



The Influence of Net Profit Margin and Debt to Equity Ratio on Company Value in the Cement Sub-Sector on the Indonesian Stock Exchange

Asep Saepudin*¹, Lucky Radi Rinandiyana

Universitas Langlangbuana, Indonesia*¹, Universitas Siliwangi, Indonesia²

Asep66a@gmail.com*¹, luckyradi@unsil.ac.id²

Abstract: Increasing the value of the company is an achievement, that is following the wishes of the owners because as the value of the company increases, the welfare of the owners will also increase. This research aims to analyze and test how much influence Net Profit Margin (NPM) and Debt to debt-to-equity ratio (DER) have on Company Value. This research uses secondary data presented on IDX. The sample used in this research is the Cement Sub Sector Companies Listed on the Indonesia Stock Exchange for the 2018-2022 Period which are listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. The analytical method used is multiple linear analysis. The research results show that Net Profit Margin (NPM) partially has a negative effect on Company Value. Meanwhile, Debt to Equity Ratio (DER) has a positive effect on Company Value. Simultaneously Net Profit Margin (NPM) and Debt to debt-to-equity ratio (DER) have a significant effect on Company Value. This is because several other indicators influence Company Value.

Keywords: Company Value; Debt to Equity Ratio (DER); Net Profit Margin (NPM)

INTRODUCTION

The development of the cement industry in Indonesia continues to increase. The cement industry is one of the industries that is very important in supporting the development of a country. The high and low levels of cement consumption indicate the high and low levels of infrastructure development in a country. Cement is the main component in infrastructure development, such as buildings, toll roads, ports, airports, bridges, and various other infrastructure.

The cement industry is one of the manufacturing industries in Indonesia that has developed rapidly because it has played a very important role in development in recent years. This is because cement is a basic requirement in the construction of facilities and infrastructure ranging from the construction of roads, bridges, and housing, to high-rise buildings (kemenperin.go.id, 2020).

According to Kemenperin.go.id (2020) The condition of the COVID-19 pandemic, the cement industry is one of the many industries experiencing contraction. The COVID-19 pandemic has resulted in delays in the construction of infrastructure projects which has resulted in reduced market demand and resulted in companies experiencing oversupply. The cement industry is highly dependent on other sectors such as the infrastructure, construction, and property sectors. These three supporting sectors experienced contraction, which had an impact on the cement industry

The cement sub-sector is a branch of manufacturing companies in the basic industrial and chemical sectors listed on the Indonesia Stock Exchange (BEI). In the cement industry, there are 6 issuers, namely PT Semen Indonesia Tbk (SMGR), PT Semen Baturaja Tbk (SMBR), PT Holcim Indonesia Tbk (SMCB), PT Indocement Tunggul Prakasa Tbk (INTP), PT Waskita Belton Precast Tbk (WSBP) and PT Wijaya Karya Beton Tbk (WTON). Below is a table containing the Net Profit Margin (NPM), Debt to Equity Ratio, and Company Value of the average company for several cement sub-sector companies from 2018-2022.



Table 1. Data on Net Profit Margin (NPM), Debt To Equity Ratio, and Company Value from the Average of Several Sub-Sector Companies Cement from 2018-2022

No	Year	Net Profit Margin (NPM) %	Debt To Equity Ratio (DER) x	Purchasing Value/Price to Book Value (PBV) x
1	2018	18.02	1,92	0,149
2	2019	20.13	2,23	2.16
3	2020	-14.4	1.20	0,10
4	2021	-0,78	2,43	0,09
5	2022	-0,015	0,96	1.12

Source: Processed data (2023)

It is known from Table 1.1 that the condition of Net Profit Margin (NPM) has increased from 2018 with a value of 18.2% to 2019 with a value of 20.13%, but after that, it experienced a very significant decline in 2020 which reached -14.4%. After a very drastic decline, NPM in the cement sub-sector rose again in 2021 with a figure of -0.78%, and in 2022 it reached -0.015%. Looking at this data, companies in the cement sub-sector need to improve their income so that it does not go into minus like the past 3 years.

The movement of the Debt To debt-to-equity ratio (DER) seems to fluctuate from year to year. In 2018 it touched 1.92, which means that cement sub-sector companies look safe, but in 2019 it touched 2.23, which means the company's financial condition is vulnerable. In 2020, the financial condition of cement sub-sector companies returned to safety because it touched 1.20 and returned to a vulnerable state in 2021 because it again touched 2.43. In 2022, the financial condition of cement sub-sector companies achieved very good performance because it reached 0.96, which means healthy financial conditions.

Price Value Book (PBV) movements tend to vary from year to year. In 2018 it touched 2.95 and in 2019 it touched 2.16, while in 2020 it touched 1.90, in 2021 it touched 1.74 and in 2022 it touched 1.12. The lower the PBV value, the better, so judging from the data above, PBV in cement sub-sector companies looks good, but when the PBV value is too low, it must be confirmed again because it could be that the company is experiencing internal problems.

Based on existing data, Indonesia's cement production capacity is estimated to reach 115 million tons per year in 2020. This capacity is up 1.9 percent compared to the previous year. Meanwhile, demand decreased by 62 million tons or 10.7 percent. Over the last ten years, Indonesia's cement production capacity has been greater than demand. In *Republika.co.id* (2020), The COVID-19 pandemic has caused many infrastructure projects to be postponed or temporarily stopped. This also has an impact on cement demand at PT. Semen Indonesia, Tbk. with company code SIG throughout the first semester of 2020.

Demand for SIG cement has fallen drastically by 7.7 percent in the first half of this year. Even until the end of July, the decline in demand had reached 8.8 percent. Based on data from the Indonesian Cement Association (ASI), demand for cement has fallen drastically and the decline in people's purchasing power in line with the decline in economic conditions due to the COVID-19 pandemic has resulted in cement industry sales declining. Apart from that, most property and infrastructure projects, both those developed by the Government and the private sector, have experienced slowdowns or even delays. In detail, domestic cement sales in 2020 were recorded at 62.5 million tons in 2020, down 10.7% compared to 2019 which was 69.9 million tons. Meanwhile,



cement exports in the last 3 years amounted to 9.3 million tons. The amount increased by 47.62% from 2019 which amounted to 6.3 million tons (katadata.co.id in 2021).

According to *Ekonomi.bisnis.com* (2022), domestic cement consumption in 2021 was recorded to grow by 5.9 percent. Even so, cement consumption last year is said to have not recovered to levels before the Covid-19 pandemic. The Indonesian Cement Association (ASI) noted that domestic cement consumption last year reached 66.21 million tons, up from 2020 which was 62.50 million tons. Meanwhile, the 2021 consumption figure is still below the 2019 achievement of 69.99 million tons.

Investors who are interested in the continuation strategy always see the value of the turnover strategy. According to Harmono, (2014) explains that "The value of shares can be considered to be superior to the value of share prices in the market based on their real "The price of the bankruptcy shares in the market, reflects the reflection of the assessment by the public on real performance of the bankruptcy". This recurrence value can influence investors' turnover, this is because the maturity value often reflects the stability of profitability and the level of the risks faced by the problem.

The investment value is a value that represents some of the prices that will be paid by the final investor of the company. The investment value is a very important thing for the investment company because, with the increase in the investment value, the share price which reflects the success of investors will also increase. Apart from that, if there is an increase in the value of the business, the public or prospective investors will have confidence in the performance of the company and also in the future of the company's growth in the future.

The value of the company reflects the assets owned by the business. The value of a company can be assessed through the increase and stability of share prices over a long period (Anggara et al., 2019). The investment value is important in the investment strategy because it reflects the origin of the company's profitability and influences the investor's perception. By maintaining the value of the business, investors and potential investors will view the business well, and vice versa. A high stockholder value is the desire of stockholders because a high stockholder value promotes high stockholder wealth (Irawan & Kusuma, 2019).

Several cement companies experienced a decline in share prices. Based on news reported by *cncindonesia.com* on March 14, 2020, in 2 years SMBR's shares fell by 90%. The fall in SMBR shares began to be seen in 2018, plus throughout 2019 it fell sharply by 74.85%. Even though at the end of trading in 2018, SMBR's share price was still strong at the level of IDR 1,750 per share. However, at the end of trading in December 2019, SMBR shares were helpless at the level of IDR 440 per share. Apart from the company-coded SMBR, PT Semen Indonesia Tbk (SMGR) and PT Indocement Tunggal Prakarsa Tbk (INTP) also experienced a sharp decline in share prices of 5.4% and 9.3% respectively.

In *bareksa.com* (2018) Semen Indonesia's performance is still unsatisfactory. The revenue of this state-owned cement issuer was recorded as increasing slightly by 6.4 percent to IDR 27.8 trillion from IDR 26.1 trillion in 2016. This was also exacerbated by an increase in the cost of goods sold by 21.9 percent to IDR 19.8 trillion. This increase in expenses immediately caused Semen Indonesia's gross profit to fall 19.2 percent to IDR 7.9 trillion and Semen Indonesia's net profit also fell drastically by 55.4 percent to IDR 2 trillion from IDR 4.5 trillion in 2016. Along with this decline, SMGR's basic earnings per share also fell to IDR 340 per share from IDR 762 per share in 2016. In detail, Semen Indonesia's largest market share throughout 2017 was from the domestic market, namely 93 percent, and the rest from the export market.

Semen Indonesia's domestic sales volume in 2017 only increased by 5.5 percent to 27.1 million tons from 25.7 million tons in 2016. Meanwhile, the sales volume of 5



cements to the export market rose significantly by 212 percent to 1.8 million tons. For information, SMGR share price movements have also shown a decline since the end of last February. Until the midday trading break today, March 19, 2018, SMGR's share price remained at the price level of IDR 10,525 per share. In the last month, SMGR's share price has fallen 10 percent from IDR 11,700 on February 19, 2018. According to economy.okezone.com (2021), throughout 2020, cement issuer PT Semen Baturaja Tbk (SMBR) recorded sales worth IDR 1.72 trillion. This realization decreased by 13.88% compared to the achievement in 2019 of IDR 1.99 trillion. Furthermore, profits that could be distributed to owners of the parent entity experienced deeper pressure by 63.48 percent to IDR 10.98 billion from the previous IDR 30.07 billion. The decline in SMBR's net profit and the increase in some expense components were caused by the decline in cement sales volume. There has been a significant decline in demand for cement nationally and in the SMBR market area due to the COVID-19 pandemic. Various factors influence company value, one of which is capital structure. Capital structure is the ratio or balance of a company's long-term funding as shown by the ratio of long-term debt to its capital (Wehantouw, et al 2017).

In this research, to see the company value, the ratios used are Debt to Equity Ratio (DER) and Net Profit Margin (NPM). According to Hery (2018), the Debt to Equity Ratio (DER) is a ratio used to measure the proportion of debt to capital. This ratio is useful for knowing the comparison between the amount of funds provided by creditors and the amount of funds originating from the company owner.

Much research has been carried out regarding Net Profit Margin (NPM), Debt to debt-to-equity ratio (DER), and company value. Empirical evidence regarding the influence of Net Profit Margin (NPM), Debt debt-equity ratio (DER) on company value in research by Wulandari et al. (2020) shows that Net Profit Margin (NPM) and Debt debt-equity ratio (DER) affect company value

Net Profit Margin (NPM) is a ratio used to determine the size of a profit earned by a company. This ratio can be calculated using net profit divided by net sales. Net Profit Margin according to Setiyanti et al.(2019) states: "Comparing net profit with sales generated by the company. This measurement will show how much net profit can be generated by the level of sales of the company." The opinion according to Harjito & Martono (2018) states that: "Net Profit Margin (NPM) is sales profit after calculating all costs and income taxes. This margin shows the comparison of net profit after tax with sales"

Debt ratio is a comparison between debt and own capital. The debt ratio has a basic idea, namely to see the amount of debt to fund the issuer or company. The way to calculate debt levels is to compare debt with own capital. The higher this ratio, the worse the solvency situation. The way to calculate debt levels is to compare debt with own capital. The higher this ratio, the worse the solvency situation. According to (Sugiono & Untung, 2018). "Debt to Equity Ratio is a ratio that shows the ratio of the use of debt to the company's capital. The greater this ratio indicates that the company's financial risk is higher, and conversely, the lower this ratio indicates a lower level of risk for the company. "To measure the extent to which a company is financed with debt, one way can be seen through the Debt to Equity Ratio." According to Kasmir (2017), the opinion is that: "Debt to Equity Ratio is a ratio used to assess debt versus equity. This ratio is found by comparing all debt, including current debt, with all equity.

Company value is a certain condition achieved by a company as an illustration of public trust in the company after going through a process of operational activities, namely since the company was founded. Increasing the value of the company is an achievement, that is following the wishes of the owners because as the value of the company increases, the welfare of the owners will also increase. The company's value



will be reflected in its share price. The market price of company shares that are formed between the buyer and seller when a transaction occurs is called the company's market value because the share market price is considered a reflection of the actual value of the company's assets. The definition of stock returns according to experts is as follows: According to Hery (2018) states that: "The Price to Book Value (PBV) ratio is a ratio that shows the results of a comparison between the market price per share and the book value per share. This ratio is used to measure whether stock prices are overvalued or undervalued. The calculation of company value uses the following formula."

According to Suwardika & Mustanda (2017), they argue that: "Company value is the price that potential buyers can afford to pay when the company wants to sell. When a company offers it to the public when a company is open for sale, it can be said to be the value of the company which is an investor's perception of a company. Company value is the basis for viewing company performance by potential investors for the coming period, this is related to share prices. "If the share price of a company is higher, investors will also get high profits." According to Hery (2018) states: "The Price to Book Value (PBV) ratio is a ratio that shows the comparison results between the market price per share and the book value per share. This ratio is used to measure whether the stock price level is overvalued or undervalued."

METHODS

Research design is a strategy to achieve a predetermined goal, by searching for the data or information needed and then processing it to answer the research problem. In this research, two analyses are used, namely descriptive and verification. Sugiyono (2017) states that descriptive analysis is an analysis carried out to understand the conditions and circumstances of each variable consisting of one or more studies.

Descriptive research was used to find out how the Net Profit Margin, Debt-to-debt-to-equity ratio, and Value of Companies listed in the Cement sub-sector on the Indonesia Stock Exchange for the 2018-2022 period were. Verification analysis according to Sugiyono (2017) is, "A method that aims to test whether or not the hypothesis that has been determined in research on two or more variables is accepted. Verification research in this study was used to find out how much influence the Net Profit Margin, Debt to Equity Ratio, and Value of Companies listed in the Cement sub-sector on the Indonesia Stock Exchange for the 2018-2022 period had.

RESULTS AND DISCUSSION

Descriptive Research Results

Descriptive research aims to determine the value of each variable without becoming too closely tied to other variables (Telrsiana, 2018). This is the result of the descriptive research which was used as a sample:

Table 2. Descriptive Research Results of Sample Companies

	N	Minimum	Maximum	Mean
NPM	30	-2.15	.33	-.0522
DER	30	-3.84	8.12	.9137
PBV	30	-1.19	6.06	16.757
Valid N (listwise)	30			

Source: Data processed with SPSS 22 (2023)



In the results of descriptive research, minimum, maximum, and low light levels were found. The minimum is the smallest value in the data collection. The maximum is the largest value in the data collection. Melan forgets the average value of a collection of data.

Table 3. Net Profit Margin (NPM) of cement companies listed on the IDX

No	COMPANY NAME	CODE	NPM					NPM AVERAGE
			2018	2019	2020	2021	2022	
1	Indocement Tunggal Perkasa	INTP	0.08	0.12	0.13	0.12	0.11	0.21
2	Semen Baturaja (persero)	SMBR	0.04	0.02	0.00	0.03	0.05	0.02
3	Solusi Bangun Indonesia Tbk.	SMCB	-0.07	0.05	0.08	0.06	0.07	0.03
4	Semen Indonesia (persero)	SMGR	0.10	0.10	0.06	0.06	0.07	0.06
5	Waskita Beton Precast	WSBP	0.14	0.12	-2.15	-1.41	0.33	-0.49
6	Wijaya Karya Beton	WTON	0.07	0.10	0.02	0.01	0.00	0.03
	THE HIGHEST SCORE		0.14	0.12	0.13	0.12	0.33	0.25
	LOWEST VALUE		-0.07	0.02	-2.15	-1.41	0.00	-0.6
	AVERAGE		0.06	0.08	-0.31	-0.18	0.10	-0.02

Source: Processed data (2023)

The results of Net Profit Margin (NPM) data processing for 6 sample companies listed on the Indonesia Stock Exchange (BEI) during the five years (2018-2022) experienced increases and decreases every year. From the table above we can see and explain:

Based on the Nelt Profit Margin (NPM) results, the maximum value will be for the Waskita Beton Precast (WSBP) company in 2022. This happens because the company's performance is good, which means the company's operational activities are efficient.

Furthermore, the minimum Net Profit Margin (NPM) value was registered with the Waskita Beton Precast (WSBP) company in 2020. This happened because of the company's poor performance, which means the company's operational activities were inefficient.

Table 4. Debt to Equity Ratio (DER) of Cement Companies listed on the IDX

No	COMPANY NAME	CODE	DER					DER AVERAGE
			2018	2019	2020	2021	2022	
1	Indocement Tunggal Perkasa	INTP	0.20	0.20	0.23	0.27	0.31	0.24
2	Semen Baturaja (persero)	SMBR	0.59	0.60	0.68	0.68	0.69	0.64
3	Solusi Bangun Indonesia Tbk.	SMCB	1.91	1.80	1.74	0.92	0.80	1.43
4	Semen Indonesia (persero)	SMGR	0.56	1.30	1.14	0.88	0.70	0.91
5	Waskita Beton Precast	WSBP	0.93	0.99	8.12	-3.48	-3.84	0.54
6	Wijaya Karya Beton	WTON	1.83	1.95	1.51	1.59	1.60	1.69
	THE HIGHEST SCORE		1.91	1.95	8.12	1.59	1.60	3.03
	LOWEST VALUE		0.20	0.20	0.23	-3.48	-3.84	-1.33
	AVERAGE		1.01	1.14	2.24	0.14	0.04	0.91

Source: Processed data (2023)



The results of the Debt to Equity Ratio (DER) data processing for 6 sample companies listed on the Indonesia Stock Exchange (BEI) for five periods (2018-2022) experienced increases and decreases every year. From the table above we can see and explain:

Based on the results of the Debt to the debt-to-equity ratio (DER), the maximum value was for the Waskita Beton Precast (WSBP) company in 2020. This happened because the company had a larger total debt while the total equity owned was smaller. So when calculating the DER it shows quite a large number.

Next, the minimum Debt-debt-equity ratio (DER) value for the Waskita Beton Precast (WSBP) company in 2022. This happens because the company can reduce its debts and its equity is quite large. So when calculating the DER results show small numbers.

Table 5. Company Value of CEMENT sub-sector companies listed on the IDX

No	COMPANY NAME	CODE	PBV					PBV AVERAGE
			2018	2019	2020	2021	2022	
1	Indocement Tunggal Perkasa	INTP	2.92	3.03	2.40	2.16	1.86	2.47
2	Semen Baturaja (persero)	SMBR	5.00	1.26	3.10	1.78	1.24	2.48
3	Solusi Bangun Indonesia Tbk.	SMCB	2.25	1.29	1.46	1.16	0.92	1.42
4	Semen Indonesia (persero)	SMGR	2.08	2.10	2.07	1.08	0.83	1.63
5	Waskita Beton Precast	WSBP	1.26	0.99	6.06	-1.08	-1.19	1.21
6	Wijaya Karya Beton	WTON	1.04	1.12	0.99	0.62	0.46	0.85
	THE HIGHEST SCORE		5.00	3.03	6.06	2.16	1.86	3.43
	LOWEST VALUE		1.04	0.99	0.99	-1.08	-1.19	0.15
	AVERAGE		2.42	1.63	2.68	0.95	0.68	1.67

Source: Processed data (2023)

The results of data processing on Company Value for 6 sample companies listed on the Indonesia Stock Exchange (BEI) for five periods (2018-2022) experienced increases and decreases every year. From the table above we can see and explain:

Based on the Company Value results, the maximum value was for the Waskita Beton Precast (WSBP) company in 2020. This happened because the company was in good condition. After all, the company value was greater than the company's book value. Then this can attract investors to invest in the company.

Furthermore, for the minimum value, the company value is registered with the Waskita Beton Precast (WSBP) company in 2022. This happens because the company is in a bad condition, namely the company value is smaller than the company's book value.

The Influence of Net Profit Margin on Company Value

The results of the research support the hypothesis that Net Profit Margin (NPM) has a significant effect on Company Value in Cement sub-sector companies for the 2018-2022 period. Based on the test results, the t_{count} value is 2.335 while the t_{table} is 2.012 or the significance value of t is 0.003, which is smaller than 0.05 ($0.003 < 0.05$). This shows that the calculated t value is greater than t_{table} , so it can be partially concluded that H_1 is accepted, which means there is an influence of Net



Profit Margin (X1) on Company Value (Y). The results of this research support the results of research by Wulandari et al. (2020) which states that Net Profit Margin has a significant effect on Company Value.

Net Profit Margin is used to see the proportion of income that influences profits. This ratio can also be used to measure a company's ability to generate net profit at a certain sales level. By looking at a large NPM in a company, investors can use it in making decisions to purchase the issuer's shares, because increasing net profits can influence investors' interest in investing their funds in a company, which will ultimately cause the company's share price to increase. Rising share prices are also followed by increasing company value. Previous research conducted by Wulandari et al. (2020) stated that Net Profit Margin has a positive influence on Company Value.

In research conducted on Cement sub-sector companies registered on BEI, the researchers obtained quite good average NPM results so the results of calculating the company value were still quite high. This can happen because of the high public interest in purchasing cement products so that the company's income is still quite large and in other words, the company performs well so that the company's operational activities become efficient.

The influence of Debt to Equity Ratio on company value

The results of the research support the hypothesis that Debt to Equity Ratio (DER) has a significant effect on Company Value in Cement sub-sector companies for the 2018-2022 period. Based on the test results, the t_{count} value is 3.949 while the t_{table} is 2.012 or the significance value of t is 0.001, which is smaller than 0.05 ($0.001 < 0.05$). This shows that the calculated t_{value} is greater than t_{table} so it can be concluded that H_2 is accepted, which means the Debt to Equity Ratio can have a significant effect on Company Value in the cement sub-sector for the 2018-2022 period. The results of this research support the results of research by Rahmawati & Simamora (2021) which states that the Debt to debt-equity ratio has a significant effect on Company Value.

Debt to Equity Ratio (DER) is a debt ratio that measures how much debt is compared to equity (own capital). Debt in a company can lead to the company's inability to meet its capital so the company can choose to seek capital by borrowing. Debt consists of long-term debt and short-term debt. So if the DER value is high, it will indicate the high dependence of the company's capital on external parties, so that the company has a high debt burden, as well as the company's ability to handle the debt it has, so that the Debt to Equity Ratio (DER) has a positive effect on company value.

The results of the influence of the Debt to debt-equity ratio (ROE) on Company Value are also in line with research conducted by Rahmawati & Simamora in 2021 which stated that the Debt to Equity Ratio affects Company Value. A company with a high DER indicates that the company uses high external funding capital. Companies need a lot of funding to fund company operations. Following stock theory which states that high risk-high return is where the risk of a company is characterized by the level of DER it has. Some investors who like to take risks will tend to choose stocks that have a high DER.

However, this shows that the company is very dependent on external parties so the higher the risk of a company will have an impact on investors' interest in investing in that company. If the company has a good ability to make debt payments, this will

influence investors' decisions to invest in the company so that it can increase share prices and also increase company value.

In research conducted on Cement sub-sector companies registered on BEI, researchers obtained average DER results that were not too high so that the results of calculating the company value were still quite high. This can happen because of the high public interest in purchasing cement products so that the company's income is still quite large in other words the company does not need too much external capital because it has income that is large enough to cover the company's operational costs.

The Influence of Net Profit Margin and Debt To Equity Ratio on Company Value

Based on the results of research on 6 cement sub-sector companies listed on the Indonesian Stock Exchange (BEI) for the 2018-2022 period, it can be seen that the coefficient of determination of the Return On Equity and Debt to Equity Ratio variables on Stock Returns is 41%, while the remainder is ($100\% - 41\% = 59\%$) is influenced by other variables not included in this research model.

The test results in this study show that the significance result is $0.001 < 0.05$, or the calculated F_{value} is 9.720 while the F_{table} is 3.191 ($9.720 > 3.191$) or H_0 is rejected. H_a is accepted. So from the data analysis above it can be concluded that together (simultaneously) the Net Profit Margin and Debt to debt-to-equity ratio variables have a significant influence on the Company Value in the Cement sub-sector for the 2018-2022 period. Hypothesis H_3 in this study is accepted.

The results of the influence between Net Profit Margin (NPM) and Debt to Equity Ratio (DER) on Company Value are in line with research conducted by Wulandari et al. (2020) which states that Net Profit Margin and Debt to Equity Ratio influence Company Value. Net Profit Margin (NPM) and Debt-debt-equity ratio (DER) are some of investors' measuring tools to see the value of a company from existing calculations, NPM and DER show the company's ability to generate company value, the higher the NPM and the higher the value. companies and make investors choose those companies to invest in.

In research conducted on Cement sub-sector companies registered on BEI, the researchers obtained quite good average NPM and DER results so the results of calculating the company value were still quite high. This can happen because of the high public interest in purchasing cement products so that the company's income is still quite good

CONCLUSION

The research results show that Net Profit Margin (NPM) has a positive effect on Company Value, meaning that the higher the Net Profit Margin (NPM), the better the company value. This also becomes a reference for investors to see the condition of the company when investing in that company. Then the Debt To debt-to-equity ratio (DER) value has a positive effect on Company Value, if a company has a high ability to make debt payments, the higher the company value, which is one of the investors' assessments when investing in a company. company. And test results of the simultaneous influence of Net Profit Margin (NPM) and Debt to Equity Ratio (DER) on Company Value in Cement sub-sector companies for the 2018-2022 period.



REFERENCES

- Anggara, Leny., Veronica., Stevani, July., Lisdia, Kiki., Chandra, Stepfani., Pane, Afrizar., & Putra, Surya Kelana. (2019). Pengaruh Pertumbuhan Penjualan, Perputaran Total Aset dan Rasio Kelipatan Bunga yang Dihasilkan terhadap Rentabilitas pada Perusahaan Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Tahun 2012-2017. *Owner*, 3(2), 40-53, doi:10.33395/owner.v3i2.121.
- Bareksa.com. (2018). *Laba Kuartal I Anjlok, Semen Indonesia Masih Hadapi Tantangan di 2018*. <https://www.bareksa.com/berita/berita-ekonomi-terkini/2018-05-02/laba-kuartal-i-anjlok-semen-indonesia-masih-hadapi-tantangan-di-2018>
- Ekonomi.bisnis.com. (2022). *Berhasil Tumbuh 5,9 Persen, Konsumsi Semen 2021 Masih Belum Pulih*. <https://ekonomi.bisnis.com/read/20220124/257/1492534/berhasil-tumbuh-59-persen-konsumsi-semen-2021-masih-belum-pulih>
- Harjito, A., & Martono. (2018). *Manajemen Keuangan (2nd ed)*. Yogyakarta: EKONISIA.
- Setiyanti, Sri Wiranti., Dwi, Prawani Sr., & Rosvita, K.U.P. (2019). Pengaruh Profitabilitas, Ukuran Perusahaan, Struktur Aktiva Dan Pertumbuhan Penjualan Terhadap Struktur Modal Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia Periode 2012-2016. *Jurnal Stie Semarang*, 11(2).
- Harmono. (2014). *Manajemen Keuangan: Berbasis Balanced Scorecard, Edisi Pertama*. Jakarta: Bumi Aksara.
- Hery. (2018). *Analisis Laporan Keuangan : Integrated and Comprehensive Edition. Edisi Cetakan Ketiga*. Jakarta: PT Gramedia
- Irawan, Dedi., & Kusuma, Nurhadi. (2019). Pengaruh Struktur Modal dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Jurnal Aktual STIE Trisna Negara*, 17(1):66-81.
- Kasmir. (2017). *Analisis Laporan Keuangan*. Jakarta: Kharisma Putra Utama Offset.
- Kemenperin.go.id. (2020). *Terdampak Pandemi, Kemenperin Jaga Produksi Industri Semen dan Pelumas*. <https://kemenperin.go.id/artikel/22011/Terdampak-Pandemi,-Kemenperin-Jaga-Produksi-Industri-Semen-dan-Pelumas>
- Okezone.com. (2021). *Penjualan Turun, Laba Bersih Semen Baturaja Anjlok 63,48%*. <https://economy.okezone.com/read/2021/04/05/278/2389558/penjualan-turun-laba-bersih-semen-baturaja-anjlok-63-48>
- Rahmawati, Syifa Aulia., & Simamora, Saur Costanius. (2021). PENGARUH DEBT TO EQUITY RATIO DAN NET PROFIT MARGIN TERHADAP PRICE TO BOOK VALUE PADA PERUSAHAAN SUB SEKTOR TOURISM, RESTAURANT, DAN HOTEL YANG TERDAFTAR DI BEI PERIODE 2015-2019. *Jimen Jurnal Inovatif Mahasiswa Manajemen*, 1(3). www.idx.co.id.
- Republika.co.id. (2020). *Proyek Infrastruktur Mandek, Permintaan Semen Turun*. https://ekonomi.republika.co.id/berita/qfnscl383/proyek-infrastruktur-mandek-permintaan-semen-turun#google_vignette
- Sugiono, A., & Untung, E. (2018). *Analisis Laporan Keuangan*. Jakarta: PT Grasindo.
- Sugiyono, (2017). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: CV. Alfabeta.
- Swardika, I. N., & Mustanda, I. K. (2017). Pengaruh Leverage, Ukuran Perusahaan, Pertumbuhan Perusahaan, dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Properti. *E-Jurnal Manajemen Unud*, 6(3), 1248-1277.
- Tersiana, Andra. (2018). *Metode Penelitian*. Yogyakarta: Yogyakarta.



- Wehantouw, J. D., Tommy, P., & Tampenawas, J. L. A. (2017). Pengaruh Struktur Modal, Ukuran Perusahaan, dan Profitabilitas Terhadap Harga Saham Pada Perusahaan Industri Sektor Makanan dan Minuman yang Terdaftar di Bursa Efek Indonesia Periode 2012-2015. *Jurnal EMBA*, 5(3), 3385-3394.
- Wulandari, B., Situmorang, A. J., Sinaga, D. V., & Laia, E. (2021). Pengaruh Struktur Modal, Investment Opportunity Set, Ukuran Perusahaan, Return On Asset dan Likuiditas terhadap Kualitas Laba pada Perusahaan Jasa yang Terdaftar di Bursa Efek Indonesia. *Owner : Riset Dan Jurnal Akuntansi*, 5(2), 595-606. <https://doi.org/10.33395/owner.v5i2.407>