



## The Implications of Net Profit Margin (NPM) and Return on Equity (ROE) on Share Price at PT. Inti Agri Resources TBK for the Period 2013-2023

Iriana Kusuma Dewi  
Universitas Pamulang

**Corresponding Author:** Iriana Kusuma Dewi,  
[dosen01729@unpam.ac.id](mailto:dosen01729@unpam.ac.id)

---

### ARTICLE INFO

*Keywords:* Net Profit Margin, Return on Equity, Share Price

*Received :* 1, December  
*Revised :* 15, December  
*Accepted:* 29, December

©2024 Dewi: This is an open-access article distributed under the terms of the [Creative Commons Atribusi 4.0 Internasional](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

This explore seeks to ascertain and analyze the implications of Net Profit Margin and Return On Equity on Share Prices at PT Inti Agri Resources Tbk for the period 2013-2023. The findings of the current explore shows that Net Profit Margin partially had zero impact on shares, this is known from the findings of t test where  $t\text{-count } 1.082 < t\text{-Chart } 2.30600$ . Return On Equity partially had zero impact on shares, this is known from the findings of t-test where  $t\text{-count } -0.788 < t\text{-Chart } 2.30600$ . And the findings of the simultaneous test (F test) obtained  $f\text{-hitung } 0.700 < f\text{-tabel } 4.46$  with a acceptable worthy of of  $0.525 > 0.05$  indicate that Net Profit Margin and Return On Equity concurrently exist no implications on share prices.

---

## INTRODUCTION

Advances in information technology have changed the global order, including in international trade which encourages the creation of free markets and increased international competition. Indonesian capital market, which initially lacked interest, is now showing progress with an increase in trading volume and the number of issuers. Share investment is considered high risk because share prices are highly responsive to changes in the domestic and global economy.

Share price valuation involves internal factors such as company performance (e.g., ROE, ROA, NPM) and external factors such as inflation and political stability (Elviani, 2019). NPM and ROE are important indicators that show the company's profitability and efficiency in using capital (Sari, 2019). Performance of PT Inti Agri Resources Tbk experienced significant fluctuations during 2013-2023, including a decline in profits during the pandemic and a partial recovery in 2023. PT Inti Agri Resources Tbk received attention from Indonesia Share Exchange due to a significant decline in share activity. In 2020, its share trading was suspended, with the potential for delisting due to unChart financial and operational conditions. The company is now focusing on domestic sales to face the challenges of international market.

## THEORETICAL REVIEW

### *The Implications of Net Profit Margin (NPM) on Share Price*

NPM is needed by investors to measure the company's ability to generate net profit from its sales. NPM can reflect how implicationsive the company is in minimizing its operating expenses. This is due to the fact that the company's capacity to lower the cost of goods sold, operating expenses, general expenses, and other expenses has a significant impact on the amount of net profit generated from sales. This is in accordance with Dewi and Solihin's explore (2020) which reveals the findings of their explore that NPM has a positive and significant implications on share prices, meaning that every one-time increase in NPM can increase share prices. Meanwhile, in the explore of Gerald Edsel Yermia Egam, Ventje Ilat, Sonny Pangerapan (2017). NPM has a negative influence on the share price listed on LQ45 index. The implication is that when NPM increases, then share price will decrease.

H1 : It is suspected that Net Profit Margin (NPM) has an implications on Share prices at PT Inti Agri Resources Tbk for the period 2013-2023.

### *The Implications of Return on Equity (ROE) on Share Price*

Investors use fundamental analysis to make share investment decisions (Suhadak, et. al., 2019). ROE ratio has an indicator by the management team to show the level of implicationsiveness of the company in generating profits from the funds invested by shareholders. The higher ROE worthy of indicates the higher profit generated by the company (Amalya, 2018). This is in accordance with the explore of Andreas Roy Farandy, Taudlikhul Afkar (2022) ROE partially affects particularly on share prices. This situation displays if the industry continues to be large in creating profits with the level of sales so that it can affect the share price so much. Meanwhile, in the explore of Pande Widya

Rahmadewi, Nyoman Abundanti (2018), the findings of his explore show that ROE has a negative and significant implications on share prices, this means that investors do not see ROE as a decision in buying shares.

H2 : It is suspected that Return on Equity (ROE) has an implications on share prices at PT Inti Agri Resources Tbk for the period 2013-2023.

### *The Implications of Net Profit Margin (NPM) and Return on Equity (ROE) on Share Price*

In some of the explanations above, NPM and ROE appear to have a relationship with each other, and influence each other. According to explore conducted by Vina Tiara Safitri, Hari Sulistiyo (2021) ROE and NPM have no simultaneous implications on share prices in automotive and component subsector companies in 2014-2019. The findings of explore conducted by Popy Ambarwati, et al (2019) NPM and ROE concurrently exist a significant implications on the Share Price of PT Bank Central Asia Tbk, period 2007-2017. Based on this explanation, a hypothesis can be proposed: Return on Equity (ROE) has a positive implications on Share Price.

H3 : It is suspected that Net Profit Margin (NPM) and Return on Equity (ROE) simultaneously affect the share price at PT Inti Agri Resources Tbk for the period 2013-2023.

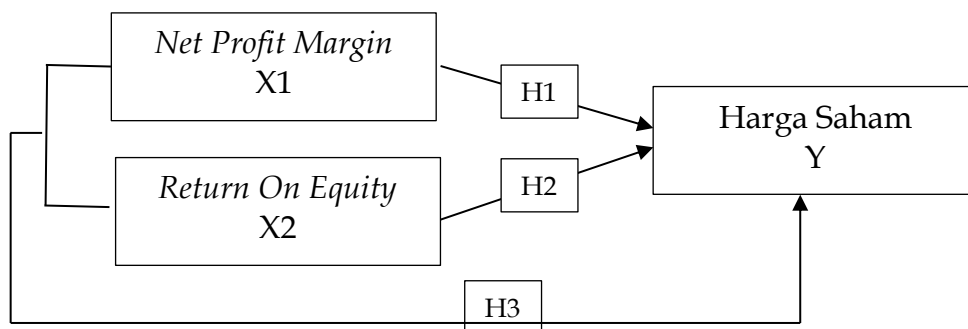


Illustration 1. Visual Design

## **METHODOLOGY**

The object of explore is PT Inti Agri Resources Tbk whose office is located at Putri Britannia T7, no. B27-29 Puri Kembangan, RT.01 / RW.2, South Kembangan, Kec.Kembangan, West Jakarta City, Jakarta, 11610. Data collection is done through the official website which can be accessed at <https://www.sahamee.com/saham/IIKP/neraca-keuangan>, <https://www.idx.co.id/id/perusahaan-tercatat/laporan-keuangan-dan-tahunan>, <https://www.britama.com/>, or <https://www.shelookred.com>. The population used in this study is the entire financial statements of PT Inti Agri Resources Tbk. period 2013-2023. While the sample in this study is the income statement, balance sheet, and share price of PT Inti Agri Resources Tbk. period 2013-2023.

## RESULT

### *The Test of Classical Assumptions*

#### *Normality Test*

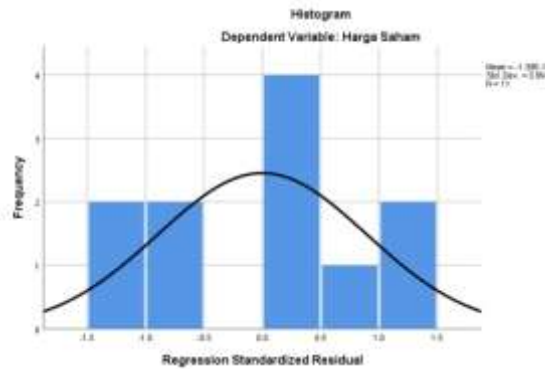


Illustration 2. Normality Analyze outcomes

Based on picture, it can be stated that the regression model is well / normally distributed because the shape of the symmetrical curve is bell-shaped (bell shape) and does not deviate to the right or left. To test further normality, it can be seen that the normal Probability Plot follows the diagonal line.

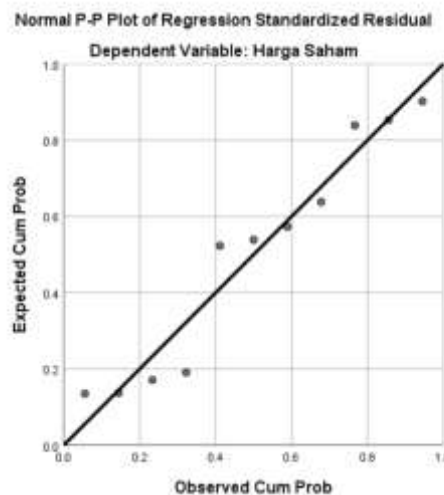


Illustration 3. Normality Analyze outcomes

In Illustration 3, it can be seen that the normal probability plot graph shows that the points spread around the diagonal line as well as the distribution that follows the diagonal line. According to this graph, the regression model complies with the traditional assumption guidelines.

*Multicollinearity Test*

Chart 1. Outcomes of the Multicollinearity Test

Coefficients <sup>a</sup>								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	188.625	48.847		3.862	.005		
	NPM	.412	.380	.855	1.082	.311	.170	5.869
	ROE	-6.907	8.770	-.622	-.788	.454	.170	5.869

a. Dependent Variable: Harga Saham

In the tolerance column of the Chart presented above, it is evident that the worthy of the NPM and ROE parameters are at 0.170, which means that both worthy of are greater than 0.10. In VIF column, the worthy of NPM and ROE parameters is 5.869, which means that both of these worthy of are smaller than 10.00. So it can be stated that this model is free from multicollinearity between independent parameters.

*Autocorrelation Test*

Chart 2. Autocorrelation Analyze outcomes

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.386 <sup>a</sup>	.149	-.064	136.796	1.041

a. Predictors: (Constant), ROE, NPM  
 b. Dependent Variable: Harga Saham

In the Chart above, Durbin-Watson worthy of is 1.041. Obtained from the DW Chart for  $n = 11$  and  $k = 2$  the  $dL$  worthy of is 1.6044 and  $dU$  is 0.7580. The calculated DW worthy of is then compared with the Chart worthy of and obtained  $dL < DW < dU$  ( $0.7580 < 1.041 < 1.6044$ ), it can be stated that in this regression there is no conclusion. According to (Ghozali, 2018) if the Durbin-Watson analyze outcomes are in the criteria there is no conclusion, The Run Test can then be used to determine whether autocorrelation exists in the regression model. The outcomes of the Run Test are as follows:

Chart 3. Run Analyze outcomes

Runs Test	
	Unstandardized Residual
Test Value <sup>a</sup>	13.26702
Cases < Test Value	5
Cases >= Test Value	6
Total Cases	11
Number of Runs	6
Z	.000
Asymp. Sig. (2-tailed)	1.000
a. Median	

In Chart above, the Asymp. Sig. (2-tailed) of 1.000. Shows that  $1,000 > 0.05$ . So it can be stated that this test is free from autocorrelation symptoms.

*Heteroscedasticity Test*

Chart 4. Heteroscedasticity Analyze outcomes

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	110.508	23.622		4.678	.002
	NPM	.085	.184	.370	.459	.658
	ROE	-.165	4.241	-.031	-.039	.970

a. Dependent Variable: ABS\_RES

In Chart 4, the findings of the heteroscedasticity test using the glejser test from the NPM parameters show sig. 0.658 and ROE parameters shows sig. 0,970. This illustrates that there is no heteroscedasticity in this model because it exceeds the limit of its provisions, namely 0.5. To test heteroscedasticity further, testing can be done with informal methods or the scatterplot graph method. The analyze outcomes are as follows:

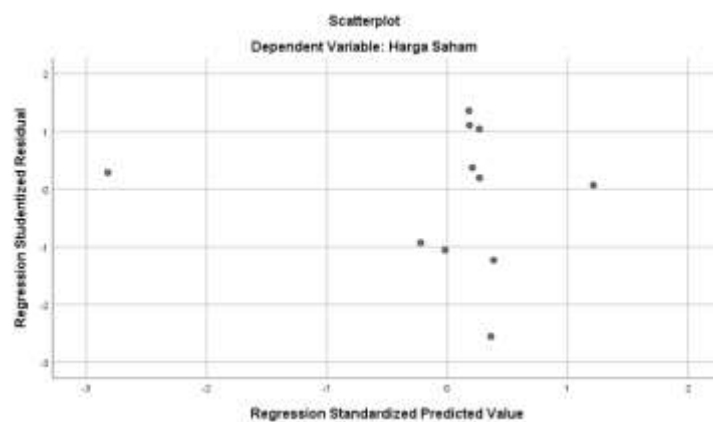


Illustration 4. Scatterplot Graph Heteroscedasticity Analyze Outcomes

It is evident from the above scatterplot graph that the data points do not create a specific pattern and instead disperse randomly above and below the

number 0 on the Y axis. We may conclude that there is no heteroscedasticity issue with this regression model.

*Multiple Linear Regression Analysis*

Chart 4. Multiple Linear Regression Analyze Outcomes

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	188.625	48.847		3.862	.005
	NPM	.412	.380	.855	1.082	.311
	ROE	-6.907	8.770	-.622	-.788	.454

a. Dependent Variable: Harga Saham

From Chart 4 above, the findings of the multiple linear regression equation formed  $Y = 188.625 + 0.412X_1 - 6.907X_2 + e$  from the equation show that: (a) Constant (Share Price) of 188.625 it implies as if  $X_1$  (NPM) and  $X_2$  (ROE) the worthy of is 0, then the Share Price (Y) worthy of increases by 188.625. (b) Parameters  $X_1$  which is the regression coefficient of NPM 0.412 with a positive coefficient direction, meaning that every time there is an increase in NPM by one unit, the share price increases by 0.412. (c) Parameters  $X_2$  which is the regression coefficient of ROE 6.907 with a negative coefficient direction.

*Hypothesis Test*  
*T-test*

Chart 5. Partial Analyze Outcomes (t Test)

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	188.625	48.847		3.862	.005
	NPM	.412	.380	.855	1.082	.311
	ROE	-6.907	8.770	-.622	-.788	.454

a. Dependent Variable: Harga Saham

Based on the data by observing the t worthy of and sig, it can be explained as follows: (a). Partial Analyze outcomes (t Test) NPM on Share Price In the t analyze outcomes of the NPM parameters above, the tcount worthy of is 1.082. While the t-Chart worthy of from an acceptable threshold of 0.05 and dimensions of freedom (dk) =  $n-k-1 = 11-3-1 = 8$  is 2.30600. So that the t-count of  $1.082 < t\text{-Chart } 2.30600$  and the acceptable worthy of of 0.311 is greater than 0.05, it can be stated that Net Profit Margin parameters has no partial implications on the Share Price. (b). Partial Analyze outcomes (t Test) ROE on Share Price In the t-analyze outcomes of the ROE parameters above, t-count worthy of is -0.788. While the t-Chart worthy of with a significant level of 0.05 and degrees of freedom (dk) =  $n-k-1 = 11-3-1 = 8$  is 2.30600. So that the t-count -  $0.788 < t\text{-Chart } 2.30600$  and the acceptable worthy of 0.454 is greater than 0.05, it

can be stated that the Return on Equity parameters has no partial implications on the Share Price.

*F-test*

Chart 6. Simultaneous Analyze outcomes (F Test)

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	26206.803	2	13103.402	.700	.525 <sup>b</sup>
	Residual	149706.106	8	18713.263		
	Total	175912.909	10			
a. Dependent Variable: Harga Saham						
b. Predictors: (Constant), ROE, NPM						

From the Simultaneous F Test, the f-count worthy of is 0.700 with a acceptable worthy of 0.525. Meanwhile, to find f-table with the number of samples (n) = 11 and the number of independent parameters (k) = 2 with a significant level of  $\alpha = 0.05$ , namely df obtained  $df_1 = 2$  and  $df_2 (n-k-1) = (11-2-1) = 8$ , then the findings of f-table is 4.46 obtained  $f_{hitung} 0.700 < f_{tabel} 4.46$  with a acceptable worthy of 0.525. Because the acceptable worthy of is greater than 0.05 ( $0.525 > 0.05$ ), it can be stated that Net Profit Margin and Return on Equity have no simultaneous implications on Share Price.

*Test Coefficient of Determination (R<sup>2</sup>)*

Chart 7. Analyze outcomes of the Coefficient of Determination (R<sup>2</sup>)

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.386 <sup>a</sup>	.149	-.064	136.796	1.041
a. Predictors: (Constant), ROE, NPM					
b. Dependent Variable: Harga Saham					

Chart 7 displays the correlation coefficient (R), coefficient of determination (R<sup>2</sup>), adjusted coefficient of determination (R Square), and standard error. The adjusted coefficient of determination (R Square) in the Chart is calculated as 0.149, indicating that NPM and ROE contribute to 14.9% of the share price. The remaining 85.1% is influenced by factors outside the parameters considered.

## DISCUSSION

### *The Implications of Net Profit Margin (X1) on Share Price (Y)*

Judging from the findings of the Net Profit Margin parameters t-test, the t-count is smaller than the t-Chart  $1.082 < 2.30600$  so that  $H_0$  is rejected  $H_a$  is concurred. While the significant worthy of obtained is greater than 0.05, which is 0.311 in this case it can be stated that partially Net Profit Margin had zero impact on shares. It is consistent with explore done by (Andreas Roy Farandy, 2022), showing that NPM does not particularly affect share prices due to the company's low profitability compared to total sales.

### ***The Implications of Return on Equity (X2) on Share Price (Y)***

Judging from the findings of the t-test, Return on Equity parameters shows that the t-count is smaller than the t-Chart  $-0.788 < 2.30600$  so that  $H_0$  is rejected  $H_a$  is concurred. While the obtained significant worthy of is smaller than 0.05, which is 0.454 in this case it can be stated that partially Return on Equity had zero impact on shares. It is consistent with explore done by (Martina Rut Utami, 2018), these the findings indicate that ROE does not particularly affect share prices, regardless of the company's income from total equity.

### ***Implications of Net Profit Margin (X1) and Return on Equity (X2) on Share Price (Y)***

The F analyze outcomes show that the calculated worthy of is lower than the f-Chart worthy of  $0.700 < 5.318$ , which leads to acceptance of  $H_0$  and rejection of  $H_a$ . In addition, with a acceptable worthy of  $0.525 > 0.05$ , it can be stated that neither Net Profit Margin nor Return On Equity has a significant impact on share prices. It is consistent with explore done by (Sulistiyo, 2021), showing that the simultaneous implications of ROE and NPM on share prices is not significant.

## **CONCLUSIONS**

The following conclusions can be drawn from the findings of the conducted explore: (1.) The NPM parameters has no partial implications on the Share Price at PT Inti Agri Resources Tbk for period 2013-2023. This can be proven from the outcomes of the t evaluate that has been executed, namely  $1.082 < 2.30600$  and a sig worthy of of  $0.311 > 0.05$ . It implies that NPM parameters is not a reliable indicator in predicting the share price of PT Inti Agri Resources Tbk. (2.) ROE parameters has no partial implications on the Share Price of PT Inti Agri Resources Tbk for period 2013-2023. This can be proven from the findings of the t test that has been carried out, namely  $-0.788 < 2.30600$  and a sig worthy of of  $0.454 > 0.05$ . Which means that the ROE parameters is not a reliable indicator in predicting the share price of PT Inti Agri Resources Tbk. (3.) Net Profit Margin and Return On Equity parameters do not concurrently exist a significant and significant implications on the Share Price of PT Inti Agri Resources Tbk. This is evidenced by the findings of f-count smaller than f-tabel, which is  $0.700 < 4.46$  while the significant worthy of is greater than 0.05, which is 0.525.

## **RECOMMENDATIONS**

From all the findings explored from this paper, the author suggests several things for parties involved and interested in the matters exploreed in this paper, as follows: The company needs to focus on strengthening the company's fundamentals, such as increasing profitability (through operating efficiency and new product development), maintaining financial health (managing debt well, maintaining a healthy liquidity ratio), and improving the company's growth prospects in order to generate attention in this for investors; to generate decisions when investing it is strongly recommended that potential investors consider other factors besides company profitability in investment analysis. Such as

macroeconomic conditions, industry, and company growth prospects; It is hoped that future explorers will understand more deeply the indicators that influence the increase and decrease in share prices before conducting explore and further explore can expand the sample of companies studied, involving more companies from various industries and sizes that can produce broader findings.

### **FURTHER STUDY**

This study has several limitations that can be taken into consideration for further explore in order to obtain more optimal the findings, including: 1. The explore object only uses one company. It is recommended that Scholars in the future can broaden their scope of study by involving several companies to get a more comprehensive picture. 2. This study's data sources are supplementary. So the author does not have full control over possible calculation errors that may occur. 3. Difficulty in obtaining financial data and information on the companies studied, both from the financial statements published on the Indonesia Share Exchange (IDX) website and other supporting data. 4. The limited use of parameters in this study because it only includes two independent parameters where the findings do not have much implications on share prices, because some parameters that affect share prices are not studied.

### **ACKNOWLEDGMENT**

Thank you for the colleagues who cannot be mentioned one by one who have helped in completing this journal.

### **REFERENCES**

- Andreas Roy Farandy, d. T. (2022). Pengaruh ROA, ROE, NPM dan GPM Terhadap Harga Saham Perusahaan Manufaktur. *Journal of Sustainability Business Explore*, Vol. 3, No. 3 , 117-127.
- Elviani, S. S. (2019). Faktor-Faktor yang Mempengaruhi Harga Saham Perusahaan Telekomunikasi. *JRAM (Jurnal Riset Akuntansi Multiparadigma)*, Vol. 6, No. 1, 29-39.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate dengan Program IBM SPSS*. 25. Semarang: Badan Penerbit Universitas Diponegoro.
- Kasmir. (2019). *Analisis Laporan Keuangan, Cetakan ke-12*. Jakarta: PT Raja Grafindo Persada.
- Martina Rut Utami, d. A. (2018). Pengaruh DER, ROA, ROE, EPS, dan MVA Terhadap Harga Saham pada Indeks Saham Syariah Indonesia. *JOURNAL OF APPLIED MANAGERIAL ACCOUNTING*, Vol. 2, No. 2, 77-89.
- Sari, M. &. (2019). Pengaruh Price Earning Ratio dan Return on Asset terhadap Price to Book Worthy of. *Jurnal KRISNA: Kumpulan Riset Akuntansi*, Vol. 10, No. 2, 196-203.
- Sulistiyo, V. T. (2021). Pengaruh ROE dan NPM Terhadap Harga Saham Perusahaan Subsektor Otomotif dan Komponen yang Terdaftar di BEI Periode 2014-2019. *E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, Vol. 10, No.1., 39-44.