

## **ANALYSIS OF THE EFFECT OF FINANCIAL RATIO ON SHARE PRICE AT PT UNILEVER INDONESIA TBK PERIOD 2010-2021**

**Asep Sulaiman<sup>1</sup>, Listri Herlina<sup>2</sup>**

Universitas Indonesia Membangun<sup>1,2</sup>

asep.sulaiman@student.inaba.ac.id<sup>1</sup>, listri.herlina@inaba.ac.id<sup>2</sup>

### **ABSTRACT**

*PT Unilever Indonesia Tbk experienced problems with declining stock prices. Company performance is a factor that can cause a decline in stock prices. Whether a company's performance is good or not can be seen from financial ratios such as CR, DER, NPM, EPS and PER, where investors tend to invest funds in companies with good financial ratios. The research objective was to determine the effect of CR, DER, NPM, EPS and PER on stock prices at PT Unilever Indonesia Tbk for the 2010-2021 period. Quantitative research method with a descriptive verification approach. Secondary data sources in the form of annual financial report data and purposive sampling technique. data analysis techniques with descriptive analysis, regression, correlation, hypothesis testing both partially and simultaneously and analysis of the coefficient of determination, with the help of the SPSS v24 program. The results of the study show that in testing the hypothesis the results are: (1) CR has no significant effect on stock prices. (2) DER has a significant effect on stock prices. (3) NPM has a significant effect on stock prices. (4) EPS has a significant effect on stock prices. (5) PER has a significant effect on stock prices. (6) CR, DER, NPM, EPS and PER provide a simultaneous effect (together) on the stock price.*

**Keywords:** Current Ratio (CR), Debt to Equity Ratio (DER), Net Profit Margin (NPM), Earnings Per Share (EPS), Price Earning Ratio (PER), Stock Prices.

### **INTRODUCTION**

The industrial sector as one of the factors driving the wheels of the economy has a very important role in economic growth (Mahrizah & Amar, 2015). In carrying out business processes the industrial sector requires capital, capital requirements can be met from two sources, namely through internal sources and external sources.

Internal capital is capital obtained from the wealth of company owners, while external sources of capital are capital obtained from creditors and investors (Indriyani, 2017). To be able to get funds from investors, companies need to carry out a Go public policy, by conducting an IPO (Initial Public Offering), namely an initial public offering. The place that facilitates the share offering process is known as the

capital market (www.idx.co.id, 2022).

One of the companies listed on the capital market, PT Unilever Indonesia Tbk, experienced problems with its declining share price.

The decline in PT Unilever Indonesia Tbk's share price which occurred after reaching its highest price in 2017, then decreased again in last four years. The formation of share prices occurs due to the demand and supply of these shares. Demand and supply occur due to many factors, both specific to stocks (company performance and the industry in which the company operates) as well as macro factors such as interest rates, inflation, exchange rates and non-economic factors such as social and political conditions. and other factors (www.djkn.kemenkeu.go.id, 2022).

Company performance is a factor that can cause a decline in stock prices. Whether a company's performance is good or not can be seen from financial ratios such as Current Ratio (CR), Debt to Equity Ratio (DER), Net Profit Margin (NPM), Earnings Per Share (EPS), and Price Earning Ratio (PER), where investors tend to invest their funds in companies with good financial ratios (Mardiana & Wuryani, 2019) (Sudaryo et al., 2020, 2021).

**Table 1**

**CR, DER, NPM, EPS, PER PT Unilever**

**Indonesia Tbk. Periode 2010-2021**

**RASIO Tahun**

	<b>C</b>	<b>DE</b>	<b>NP</b>	<b>EP</b>	<b>PE</b>
	<b>R</b>	<b>R</b>	<b>M</b>	<b>S</b>	<b>R</b>
2010	0,8	1,15	17,	89	37,
	5		20		16
2011	0,6	1,85	17,	10	34,
	8		74	9	43
2012	0,6	2,02	17,	12	32,
	7		72	7	89
2013	0,6	1,99	17,	14	37,
	7		40	0	09
2014	0,7	2,11	16,	15	41,
	1		04	5	62
2015	0,6	2,26	15,	15	48,
	5		96	3	30
2016	0,6	2,56	15,	16	46,
	1		96	8	30
2017	0,6	2,65	17,	18	60,
	3		00	4	89
2018	0,7	1,58	21,	23	38,
	5		79	8	15
2019	0,6	2,91	17,	19	43,
	5		22	4	34
2020	0,6	3,16	16,	18	39,
	6		67	8	10

2021	0,6	3,41	14,	15	26,
	1		56	1	69

Based on Table 1, it can be seen that the Current Ratio (CR) during the 2010-2021 period is below a value of 1, which means that companies can have difficulty paying their debts on time to creditors (<https://investbro.id>, 2023). The Debt to Equity Ratio (DER) is above 1 or 100% which is the minimum value for a good ratio, the higher this ratio will show poor performance for the company (Budiman, 2018). The condition of the Net Profit Margin (NPM) in the last three years has been below 20% which is a good industry standard (Kasmir, 2016). The decline in Earning Per Share (EPS) in the last three years can have an impact on investor confidence, this is because an increase in Earning Per Share (EPS) indicates that the company has succeeded in increasing the level of prosperity of investors so that investors think that the company can also provide a large income per share. this will increase the level of investor confidence (Nurita, 2022). Price Earning Ratio (PER), is a ratio that describes market appreciation of a company's ability to generate profits. This ratio indicates the degree of investor confidence in the company's future performance. The higher the PER,

investors have more confidence in the company, so the stock price is getting more expensive (Lestari, 2022).

Careful, thorough analysis and supported by accurate data is needed to be able to choose a safe investment. Investors need information about which companies will provide profits or losses that can be seen from the factors that affect stock price movements. Based on the description above, the researcher decided to examine "The Influence of Current Ratio (CR), Debt to Equity Ratio (DER), Net Profit Margin (NPM), Earning Per Share (EPS), and Price Earning Ratio (PER) on PT Unilever's Share Price) Indonesia Tbk for the 2010-2021 period."

## LITERATURE REVIEW

### Current Ratio (CR)

Current Ratio (CR) is a ratio that measures a company's liquidity level which is calculated by dividing the company's current assets by current liabilities (Gitman, 2015).

### Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) is a ratio that measures the relative proportion of total liabilities to common equity used

to finance company assets. The higher this ratio, the greater the company's use of financial leverage (Gitman, 2015).

### **Net Profit Margin (NPM)**

The net profit margin (Net Profit Margin) measures the percentage of any sales value that remains after all costs and expenses, including interest, taxes and preferred stock dividends, have been deducted. The higher the company's net profit margin, the better (Gitman, 2015)

### **Earning Per Share (EPS)**

Earning Per Share (EPS) is the profit earned on each outstanding common share. A high level of Earning Per Share (EPS) value will be attractive to shareholders and prospective shareholders (Gitman, 2015).

### **Price Earning Ratio (PER)**

Price Earning Ratio (PER) is usually used to assess the owner's assessment of the value of shares. The Price Earning Ratio (PER) measures the amount investors are willing to pay for each dollar of a company's income. The level of this ratio shows the level of confidence that investors have in the company's performance in the future. The

higher the Price Earning Ratio (PER), the greater the investor's trust (Gitman, 2015).

### **Stock price**

The share price is the price that occurs in the capital market at a certain time and the share price is determined by the market mechanism. The high or low price of these shares is determined by the demand and supply of these shares in the market

### **METHOD**

This research uses the type of associative research. Associative research is research that aims to find out the relationship between two or more variables (Sugiyono, 2021).

A research instrument is a tool used to measure observed natural and social phenomena (Sugiyono, 2021). The research instrument used in this study is the company's annual report.

Population and Research Sample  
Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to study and then draw conclusions (Sugiyono, 2021). The

population in this study is the annual financial statements of PT Unilever Indonesia Tbk.

The multicollinearity test aims to test whether the regression model finds a correlation between the independent (independent) variables. A good regression model should not have a correlation between the independent variables. The way to detect whether there is multicollinearity is by paying attention to the Variance Inflation Factor (VIF) and tolerance numbers. The cut-off value that is commonly used to indicate the presence of multicollinearity is a tolerance value of less than 0.10 or equal to a VIF value of more than 0.10 (Ghozali, 2018).

The heteroscedasticity test aims to test whether in the regression model, there is an inequality of variance from the residuals of one observation to another. If the significance value is  $> 0.05$ , then the regression model does not have heteroscedasticity. If the residual variance from one observation to another observation remains, then it is called homoscedasticity and if it is different it is called heteroscedasticity. A good regression model is homoscedasticity or there is no heteroscedasticity. To test whether there is heteroscedasticity or not,

the Glejser test is used, which is to regress the residual absolute value of the variable independent. Heteroscedasticity does not occur if the significance value is  $> 0.05$ . Conversely, heteroscedasticity occurs if the significance value is  $< 0.05$  (Ghozali, 2018).

The autocorrelation test aims to test whether a linear regression model has a correlation between the confounding errors in period  $t$  (now) and period  $t-1$  (previous). A good regression model should not contain autocorrelation. The existence of autocorrelation will cause the confidence interval for the estimation results to widen so that the significance test becomes not strong (Ghozali, 2018). The autocorrelation test can be carried out through a Run Test, the basis for making a decision is if the Asymp.Sig (2-tailed) value is  $> 0.05$ , it can be concluded that there is no autocorrelation, and if the Asymp.Sig (2-tailed) value is  $< 0.05$ , it can be concluded that there is autocorrelation (Ghozali, 2018).

In this study, to find out how much influence the factors being studied, the authors used multiple linear regression and the processing was carried out using the SPSS for windows program. The formula for the multiple linear regression equation according to Sugiyono (2018) is:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \varepsilon$$

Description:

$Y$  = Dependent Variable Stock Price  $\alpha$  = Constant

$\beta_1 \beta_2 \beta_3 \beta_4 \beta_5$  = Regression coefficient of independent variable

$X_1$  = Current Ratio independent variable (CR)

$X_2$  = Debt to Equity Ratio (DER) independent variable

$X_3$  = Net Profit Margin independent variable

(NPM)

$X_4$  = Earning Per Share independent variable

(EPS)

$X_5$  = Price Earning Ratio (PER) independent variable

$\varepsilon$  = standard error/confounding variable

#### Correlation Coefficient Analysis

The correlation coefficient is the number of the strong relationship between two or more variables.

#### Coefficient of Determination

The coefficient of determination ( $R^2$ ) essentially measures how far the model's ability to explain the variation in the dependent variable. The value of the coefficient of determination is between 0 (zero) and 1 (one). A small  $R^2$  value means that the ability of the dependent variables is very limited. A value close to one means that the independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2018).

#### Partial Test (t test)

The t test is used to test the significant level of intermediate effect independent variable with dependent variable. If the significant level used is 5%, in other words, if  $\text{sig} < 0.05$  then it is declared significant, and vice versa (Ghozali, 2018).

#### Simultaneous Test (Test F)

The F test shows whether all the independent variables included in the model have a joint effect on the dependent variable. If the significance value of  $F < 0.05$  then  $H_a$  is accepted, which states that all independent variables simultaneously and significantly affect the dependent variable, and vice versa (Ghozali, 2018).

## RESULT AND DISCUSSION

Normality Test it is known that the Monte Carlo probability value is 0.250 or 2.5%. This probability value is greater than  $\alpha$

= 0.05 or 5%. Thus the residuals are stated to be normally distributed at a significant level ( $\alpha$ ) = 5%.

Multicollinearity Test, the tolerance value of the independent variable > 0.1 and the VIF value < 10. It can be concluded that there are no symptoms of multicollinearity in the regression model.

Heteroscedasticity Test, the significance value of the variable CR (X1) is 0.492, DER (X2) is 0.263, NPM (X3) is 0.846, EPS (X4) is 0.798 and PER (X5) is 0.680, all results are greater than 0.05, so that it can be concluded that there is no heteroscedasticity.

### The Effect of CR on Stock Prices

Increasing or decreasing CR has no effect on stock prices. This is estimated because investors consider the CR value to be high does not mean the company is performing well. Because it could be due to the high inventory value. A high inventory value will lead to low company profits and ultimately unable to provide the expected

return. Thus, CR is not used by investors in considering making an investment. The results of this study support previous research conducted by Mufidah (2022) which stated that there was no significant effect of CR on stock prices, but this is different from the research conducted by Samosir, et al. (2019) stated that CR has a significant effect on stock prices.

### Effect of DER on Stock Prices

Increases and decreases in DER affect stock prices, this is because DER is a ratio that compares the amount of debt and equity. This ratio is often used by analysts and investors to see how much a company's debt is compared to the equity owned by the company. This will be a consideration whether investors want to invest or not, which will affect stock prices. The results of this study support the research that has been conducted by Nurhandayani & Nurismalatri (2022) stating that there is a significant effect of DER on stock prices but it is different from the research conducted by Leonatan & Yuniur (2021) which states that DER has no effect on stock prices.

### The Effect of NPM on Stock Prices

Increases and decreases in NPM affect stock prices, this is because when a company's NPM is high, the company's investment returns will be high, so that investors will be interested in buying these shares, which will have an impact on stocks that will increase. The results of this study support the research that has been conducted by Imansyah & Mustafa (2021) stating that there is a significant effect of NPM on stock prices but it is different from the research conducted by Wulandari, et al. (2020) stated that NPM has no effect on stock prices.

#### The Effect of EPS on Stock Prices

Increases and decreases in EPS affect stock prices, this is because if the company's EPS increases, this indicates that the company continues to develop and grow. The greater the EPS, the better the company's ability to earn profits for each share. This will make investors interested in buying company shares, which will result in an increase in share prices. The results of this study support the research conducted by Risanti & Murwanti (2022) which states that there is a significant effect of EPS on stock prices, but this is different from the research conducted by Siregar, et al. (2021) states that EPS has no effect on stock prices.

#### The Effect of PER on Stock Prices

Increases and decreases in PER affect stock prices, this is due to PER shows the ratio of stock prices to earnings. This ratio shows how much investors assess the price of the stock against the multiple of earnings. A high PER indicates that investors are willing to pay a premium share price or a price above the market price. PER is a ratio that measures the level of stock prices based on profits from each sheet. The high or low of this ratio will have an impact on the high or low of stock prices. The results of this study support the research that has been conducted by Rahmawati & Hadian (2022);(Ardillah & Herlinawati, 2024); (Indah & Rahyuda, 2017); (Meilani et al., 2023; Ristiya et al., 2024) stating that there is a significant effect of PER on stock prices but it is different from the research conducted by Pitaloka, et al. (2022) stated that PER has no effect on stock prices.

#### The Influence of CR, DER, NPM, EPS and PER on Stock Prices

The results of the hypothesis test show that CR, DER, NPM, EPS and PER jointly (simultaneously) have a significant effect on the stock price of PT Unilever Indonesia Tbk. This means that together the variables CR, DER, NPM, EPS and PER can be used

as an accurate stock price estimation tool. The results of this study are in accordance with research conducted by Imansyah & Mustafa (2021) which stated that the CR, NPM, ROE and DY variables simultaneously affect stock prices. Then research by Rahmawati & Hadian (2022) stated that simultaneously DER, EPS, and PER affect stock prices.

## CONCLUSION

Based on the results of the research and discussion, the following conclusions can be drawn:

- a. There is no effect of CR on PT Unilever Indonesia Tbk's share price for the 2010-2021 period.
- b. There is an influence of DER on PT Unilever Indonesia Tbk's share price for the 2010-2021 period.
- c. There is an influence of NPM on PT Unilever Indonesia Tbk's share price for the 2010-2021 period.
- d. There is an influence of EPS on PT Unilever Indonesia Tbk's share price for the 2010-2021 period.
- e. There is an influence of PER on PT Unilever Indonesia Tbk's share price for the 2010-2021 period.
- f. There is an Influence of CR, DER, NPM, EPS and PER on the Share

Price of PT Unilever Indonesia Tbk for the 2010-2021 period

## REFERENCES

- Ardillah, N., & Herlinawati, E. (2024). Analisis Current Ratio (Cr), Debt To Equity Ratio (Der) Dan Earnings Per Share (Eps) Terhadap Harga Saham Pt Waskita Karya Tbk Periode 2015-2023. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 8(2), 1824–1842.  
<https://doi.org/10.31955/mea.v8i2.4246>
- Budiman, R. (2018). *Rahasia Analisis Fundamental Saham*. Jakarta: Elek Media Komputindo.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Semarang: Badan Penerbit Universitas Diponegoro.
- Gitman, L.J. (2015). *Principles of Management Finance 12th Edition*. Boston: Pearson Education, Inc.
- Imansyah, S., & Mustafa, M. H. (2021). The analysis of financial ratios effect on the stock price of consumer goods sector companies listed in Kompas100 index. *Dinasti International Journal of Digital Business Management*, 2(2), 371-384.
- Indriyani, E. (2017). Pengaruh ukuran perusahaan dan profitabilitas terhadap nilai perusahaan. *Akuntabilitas: Jurnal Ilmu Akuntansi*, 10(2), 333-348.

- Indah, C. I., & Rahyuda, H. (2017). Pengaruh Der, Roa, Per Dan Eva Terhadap Return Saham Pada Perusahaan Food and Beverage Di Bei. *E-Jurnal Manajemen Unud*, 5(3), 1429–1456. file:///D:/Data/INABA/Penelitian/8. Kinerja Keuangan/Jurnal/31. Pengaruh DER, ROA, PER dan EVA Terhadap Return Saham pada Perusahaan Food And Beverage di BEI.pdf
- Jogiyanto, H. (2017). *Teori Portofolio dan Analisis Investasi Edisi Kesebelas*. Yogyakarta: BPFE.
- Kasmir. (2019). *Analisis Laporan Keuangan. Edisi Pertama. Cetakan Kedua belas*. Jakarta: PT Raja Grafindo Persada.
- Leonatan, J., & Yuniar, K. (2021). Pengaruh ROE, DER, DAN NPM Terhadap Harga Saham Sektor Consumer Goods Di BEI Periode 2015-2019. *Warta Dharmawangsa*, 15(3), 320-330.
- Lestari, D. F. (2022). Pengaruh Earning Per Share (EPS), Price Earning Ratio (PER) Price To Book Value (PBV) Dan Net Profit Margin (NPM) Terhadap Deviden Payout Ratio (DPR). *Jekp (Jurnal Ekonomi Dan Keuangan Publik)*, 9(1), 1-11.
- Mardiana, I. A., & Wuryani, E. (2019). Pengaruh kinerja lingkungan terhadap nilai perusahaan dengan profitabilitas sebagai variabel pemoderasi. *AKUNESA: Jurnal Akuntansi Unesa*, 8(1), 1-7.
- Meilani, H. S., Suryaningprang, A., Sudaryo, Y., Herlinawati, E., & Siddiq, A. M. (2023). Pengaruh Earning Per Share Dan Return on Asset Terhadap Harga Saham. Fair Value : Jurnal Ilmiah Akuntansi Dan Keuangan, 5(10), 3534–3543. file:///C:/Users/Windows 10/Downloads/727-Article Text-1861-1-10-20210629-1.pdf
- Mufidah, E. N., & Pratiwi, A. (2022). The Effect Of Earnings Per Share (EPS), Current Ratio (CR), And Return On Equity (ROE) On Pt Unilever Indonesia Tbk's Stock Price. *INVOICE: Jurnal Ilmu Akuntansi*, 4(2), 248-259.
- Nurhandayani, E., & Nurismalatri, N. (2021). Pengaruh CR, DER, Dan ROA Terhadap Harga Saham Pt Unilever Indonesia Tbk Periode 2006-2020. *Jurnal Arastirma*, 2(1), 48-61.
- Nurita, E. (2022). Pengaruh Return on Asset (ROA) dan Earning Per Share (EPS) Terhadap Harga Saham Pada PT Indofood Sukses Makmur Tbk Periode 2011-2020. *Jurnal EMT KITA*, 6(2), 227-234.
- Pitaloka, A. A. I. R. M., Sunarsih, N. M., & Munidewi, I. B. (2022). Pengaruh Return On Equity, Price Earning Ratio, Net Profit Margin, Earning Per Share Dan Dividend Yield Terhadap Harga Saham Pada Perusahaan Manufaktur Sektor Consumer Goods Yang Terdaftar Di Bursa Efek Indonesia Tahun 2018- 2020. *Kumpulan Hasil Riset Mahasiswa Akuntansi (Kharisma)*, 4(2), 449-457.
- Rahmawati, Y., & Hadian, H. N. (2022). The influence of debt equity ratio (DER), earning per share (EPS), and price earning ratio (PER) on stock price. *International Journal*

- of Financial, Accounting, and Management, 3(4), 289-300.
- Risanti, K. A., & Murwanti, S. (2022). The Effect Of Return On Asset (RoA), Return On Equity (RoE), Net Profit Margin (NPM), And Earnings Per Share (EPS) On Stock Price (Case Study In The Industry Company Sector Of Consumer Goods Listed On The Indonesia Stock Exchange Period 2018-2020). *Jurnal Pendidikan Tambusai*, 6(2), 10708-10717.
- Ristiya, R., Suryaningprang, A., Herlinawati, E., Sudaryo, Y., & Supiyadi, D. (2024). Pengaruh Current Ratio (CR), Debt to Equity Ratio (DER), Earning Per Share (EPS) dan Price Earning Ratio (PER) Terhadap Harga Saham. *Jurnal Ekonomi Bisnis, Manajemen Dan Akuntansi (JEBMA)*, 4(1), 278–290.  
<https://doi.org/10.47709/jebma.v4i1.3622>
- Kebijakan Dividen terhadap Harga Saham pada Perusahaan Consumer Goods Yang Terdaftar Di Bursa Efek Indonesia (BEI) Pada Periode 2013- 2017. *Owner: Riset dan Jurnal Akuntansi*, 3(2), 15-20.
- Siregar, Q. R., Nuraisah, N., & Simatupang, J. (2021, November). Pengaruh Return On Assets, Debt To Equity Ratio, Dan Earning Per Share Terhadap Harga Saham Pada Perusahaan Aneka Industri Yang Terdaftar Di Bursa Efek Indonesia Periode 2018-2020. In *Prosiding Seminar Nasional Kewirausahaan (Vol. 2, No. 1, pp. 1008-1018)*.
- Sudaryo, Y., Devi, W. S. G. R., Purnamasari, D., Kusumawardani, A., & Hadiana, A. (2021). Pengaruh Current Ratio (CR) Debt To Equity Ratio (DER) Dan Net Profit Margin (NPM) Terhadap Financial Distress (Pada Perusahaan Jasa Sub Sektor Perhotelan, Restoran Dan Pariwisata Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2016-2020). *Ekonam: Jurnal Ekonomi, Akuntansi & Manajemen*, 3(1), 12–22.  
<https://doi.org/10.37577/ekonam.v3i1.318>
- Sudaryo, Y., Purnamasari, D., Sofiati, N. A., & Hadiana, A. (2020). Pengaruh Likuiditas, Profitabilitas, Leverage, Ukuran Perusahaan Dan Tingkat Suku Bunga Terhadap Kondisi Financial Distress Pada 12 Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia (Periode 2012-2018). *Ekonam: Jurnal Ekonomi, Akuntansi & Manajemen*, 1(2), 87–100.  
<https://doi.org/10.37577/ekonam.v1i2.214>
- Sugiyono. (2021). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: CV Alfabeta.
- Wulandari, B., Daeli, I. J., Bukit, I. K. B., & Sibarani, W. N. S. (2020). Pengaruh ROE, CR, TATO, NPM Terhadap Harga Saham Pada Perusahaan Manufaktur Sub Customer Goods yang Terdaftar di Bursa Efek Indonesia. *Owner: Riset dan Jurnal Akuntansi*, 4(1), 114-126.