

THE EFFECT OF WORKING CAPITAL TO TOTAL ASSET (WCTA) AND NET PROFIT MARGIN (NPM) ON THE RETURN STOCK OF PT ANEKA TAMBANG, TBK

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Abstrak

Investasi adalah penempatan sejumlah dana atau sumber daya lain yang dilakukan di masa sekarang untuk mendapatkan keuntungan di masa depan. Investor yang berinvestasi di perusahaan harus mengetahui faktor-faktor yang dapat menyebabkan keuntungan atau kerugian saat berinvestasi. Salah satu faktor yang dapat dipertimbangkan investor untuk melakukan investasi adalah memahami informasi laporan keuangan untuk mengetahui efektivitas perusahaan dalam menghasilkan nilai Working Capital to Total Assets (WCTA) atau kemampuan perusahaan dalam menggunakan aset lancar perusahaan, mengetahui Net Profit Margin (NPM) untuk menilai kemampuan perusahaan dalam menghasilkan laba, serta mengetahui tingkat keuntungan atas modal yang diinvestasikan dalam investasi atau Stock Return. Hasil penelitian menunjukkan bahwa sebagian Modal Kerja terhadap Total Aset (WKT) tidak berpengaruh signifikan terhadap Stock Return dengan koefisien determinasi sebesar 8,2%. Sebagian, Marjin Laba Bersih tidak berpengaruh signifikan terhadap Stock Return dengan koefisien penentuan sebesar 12,5%. Dengan demikian secara bersamaan, Working Capital to Total Assets (WCTA) dan Net Profit Margin tidak berpengaruh signifikan terhadap Stock Return dengan koefisien determinasi sebesar 25,3%.

Kata Kunci: Modal Kerja terhadap Total Aset (WCTA), Net Profit Margin (NPM), Stock Return

Abstract

Investment is the placement of a number of funds or other resources carried out in the present to get future profits. Investors who invest in companies must know the factors that can cause profits or losses when investing. One of the factors that investors can consider to carry out investments is understanding financial statement information to determine the effectiveness of the company in generating the value of Working Capital to Total Assets (WCTA) or the company's ability to use the company's current assets, knowing the Net Profit Margin (NPM) to assess the company's ability to generate profits, as well as knowing the level of profit on the capital invested in the investment or Stock Return. The results indicated that partial Working Capital to Total Assets (WCTA) had no significant effect on Stock Return with a coefficient of determination of 8.2%. Partially, Net Profit Margin had no significant effect on Stock Return with a coefficient of determination of 12.5%. Thus simultaneously, Working Capital to Total Assets (WCTA) and Net Profit Margin had no significant effect on Stock Return with a coefficient of determination of 25.3%.

Keywords: Working Capital to Total Asset (WCTA), Net Profit Margin (NPM), Stock Return

1. INTRODUCTION

Investment is an activity to obtain future profits through investing in specific investment instruments such as stocks, bonds, or property. In investment, there are two essential elements: return and risk. Return is the profit expected from the investment, while risk is the uncertainty of the profit obtained. The greater the risk of an investment, the more excellent the opportunity to obtain high profits, but conversely, a significant risk also implies the potential for loss of invested funds. Therefore, investors need to understand the characteristics of the chosen investment instrument and manage risk appropriately (Riyanto, 2014)

The coal mining company is one of the business sectors that continues to experience growth. Along with the increasing pace of development and improving people's lifestyles, energy consumption and electricity supply will also increase. In implementing and developing their business, coal mining companies require capital from internal and external financing sources. One example is from the capital market. In the capital market, companies can be brought together with investors as parties who provide funds. One of the investors' considerations in investing is the company's value.

The company's value is a reflection of the addition of the total equity and debt. Firm value can also be interpreted as the future profit earned by the company is expected to be recalculated at the correct interest rate. The market value can maximise shareholders' prosperity if the company's share price increases. The company's value reflects the company's assets. It can be said that the company's value has increased, which can be seen from the increase in its share price (Rivandi, 2018). Institutional ownership is the proportion of share ownership at the end of the year owned by institutions, such as banks, insurance or other institutions. Managerial ownership is the shareholders who are also the owners of the company who have duties and authority and actively participate in decision-making in the company (board of commissioners and board of directors). Based on the research conducted by Dewi (2019), Public Share Ownership affects Company Value.

Profitability can describe how effective the company is in generating profits from the operations carried out by the company. Therefore, companies will always compete to continue to increase company profitability because the higher the level of profitability of a company, the more guaranteed the survival of the company. Based on the results of research conducted by Rahmadani et al. (2022), it is stated that return on assets affects firm value.

The solvency ratio or Leverage is a ratio that measures the extent to which a company's assets are financed by debt. The solvency ratio is used to measure a company's ability to pay all of its obligations, both short and long-term (Kolamban, 2020). *Debt to Equity Ratio* is the distribution of capital and debt. A high DER proves that more outstanding debt is used to finance the company, and it also increases the risk for the company if it cannot pay its debts (Thamrin, 2022). Based on the results of research conducted by Thamrin (2022), it is stated that the *debt-to-equity* ratio affects firm value. Liquidity is an analytical tool used to determine a company's ability to finance current liabilities to creditors. For creditors, the higher the liquidity ratio, the better, and this can create creditors' sense of trust in the company.

A high current ratio in a company can provide good guarantees for short-term creditors, given its ability to pay off its short-term obligations. Based on the results of research conducted by Susanto (2022), the current ratio affects firm value. Based on the background described above, this researcher takes the title "ANALYSIS OF THE INFLUENCE OF PUBLIC SHARE OWNERSHIP, PROFITABILITY, LEVERAGE, AND LIQUIDITY ON COMPANY VALUE (Empirical Study of Mining Companies Listed on the Indonesia Stock Exchange Period 2017–2021)".

1. LITERATURE REVIEW

This theoretical foundation elaborates the theories that support the hypothesis and is very useful in analysing research results. The theoretical basis presents ideas and arguments structured as demands in solving research issues and formulating hypotheses. The following is the theoretical basis related to the research variables: the effect of public share ownership, profitability, leverage, and liquidity on firm value.

1.1 Signal Theory (Signalling Theory)

The signal theory is a theory that discusses the rise and fall of stock prices in the market, such as stock prices, bonds, and so on, so that it will induce investor decisions (Irham Fahmi, 2020). The signal theory is the act of company management to provide information to investors, both positive and negative information (Suganda, 2018). This is carried out by the company because there is an asymmetry by the company's management with external investors so that investors get relatively little and late information compared to the company's management.

According to Brigham and Houston (2017), the signal theory is an action a company takes to guide investors about how management views the company's prospects. This signal is in the form of information about what has been done by management to actualize the wishes of the owner. A company-issued statement is essential because it influences the investment decisions of parties outside the company.

According to Irham Fahmi (2020), signalling theory is a theory that discusses the rise and fall of prices in the market, such as stock prices, bonds and so on, so that it will influence investor decisions. Investors' responses to both positive and negative signals overwhelming affect market conditions; they will react in various ways in response to these signals, such as hunting for shares to be sold or taking action in the form of not responding, such as waiting for developments to occur and then taking action.

1.2 Public Share Ownership

Eforis (2017) elaborates that government ownership is the number of company shares owned by the government of all outstanding shares. Public ownership is equivalent to government ownership, which describes the percentage of the total share capital held by the public to the total outstanding shares. Public ownership is the ownership of shares by the public or society (Nur'aeni, 2017). The public also wants large profits from companies to get a significant share of profits. Plus, they are only concentrated on short-term interests to get returns immediately. Thus the company will report non-conservative earnings if the ownership structure is high. According to Dewi (2019), the formula for calculating public share ownership is as follows:

$$\text{Managerial Ownership} = \frac{\text{Ownership of Managerial Shares}}{\text{Number of Shares Outstanding}}$$

Source: Dewi (2019)

1.3 Profitability

Profitability indicates how much the company's ability to generate profits for investors, where this ability will determine how good the company is in the eyes of investors from a financial perspective. Investors consider profitability growth from each period a positive signal related to better company performance and more promising business prospects in the future to increase company value. According to Henry (2018), the profitability ratio is a ratio that describes a company's ability to generate profits through all its capabilities and resources, namely those derived from sales activities, use of assets, and use of capital. In this study, the profitability ratio is measured by return on investments.

Return On Assets is a ratio that indicates how much assets contribute to creating net income. In other words, this ratio measures how much net profit will be generated from each rupiah of funds embedded in total assets (Hery, 2018). The higher the return on assets, the higher the net profit generated from every rupiah of funds embedded in total assets. Conversely, the lower the return on investments, the lower the net profit generated from each rupiah of funds embedded in total assets. The following is the formula for measuring Return On Assets.

$$\text{Return on Asset} = \frac{\text{Profit After Tax}}{\text{Total Assets}}$$

Source : Hery (2018)

1.4 Leverage

According to Kasmir (2016), DER aims to determine the company's position towards obligations to other parties to assess its ability to fulfil its fixed obligations. DER is the ratio used to determine how much capital can pay off its debts. To find the DER value, you can use the following formula:

$$\text{Return on Asset} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Source : Kasmir (2016)

1.5 Liquidity

According to Heri (2018), the current ratio is the ratio used to measure a company's ability to meet its short-term obligations that are due soon by using the total available existing assets. In other words, this current ratio describes how much the availability of current assets owned by the company is compared to the total current liabilities.

$$\text{Current Ratio} = \frac{\text{Current Asset}}{\text{Current Debt}}$$

Source : Kasmir (2016)

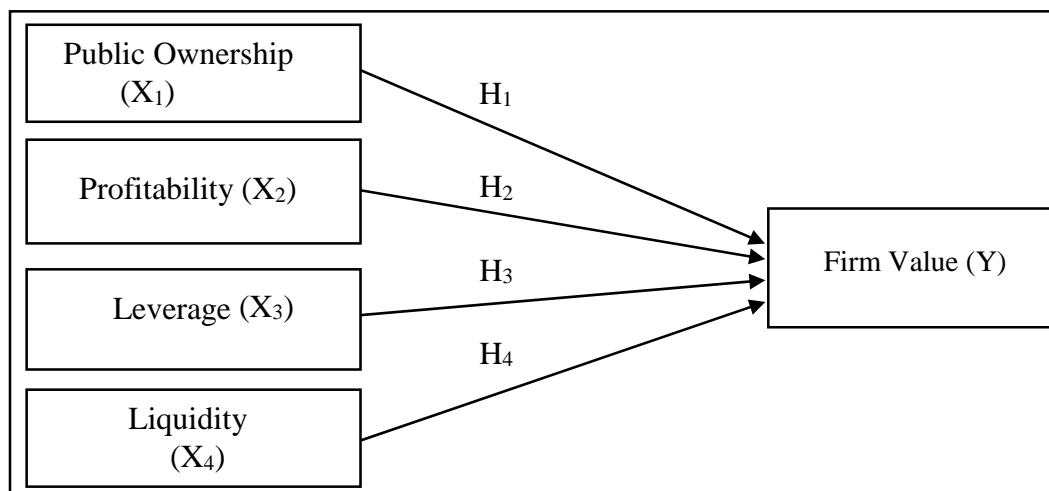


Figure 1 Theoretical Framework

HYPOTHESIS

Based on the theories, they can then be used to develop a theoretical framework. This theoretical framework can then be used to develop research hypotheses. The following will explain the development of the idea of how the independent variable influences the dependent variable:

H1 : Effect of Public Share Ownership on Company Value

Public ownership is the sharing ownership by the public or society (Nur'aeni, 2017). The public also wants large profits from companies to get a large share of profits. Plus, they are only concentrated on short-term interests to get returns immediately. Thus, the company will report non-conservative earnings if the ownership structure is high. Based on the research results conducted by Linda Safitri Dewi and Nyoman Abundanti (2019), public share ownership affects company value.

H2: Profitability has an effect on Firm Value

The higher the ROA (Return on Assets) ratio, the more efficient the company's management is in generating profits/profits based on the assets it owns. Thus, this can provide a positive signal to investors and convince them to buy the company's shares because they will assume that companies with high levels of profitability can give maximum returns to shareholders and have good prospects in the future, which will come. Return On Assets is a ratio that shows how much assets contribute to creating net income. According to the results of research conducted by Lani Alfianti Dewi (2022), profitability positively affects company value

H3 : Effect of Leverage on Firm Value

The greater the debt, the smaller the company's priority is to pay dividends because the company's profits are reduced by the cost of the company's debt. The use of debt that is too high will endanger the company because the company will be included in the extreme leverage category, namely the company is trapped in a high level of debt and it is difficult to release the debt burden. DER aims to determine the company's position with respect to obligations to other parties, to assess the company's ability to fulfill its fixed obligations.

According to Muhammad Thamrin and Nike Jasriana (2022), it is stated that leverage has a significant effect on firm value.

H4: Effect of Liquidity on Firm Value

High liquidity from the perspective of the company's creditors is considered satisfactory. Meanwhile, if it is assessed from the perspective of investors and potential investors, the company cannot rotate its working capital. The trick is to compare the components on the balance sheet, namely total current assets with total current liabilities (short-term debt). The current ratio is a ratio to measure a company's ability to pay short-term obligations or debts that are due when billed as a whole and based on the results of research conducted by Susanto and Yuliastuti Rahayu (2022), it is stated that the current ratio affects firm value.

2. RESEARCH METHODS

The population used in this study are mining sector companies that are members of the Indonesia Stock Exchange (IDX) for the 2017-2021 period, consisting of 13 companies. The data collection technique used in this research is quantitative data in the form of secondary data. Quantitative data is data in numbers where the data form is related to the level or scale. Secondary data is collected from second-hand parties or other sources that had provided data before the research was carried out. The data collection method used in this study is the documentation method, namely by selecting, collecting, recording, and testing secondary data by obtaining data in the form of financial reports of mining companies listed on the Indonesia Stock Exchange for 2017 – 2021. Data processing is in. This research uses Econometric Views 10 (EViews 10) and Microsoft Excel 2016. Then data collection uses purposive sampling, where sampling, in this case, is limited to certain subjects that can provide the desired information

Table 1
Sample Criteria Chosen

No	Sample Criteria Chosen	Amount
1	Mining sectors listed on Indonesia Stock Exchange 2017-2021 period.	44
2	Mining sectors unpublished complete financial report on Indonesia Stock Exchange 2017 – 2021 period.	(13)
3	Mining sectors using foreign currency during the research period on 2017 – 2021 period.	(18)
Total of company meets required by sample		13

Based on this table, the sample in this study is 13 mining companies listed on the Indonesia Stock Exchange for the 2017-2021 period. The following are the names of the companies that became the research samples.

Table 2

The List of Firm Meets The Requirement of Research Sample Criteria

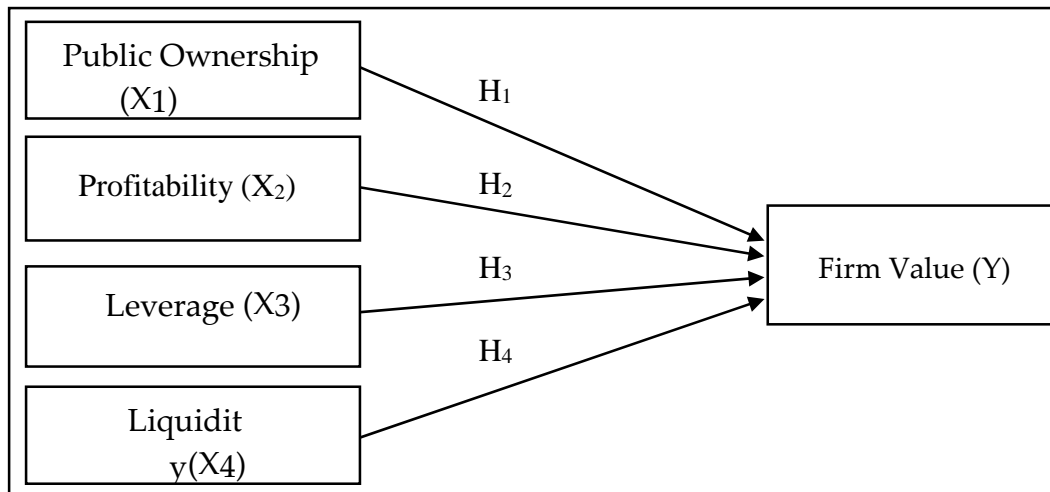
No	Companies	Issuer Code
1	Borneo Olah Sarana Sukses Tbk	BOSS
2	Alfa Energi Investama Tbk	FIRE
3	Perdana Karya Perkasa Tbk	PKPK
4	Tambang Batubara Bukit Asam (Persero) Tbk	PTBA
5	Golden Eagle Energy Tbk	SMMT
6	Elnusa Tbk	ELSA
7	Radiant Utama Interinsco Tbk	RUIS
8	Aneka Tambang (Persero) Tbk	ANTM
9	Central Omega Resources Tbk	DKFT
10	Timah (Persero) Tbk	TINS
11	Kapuas Prima Coal Tbk	ZINC
12	Citatah Tbk	CTTH
13	Mitra Investindo Tbk	MITI

The research model used is panel data regression. The purpose of panel data regression analysis is to determine the effect of the independent variables on the dependent variable. The panel regression data equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Information:

- Y : Variable Dependent
- α : Constanta (value Y if $X_1, X_2, X_3, X_4 = 0$)
- β : Coefficient independent variable
- X_1 : Public share ownership
- X_2 : Profitability
- X_3 : Leverage
- X_4 : Liquidity



3. RESULT AND DISCUSSION

3.1 Classic assumption test

a. Chow Test

This classic assumption test aims to obtain a research model. It can be used as an estimate which is carried out together with the regression test so that it can be seen that the variables in the study have met the requirements and are feasible to be used as a research model. This test uses the Chow test. This test determines which model is better to use between the common and fixed effects.

Table 3
Chow Test

Chow Test

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

Effects Test Statistic d.f. Prob.

Uji Chow

Redundant Fixed Effects Tests

Equation: Untitled

Test cross-section fixed effects

<i>Effects Test</i>	<i>Statistic</i>	<i>d.f.</i>	<i>Prob.</i>
<i>Cross-section F</i>	1.602484	(10,25)	0.1635
<i>Cross-section Chi-square</i>	19.812077	10	0.0311

Based on Table 4.11 above, the value of cross section $F > \text{Chi-square}$ cross section is $0.1635 > 0.0311$. Therefore, the standard effect model is better than the fixed effect model.

The discussions of this research are:

- a. Variable Public Share Ownership (X1) does not significantly affect Company Value in Mining Sub Sector Companies listed on the Indonesia Stock Exchange for 2017 – 2021.
- b. The profitability variable (X2) has no significant effect on value. Companies in Mining Sub Sector Companies registered at Indonesia Stock Exchange Period 2017 – 2021.
- c. Leverage Variable (X3) significantly affects Firm Value in Mining Sub Sector Companies listed on the Stock Exchange Indonesia Period 2017 – 2021.
- d. The liquidity variable (X4) has no significant effect on value. Companies in Mining Sub Sector Companies registered at Indonesia Stock Exchange Period 2017 – 2021.

b. Normality test

This test was conducted to determine whether the standardized residual values in the panel regression model were usually distributed. The method used for this test is to look at the Jarque Beta probability value. The data can be expected if the probability value exceeds the significance level (0.05).

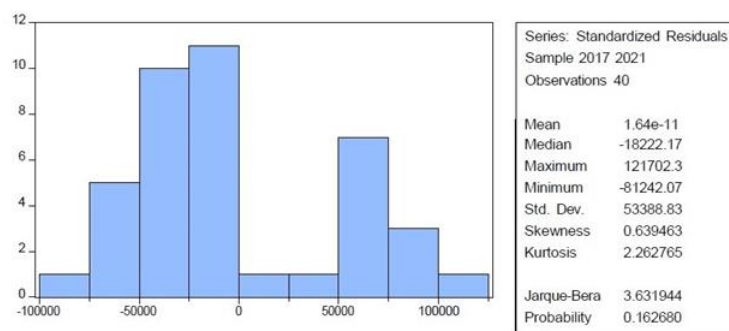


Figure 2 Normality Test

Source : Output Views 10

Based on the picture above, it indicates a probability value of 0.162680. This implies that the value is greater than the significance level of 0.05. Therefore, it can be concluded that this regression model is normally distributed.

c. Multicollinearity Test

This test aims to test whether, in the regression model that is formed, there is a high or perfect correlation between the independent variables. Multicollinearity is a linear relationship between independent variables in panel data regression. If the coefficient is less than 0.8, there is no multicollinearity and vice versa. If the correlation coefficient is more than 0.8, then it contains elements of multicollinearity.

**Table 4
Multicollinearity Test**

	Public Ownership	Return On Asset	Debt to Equity Ratio	Current Ratio
Public Ownership	1.000000	-0.152460	0.138194	-0.062979
Return On Asset	-0.152460	1.000000	0.179908	-0.406544
Debt to Equity Ratio	0.138194	0.179908	1.000000	-0.160242

Current Ratio	-0.062979	-0.406544	-0.160242	1.000000
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Based on the results obtained above, the correlation coefficient value is above 0.80. This implies that the regression model used does not have multicollinearity problems.

d. Heteroscedasticity Test

This type of test aims to know that the regression model formed has variance and residual inequality in the regression model. This test can be carried out in 2 (two) ways. The first way is visible, namely, seeing that the dots do not form a specific pattern and the beads do not spread randomly on the scatterplot. The second way is to compare the Sum Square in the Unweighted column. If the Square Resid in the Weighted column is smaller than the Sum Square in the Unweighted column, then there is no heteroscedasticity in the regression model.

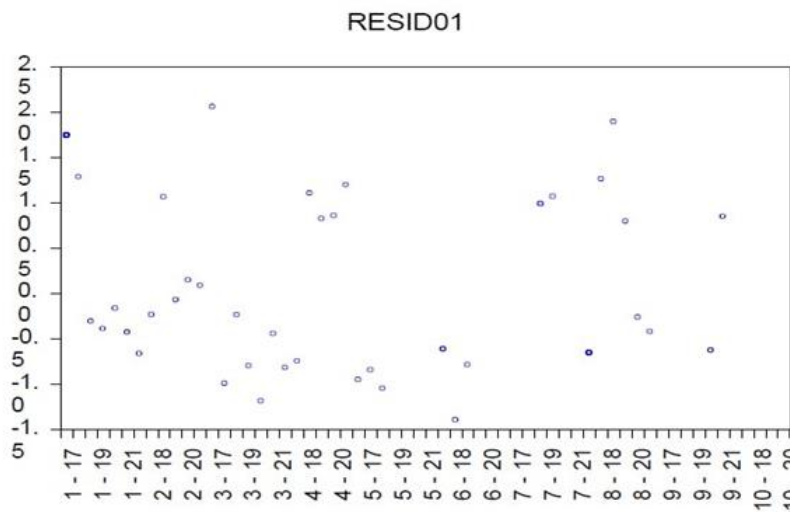


Figure 3 Heteroscedasticity Test
Source : Output Eviews 10

Based on the figure, it can be concluded that the distribution of dots does not form a specific pattern, and the dots spread randomly on the scatterplot, so it is concluded that there is no heteroscedasticity or is free from heteroscedasticity issues.

e. Autocorrelation Test

Autocorrelation is the relationship between one observation residual and another observation residual. Autocorrelation implies a correlation between members of one word with other words. Decision-making in this test is to look at the value of Durbin Watson. Decision-making on this test is as follows:

- 0.00 - 1.10 : There is a positive autocorrelation
- 1.10 - 1.54 : Can't be decided
- 1.54 - 2.46 : There is no autocorrelation
- 2.46 - 2.90 : Can't be concluded
- 2.90 - 4, 00 : There is a negative autocorrelation

Table 5
Autocorrelation Test

<i>R-squared</i>	0.150755	<i>Mean dependent var</i>	57289.20
<i>Adjusted R-squared</i>	0.543699	<i>S.D. dependent var</i>	57934.07
<i>S.E. of regression</i>	56357.11	<i>Akaike info criterion</i>	24.83327
<i>Sum squared resid</i>	1.11E+11	<i>Schwarz criterion</i>	25.04438
<i>Log likelihood</i>	-491.6655	<i>Hannan-Quinn criter.</i>	24.90960
<i>F-statistic</i>	1.553274	<i>Durbin-Watson stat</i>	1.198807
<i>Prob(F-statistic)</i>	0.208431		

Source : Eviews 10 Output Results

4.2 Determination Coefficient Test (R2)

The coefficient of determination test is the proportion or percentage of the dependent variable's total variation explained by the independent variable.

Table 6
Autocorrelation Test

<i>R-squared</i>	0.150755	<i>Mean dependent var</i>	57289.20
<i>Adjusted R-squared</i>	0.543699	<i>S.D. dependent var</i>	57934.07
<i>S.E. of regression</i>	56357.11	<i>Akaike info criterion</i>	24.83327
<i>Sum squared resid</i>	1.11E+11	<i>Schwarz criterion</i>	25.04438
<i>Log likelihood</i>	-491.6655	<i>Hannan-Quinn criter.</i>	24.90960
<i>F-statistic</i>	1.553274	<i>Durbin-Watson stat</i>	1.198807
<i>Prob(F-statistic)</i>	0.208431		

Source : Eviews 10 Output Results

Based on the table above, the adjusted R-square results are 0.543699. This figure implies that the independent variable (independent) is related to the dependent variable of 54.3%. At the same time, the remaining 45.7% is influenced by other variables.

4.3 Partial Coefficient Test (t test)

The t-test is used to see the significance of the effect of the individual independent variables on the dependent variable. The decision-making is as follows:

1. If the probability value of the independent variable > the significance level, it implies that the independent variables do not affect the dependent variable individually.
2. If the probability value of the independent variable < level of significance, it implies that individually the independent variable affects the dependent variable.

Table 7
Regression Coefficient Test

Uji Koefisien Regresi (Uji t)

Dependent Variable: Y

Method: Panel Least Squares

Date: 06/29/22 Time: 16:54

Sample: 2017 2021

Periods included: 5

Cross-sections included: 11

Total panel (unbalanced) observations: 40

<i>Variable</i>	<i>Coefficient</i>	<i>Std. Error</i>	<i>t-Statistic</i>	<i>Prob.</i>
C	57817.67	20274.18	2.851788	0.0072
Kepemilikan Saham Publik	-0.109052	0.145294	-0.750562	0.4579
<i>Return On Asset</i>	-0.074949	0.591219	-0.126770	0.8998
<i>Debt to Equity Ratio</i>	-3.786120	1.711470	-2.212203	0.0336
<i>Current Ratio</i>	-1.098522	2.500270	-0.439361	0.6631

Sumber : Hasil Output Eviews 10

Based on Table 4 it can be elaborated that the results of the analysis are as follows:

4.3.1 Testing the Public Share Ownership Variable Hypothesis (X1)

The probability value of the Public Share Ownership variable is 0.4579, which is more significant than 0.05 (significance level). This implies that public share ownership does not affect firm Value. The research results indicate that Public Share Ownership does not influence Firm Value. The public desires profits from the company to get a significant share profit. In addition, they only concentrate on short-term interests to get a return soon. Thus the company will be inclined to report non-conservative earnings if the ownership structure is high. Matter. This indicates that management often takes action or policy which is not optimal and tends to lead to self-interest rather than companies that result in investors not being interested in investing capital. The results of this study are contrary to research conducted by Linda Safitri Dewi and Nyoman Abundanti (2019) state that public share ownership affects the Value of the company.

4.3.2 Profitability Variable Hypothesis Testing (X2)

The probability value on the profitability variable is 0.8998, which is greater than 0.05 (significance level). This implies that Profitability (ROA) does not affect firm value. The results of this study indicate that Profitability does not affect Company Value. High Profitability can attract investors to invest in the company. High profit will tell good prospects for the company so that it can trigger investors to participate in increasing the demand for shares. Hence, the stock price increases, which causes the company's value to increase. The greater is ROA obtained by a company, the level of efficiency in the use of assets more significant, and vice versa. This indicates that profitability is low, so investors are not interested in investing capital. The results of this study contradict the results of

research conducted by Lani Alfianti Dewi (2022), which states that Profitability has a positive effect on firm value.

4.3.3 Testing the Leverage Variable Hypothesis (X3)

The probability value on the leverage variable is 0.0336, which is less than 0.05 (significance level). This implies that profitability (leverage) affects firm value. The results of this study indicate that leverage has no impact on Company Value. Using too high debt will endanger the company because the company will be included in the category of extreme power (extreme debt). The company is trapped in high debt levels, and it is difficult to release the debt burden. DER aims to know the company's position towards obligations to other parties, to assess the company's ability to meet its obligations permanently. This indicates that the size of the debt owned by the company is not too noticeable to investors because investors see more how the management of the company's company uses the funds effectively and efficiently to achieve added value for the company. This is in line with the results of research conducted by According to Muhammad Thamrin and Nike Jasriana (2022), it is stated that leverage has an effect significant to firm value.

4.3.4 Testing the Liquidity Variable Hypothesis (X4)

The probability value on the liquidity variable is 0.06631, more than 0.05 (significance level). This implies that probability (Liquidity) does not affect firm value. The results of this study indicate that Liquidity has no impact on Company Value. This is because when this company owns current assets, the lower it implies no funds are used, which resulted in the company not being optimal take advantage of its current assets so that company cannot take advantage of it existing assets so that the company is not able to prosper the shareholders. The results of this study are contrary to the effects of other studies carried out by Susanto and Yuliasuti Rahayu (2022) which stated that the current ratio affects the company's value.

4.4 Interpretation of Research Result

4.4.1 The effect of Public Share Ownership on Company Value

The research results indicate that Firm Value does not influence Public Share Ownership. The public desires profits from the company to get a significant share profit. In addition, they only concentrate on short-term interests to get a return soon. Thus the company will be inclined to report non-conservative earnings if the ownership structure is high. Matter. This indicates that management often takes action or policy which is not optimal and tends to lead to self-interest rather than companies that result in investors not being interested in investing capital. The results of this study are contrary to research conducted by Linda Safitri Dewi and Nyoman Abundanti (2019) which state that public share ownership affects the company's value.

4.4.2 The effect of Profitability on Firm Value

The results of this study indicate that profitability does not affect Company Value. High profitability can attract investors to invest in the company. High profit will tell satisfactory prospects for the company so that it can trigger investors to participate in increasing the demand for shares. Hence, the stock price increases, which causes the company's value to increase. The greater the ROA obtained by a company, the level of efficiency in the use of assets more significant, and vice versa. This indicates that profitability is low, so investors are not interested in investing capital in the company. This

study's results contradict the research conducted by Lani Alfianti Dewi (2022), which states that profitability positively affects firm value.

4.4.3 The Effect of Leverage on Firm Value

The results of this study indicate that leverage does not affect Company Value. Using too high debt will endanger the company because the company will be included in the category of extreme power (extreme debt). The company is trapped in high debt levels, and it is difficult to release the debt burden. DER aims to know the company's position towards obligations to other parties, to assess the company's ability to meet its obligations permanently. This indicates that investors do not notice the size of the debt owned by the company because investors see more how the management of the company's company uses the funds effectively and efficiently to achieve added value for the company. This is in line with the results of research conducted by According to Muhammad Thamrin and Nike Jasriana (2022) which state that leverage has an effect significant to firm value.

4.4.4 The Effect of Liquidity on Firm Value

The results of this study indicate that Liquidity does not affect Company Value. This is because when a company owns current assets, the lower they are, the less funds have been used by the company, which results in the company not optimally taking advantage of its current assets, which leads to the company not being able to take advantage of its existing assets and prosper the shareholders. The results of this study are contrary to the effects of other studies carried out by Susanto and Yuliasuti Rahayu (2022), which stated that the current ratio affects the company's value.

4. CONCLUSION

The research results are the results of data management from Financial Statements taken from 13 Mining Sub Sector Companies listed on the Indonesia Stock Exchange for the 2017 – 2021 period. This research was conducted to determine the effect of Public Share Ownership, Profitability, Leverage and Liquidity on Company Value in Sub Companies. The Mining Sector is listed on the Indonesia Stock Exchange for the 2017 – 2021 period. This study uses a panel data regression test. Based on the description above, it can be concluded that Public Share Ownership (X1) has no significant effect on Company Value. Profitability (X2) has no significant impact on firm value. Leverage (X3) has a significant effect on firm value. Liquidity (X4) has no significant impact on firm value.

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