) .

Company sector Consumer Non-cyclical is company primary consumers which are all public of course need product the For need daily life. Sector companies Consumer Non-Cyclical consists of from sub - sectors including that is food and beverage, food and staple retailing, nondurable household products and tobacco (Kesara et al ., 2023). Consumer Non

Cyclical Sector consists of from companies involved in production , distribution and provision services that are usually for sale to consumers and have strong independence or No affected by the decline economy (Khayati et al., 2022) . Sector companies goods these primary consumers consists of from some 113 sub sectors during 2022, such as 84 companies food and beverage, 13 companies food and staples retailing, 5 companies tobacco, and 11 companies non-durable household products

Average value proxy company with Tobins'Q Consumer Non Cyclical Sector in 2018 at 12.57%, in 2019 it fell to 2.01 % then in 2020 it fell again at 1.83 %. Year next there is an increase of 3.93 % then in 2022 there was decline at 3.5, thing This compared to backwards with price share from Consumer Non Cyclical. where in 2020 there was drop in price share but in the same year at a value Tobin's Q company occurs increase, while in 2021 to 2022 there will also be an increase decrease in price share but in the same year also at the value company happen increase matter This can become the gap phenomenon that will become discussion by researchers. Tendency decrease in average value company due to existence decline profit clean from each branch.

According to the Indonesia Stock Exchange (BEI), index share sector industry goods consumption decreased 19.16% Year to Date (YTD) to level 2,313, becoming sector share with decline deepest. In a week Lastly, sector This fell 4.79%, affected by the decline share big cap such as PT Unilever Indonesia Tbk (UNVR) fell 5.62%, PT HM Sampoerna Tbk (HMSP) fell 10.53%, PT Indofood CBP Sukses Makmur Tbk (ICBP) fell 3.92%, and PT Indofood Sukses Makmur Tbk (INDF) fell 4.15%. Tobin's Q value , on the other hand , measures the firm's connection between company market value with mark his assets (Sumarso et al ., 2024) . Evaluation related market value can use variable Market Value Added, because Market Value Added can measure mark add market. Market added value or Market Value Added is a method evaluation condition and performance a company from outside, count difference between market value of a share with mark book share the .

Connection between Market Value Added and Firm Value is Market Value Added (MVA) shows market performance of a company. Measurement This reflect how far the company capable manage the capital invested by investors, by price share as component main. The height the profit generated, then price share tend increased. Positive Market Value Added value show that company own good performance Because succeed increase mark on the capital invested by investors as well on the contrary.

Study related Market Value Added to mark company has done by many researcher among them is research (Budianto, 2023), (Bukit et al ., 2023), and (Agustina et al ., 2024) Research the produce Market Value Added influential to mark company. Research conducted by Sani and Irawan (2021) resulted in Market Value Added influential positive and significant to mark company, while research by sobahi et al, (2017) and saadu et al. (2020) showed results influence negative. Lalitha et al, (2020) explained that Market Value Added has an effect to mark Tobin's Q company and not significant related Market Value Added to Company reference value the taken in different countries, namely Indonesia and Nigeria. The research conducted by Heny Sianti and Vivi Cornailis (2018) with the research title About Influence Tax Aggressiveness On Firm Value With Profitability As Variables Moderation (Empirical Study of Manufacturing Companies in The Agricultural Sector Plantation Subsector at BEI) , the research results show that partially (t-test), Tax Aggressiveness does not influential towards Firm Value. While t-test results of moderation, Profitability No can to moderate influence Tax Aggressiveness on Firm Value.

Based on inconsistency results research and existing phenomena so study This aiming For knowing how to implement Market Value Added, Debt to Equity Ratio, and Earning Per Share influential in a way simultaneous on Firm Value.

LITERATURE REVIEW
Signaling Theory

Signaling theory to put forward about How should A company give signal to user report finance. Other opinions regarding theory signal is message sent from organization (management) to party outside (investors). Signals This can come true in various way, there is something that can observed in a way directly and also those who need it study more continued (Ghozali , 2021).

Financial statements

According to Siahaan (2022) , what is meant by financial reports is the result of the accounting process that can be used to convey financial data or activities of a company to parties interested in the data or activities. Thus, it can be concluded that financial reports function as a source of information about the performance and financial conditions of a company. Companies can use this information to make the right decisions.

Firm Values

Pambudi et al (2022) the company's value is also indicated by its stock price; if the stock price falls, the company's value decreases, thus impacting the decrease in profits received by shareholders; conversely, if the stock price rises, the company's value also rises, so that the company's value becomes important to shareholders. Firm Value , according to (Ayu & Novita, 2019) , defined as investor perception of level success a business . Firm Values usually associated with price stocks and profitability.

Market Value Added

Study Siregar et al ., (2022)) explains Market Value Added is comparison between all invested capital in company and values its market . Market value is the total value from all capital demands on companies in the capital market on the date certain. Market value also shows market choice about How successful manager has invest the capital that has been entrusted to him For increase it . Brigham & Houston (2019) define Market Value Added as difference between equity market value company with amount equity provided by investors.

Profitability

Profitability measure ability company in produce profit at level sales, assets, and share capital certain. With level high profitability means company will operating at the level cost low that finally will produce high profit (Rahmiyati et al ., 2022) . There are 4 ratios profitability used in study This that is return on assets, return on equity, net profit margin, and operating profit margin

Leverage

How much the size of a debt company can measured with ratio leverage (Agustami & Syahida, 2019) Ratio This can defined as amount assets funded company with funding from party outside . Research this, researcher use the leverage ratio is called Debt to Equity Ratio . Debt to Equity Ratio is the ratio that shows how much Far creditors to finance company (Maisaroh & Yando, 2020)

A. METHOD

Study This use qualitative method. The sample in this study used financial reports from Consumer Non Cyclical companies listed on the Indonesia Stock Exchange (IDX) 2018-2022 . The sampling technique in this study used purposive sampling . The research using secondary data in study This through method study data collection library . Instruments in nature study this , using scale proportional (Sugiyono , 2020). The data analysis technique in this study uses statistical analysis descriptive , classical assumption test, multiple linear regression analysis, hypothesis test, determination coefficient test.

B. **RESULTS AND DISCUSSION**

RESULTS

There are 113 companies in the Consumer Non Cyclical sector listed from 2018 to 2022, according to data collected by the Indonesia Stock Exchange at www.idx.co.id. In the study this, election purposive sampling was used, which means that criteria certain limited to the number of Sample used. 35 companies used, with year observation for 5 years, and a total of 175 samples used from 2018 to 2022.

Statistical Analysis Descriptive

The results of the descriptive statistical analysis show the number of N value data used in research , namely as many as 175 which are sample during 2018-2022 . The Market Value Added variable has the mean value is 2883.3 with minimum value 2460.0, value maximum 3361.00, and standard deviation of 212.91, the Earning Per Share variable has the mean value is 920.67 with minimum value -7.00, value maximum 1325.00, and standard deviation of 172.55 , the Debt to Equity Ratio variable own the mean value is 431.18 with minimum value 238.00, value maximum 770.00 and standard deviation of 105.30 , and the Tobin's Q variable has mean value of 262.19 with minimum value 44.00, value maximum 1838.00, and standard deviation amounting to 292.64

Multiple Linear Regression Test

Multiple regression test shows that the constant value (α) of the regression equation above is -3.011, so when the independent variable is 0, the dependent variable value will be -3.011 . The Market Value Added variable has a regression coefficient value of -0.025 , meaning it has a negative direction towards Tobin's Q. This shows that every increase in

Market Value Added by one unit causes Tobin's Q to decrease by -0.002, assuming the other variables are constant. . Variables Earning Per Share has a regression coefficient value of 0.003 , meaning it has a positive direction towards Tobin's Q. This shows that a one-unit increase in Earning Per Share will result in an increase of 0.003, assuming other variables are constant. Debt To Equity Ratio has a regression coefficient value of 0.642, meaning it has a positive direction towards Market Value Added . This shows that Debt to Equity Ratio income will cause Tobin's Q to increase by 0.642 assuming other variables are constant .

Hypothesis Testing

The results of partial hypothesis testing or t-test in this study can be seen as follows:

Table 1.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
MVA	(Constant)	-3,011	1,837		-1,639	,106
	MVA	-,025	,028	-,101	-,886	,379
	EPS	,003	,022	,015	,128	,898
	DER	,642	,198	,353	3,245	,002

a. Dependent Variable: Y

Source : Data processed 2024

Based on the table, the value significance from variable Market Value Added is 0.379 > 0.05 and t count is -886 < 1.974 , so partial Market Value Added No influential and not significant to Tobin's Q so that H1 is rejected , Significance value from variable Earning Per Share namely 0.898 > 0.05 and t count 0.128 < 1.974 Meaning in a way partial Earning Per Share no influential significant on Tobin's Q Firm Value so that H2 is rejected . The significance value from Debt to Equity Ratio variable is 0.002 < 0.05 and t count 3,245 > 1,974 Meaning in a way partial Debt to Equity Ratio is influential and significant on Tobin's Q Firm Value so that H3 is accepted .

DISCUSSION

The Influence of Market Value Added on Firm Value Tobin's Q

Based on testing hypothesis that has been done using SPSS version 20 in table 4.6, shows results mark significance of the Market Value Added variable that is of 0.379 > 0.05 while the calculated t -886 < 1.974. Research results This show me that Market Value

Added No influential and not significant against Tobin's Q so that hypothesis first (H1) is rejected. Tools for measure market performance of a company at the time certain is Market Value Added. Because the method This involving price share as component mainly, that can used as illustration how much big ability company For get capital from investors. In addition, the value market share is also measured For evaluate impact decision manager to riches holder shares, so mark additional market is difference between mark book and market value of a company at the time certain.

Therefore that, the use of variable Market Value Added as reference for potential investors who want to investing capital requires study more in depth. In addition, the results this also shows that Market Value Added No always in line with movement price shares, so that company with high MVA value precisely can experience decline price shares that will impact on the decline mark company. This provides better understanding in about performance company, so that holder share can make decision more investment informational and strategic. Research This in line with Hidayat et al (2023), Sunaryo (2024), Greetings. (2020), Nisa et al., (2021).

The Influence of Earning Per Share Added on Firm Value Tobin's Q

Based on testing hypothesis that has been done using SPSS version 20 in table 4.7, shows results mark significance from variable Earning Per Share namely 0.898 > 0.05 and t count 0.128 < 1.983 This means in a way partial Earning Per Share no influential and not significant on Tobin's Q Firm Value so that H2 is rejected. The increase or decline Earnings Per Share (EPS) does not always influential to mark company, as expressed by Subing and Susiani (2019). Research they show that investors are often more pay attention to capital gains and dividends as source income they, rather than only focuses on Earning Per Share. This is indicates that although can reflect performance company, no There is guarantee that improvement Earning Per Share will followed by an increase mark company.

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always experienced high stock returns. Although High Earning Per Share show potential good profit, thing This No as well as immediately contribute to value company.

The Influence of Debt to Equity Ratio Added on Firm Value Tobin's Q

Based on testing hypothesis that has been done using SPSS version 20 in table 4.8, shows results mark significance from variable Debt to Equity Ratio namely 0.002 > 0.05 and t count 3.216 < 1.983 This means in a way partial Debt to Equity Ratio No influential and not significant on Tobin's Q Firm Value so that H3 is rejected. How much the size of a debt company can measured with ratio leverage (Agustami and Syahida, 2019). Ratio This can defined as amount assets funded company with funding from party outside. Research this, researcher use the leverage ratio is called Debt to Equity Ratio. Debt to Equity Ratio (DER) is the ratio that shows how much Far creditors to finance company (Maisaroh and Yando, 2020).

The Influence of Market Value Added, Earning Per Share, Debt to Equity Ratio on Firm Value Tobin'sQ

Based on testing hypothesis that has been done using SPSS version 20 in table 4.9 shows that mark significance of 0.016 < 0.05 and F count of 14,684. F table obtained from calculation of 2.66 so that the calculated F > F table (3.678 > 2.66) then H4 is accepted, meaning Market Value Added (X1), Earning Per Share (X2), and Debt to Equity Ratio (X3) together or in a way simultaneous influential significant on Tobin's Q (Y) Firm Value.

The three variables the No only stand alone, but also mutually interact and contribute in a way collective in determine mark company. Market Value Added, as indicators that show mark added generated by the company, High Market Value Added show that company capable produce mark more from the invested capital, so that interesting Investor attention. Earning Per Share reflect profitability company, Debt to Equity Ratio, which measures proportion of debt to equity, also plays a role role important in evaluation risk finance company.

With Thus, the interaction between Market Value Added, Earning Per Share, and Debt to Equity Ratio create a more framework comprehensive For understand how investors assess mark company. In conclusion, the research This confirm importance consider third variable the in a way simultaneously in analysis mark companies, because each one provides significant contribution to decision investments taken by stakeholders interest.

Pratiwi et al., (2023) showed that the debt owned by the company is smaller than the total equity owned by the company so that if the company is in an undesirable or bad condition (bankrupt), the company will be able to pay off all the debts it has. Because in the calculation Debt to Equity Ratio measures total debt to total assets, where the more tall the ratio so the more the risks associated are also great with operational company. Low ratio debt also has a meaning only some, while meaning significant can interpreted that Debt to Equity Ratio as independent (free variables can affects the Firm Value where as dependent variable (bound). Research This in line with research by Jumiari et al., (2020), Deni and Yoga (2018), Abbas et al., (2024), Puspitarini & Fitria (2023), Putri & Sari (2020).

C. CONCLUSION

Market Value Added on the company's value has no effect and is not significant so that the first hypothesis is accepted, this occurs because the company has not succeeded in maximizing shareholder wealth, Earning per Share on Firm Value has no effect and is not significant so that H2 is rejected. This can occur because the company's management is less efficient so that investors consider the company's performance to be less good and cause the stock price to fall so that Earning Per Share on the company's value becomes insignificant and Debt to Equity Ratio on the company's value has a significant effect on the company's value so that H3 is accepted. Debt to Equity Ratio can increase mark company Because use optimal debt can increase financial leverage.

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