

Analysis of Growth Ratio and Leverage on Firm Value for Issuers Property and Real Estate on the IDX for the 2021-2025 Period

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Abstract

Investor choose to invest in companies that can send positive signals to them. Therefore, one of the most frequently observed indicators is a company's value, as reflected by stock price that is higher than the book value. This research was conducted to analyze the influence of the growth ratio proxied by sales growth (SG), and leverage proxied by debt-to-equity ratio (DER) on the firm value of property and real estate issuers listed on the Indonesia Stock Exchange (IDX) from 2021-2025. The population consists of 79 property and real estate companies in the capital market, which was subsequently narrowed down to 57 issuers after excluding companies in the special monitoring category research data spanning 5 years. The sampling technique used was purposive sampling and selecting 30 companies with the sampling criteria: listed before 2021, complete financial reports, not delisted for more than 6 months, and having revenue. The analytical method used is regression analysis of panel data with the help of application EvIEWS 12. The results of the T-test indicate that SG and DER do not have a significant effect on PBV. The results of the F-test also indicate that the independent variables in this study do not have a significant effect. This indicates that, both individually and collectively, the research models do not yet sufficiently explain the variation in PBV for the 2021-2025 period. Investors in this sector employ risk-based investment strategies that prioritize issuers cash flow resilience and real liquidity capacity over responding to fluctuations in accounting profits from sales growth or capital structures deemed reasonable as a consequence of the capital-intensive nature of the industry.

Keywords: sales growth, debt-to-equity ratio, firm value

A. INTRODUCTION

The corporate sector listed in the Indonesian capital market is very diverse. The property sector and real estate is one of the sectors that has large price capitalization and becomes the target of investors because, in addition to this sector contributing to growth, Indonesia's economy. Basically, business in

this sector will continue to grow as the population growth that triggers demand and supply for assets or housing will tend to rise in the future. The 2021-2025 period is a very important period for the sector property and real estate. Economic recovery after the pandemic in 2021-2022 driven by tax incentives for DTP VAT and more flexible LTV. IN 2023-2025, Bank Indonesia's rising interest rates followed by high inflation makes the spending capacity of the public decline. As a result, the field performance of this sector becomes highly volatile. In theory, the sales growth that occurs is considered unsustainable and the high leverage becomes something common in capital-intensive industries, so the importance of the two aspects on the company's value during the period needs to be reviewed again.

In 2018, the Indonesian Financial Accounting Standards Board (DSAK) issued PSAK 72 which governs "Revenue Recognition from Contracts with Customers" adopted from IRFS 15 "Revenue from Contracts with Customers". This standard began to be officially effective on 1 January 2020 by linking PSAK 23 and providing detailed guidance regarding revenue recognition which includes the principle of revenue disclosure. The impact of the implementation of this new standard affects companies that earn revenue from contracts. This is due to provisions in PSAK 72 which state that the recording of revenue received for issuers in the property and real estate sector can only be done after the traded units are officially delivered. This of course affects the entity's performance or sales growth stated in the company's financial statements. Meanwhile, the system of recording becomes clear and beneficial for investors and shows the actual condition of the company as it truly is. PSAK also aims to increase transparency regarding revenue, providing direction that previously did not exist and improving guidance for recognition of revenue from combined products such as goods and services. the implementation of PSAK 72 can provide an illustration that the company's profit appears as if it is facing losses or a decline in the current year, or vice versa, because the recording of its sales revenue must await the process of handover according to applicable rules.

The tight competition among companies listed in the capital market is the main reason for each company to earn profit and increase the company's value so that it can reflect good company performance so that investors are interested in investing. The following is the phenomenon of stagnation through clear up-and-down fluctuations in company value which will affect investor interest in property and real estate company issuers on the stock exchange Indonesia (IDX) in 2021-2025.

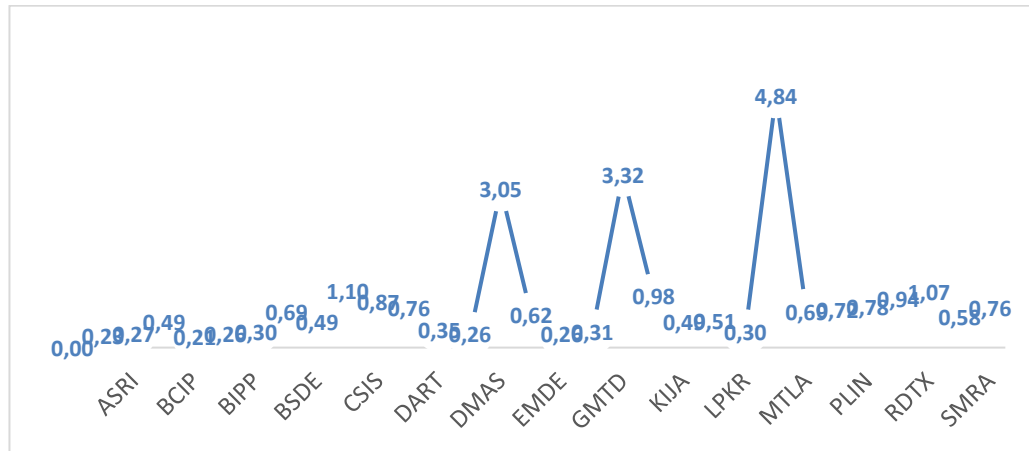


Figure 1. Rata-rata Nilai *Price to Book Value* Pada Emiten *Property dan Real Estate*

Based on Figure 1. above, it can be said that the average value of the company value in property and real estate issuers for the 2021-2025 period moves in a fluctuating manner. The increase and decrease in value of the market and the performance of the companies in this sector is strongly influenced by the interest rate that is set by Bank Indonesia, which determines the ease for the public in accessing Credit Home Ownership (KPR), the inflation rate that affects the purchasing power of the public towards non-primary assets, as well as various government stimulus policies such as additional tax incentives the value borne by the government (PPN DTP) and the loosening of the credit-to-asset value ratio (LTV) which is the main factor in improving market sentiment and increasing the value again of the issuer's stock. Not many of these companies have a price to book value of > 1 , even though this is an important indicator because investors will have the view that the company's performance is going well because it's stock price is considered higher than it's book value.

Company value is the condition or market perception of a company that can help company management to understand the situation of the implementation that will be carried out as well as it's impact in the future (Fahmi, 2015:82). An increasing company value from the previous period will become positive information for prospective investors because it indicates that the performance of the company is good in the capital market; however, if the company value stagnates until a decline occurs, it means the company's performance is not just 'fine as usual'-there needs to be evaluation from management of the company. Company value will reflect the well-being of shareholders because if the company value is high, shareholders' welfare will also increase. Value of a company experiencing this uncertainty is certainly influenced by various factors, both from ratios of growth to the debt ratio, which

need to be the company's focus so that its company value can increase over time. Company value is determined not only by its ability in creating cash flow, but also influenced by the operational and financial nature of the company acquired. The value of the company in this study is calculated using Price to Book Value (PBV).

Growth ratio is the ratio used to measure the company in maintaining its position (Arief Sugiono, 2009:81). Furthermore, growth ratio also represents the ratio that describes the company's ability to maintain its economic capability and sector its business amid the country's economic growth (Kasmir, 2016:118). Growth ratio in this study is calculated using Net Sales Growth (SG). Sales Growth is a comparison that is used to measure how far the company can increase its sales with total sales overall (Kasmir, 2017:107). Sales Growth can be calculated by comparing previous year sales and current year sales. The significant revenue makes it easier for the company to obtain capital sourced from external parties. Growth in sales growth is a positive signal that market demand is strong, so the value of the company rises. If it experiences decline or negative growth, it means the company's performance is slump because investors certainly expect performance and the company's prospects to continue to grow from time to time.

Leverage or debt ratio is the company's ability to fulfill its obligations as shown by portions of equity used to pay debts (Damirah, 2023:78). Equity and debt financing in a company that is often calculated based on the relative size of different funding sources (Subramanyam, 2015:106). Leverage describes the capacity of a company to meet all financial obligations that it possesses, including short-term, long-term, and when the company is liquidated (Khoeriyah 2020:99). In decision-making on the use of loan funds, it is necessary to have good and cautious policies so that the results can effectively increase value of the company. Excessive debt usage can be a negative signal of financial risk or positive signal if debt is used for profitable expansion. Leverage in this study is calculated using Debt to Equity Ratio (DER).

Continuity between the variables of sales growth and leverage on company value can be explained through signaling theory. Signalling theory is the way management of the company to provide information to external parties or investors about performance to avoid asymmetry through financial reports. A company that can providing a positive signal certainly has a value greater than investors' perspective and has the potential to attract investors to invest capital in the company. Based on this

theory's perspective, the ability to increase sales and the company's structure are interpreted by investors as a market signal. The market's reaction to this signal then manifests itself in the value of the company. Therefore, the company must provide structured financial reports, complete and reliable from the beginning to the end of the year so that investors can read the poor prospects of the company.

Some findings from previous research, such as the study (Ayunda, 2023), the results of which were that sales growth has a positive and significant effect on firm value whereas the findings from the study (Herdiani *et al.*, 2021) provide evidence that sales growth has a negative and significant effect on firm value. Next, the research carried out by Barlia & Vellin, (2023) shows that leverage has a positive and significant effect on firm value, different from the study by Roosiana & Maswar, (2016) which states that leverage has a negative effect on firm value. Some inconsistencies in these studies are also based on variations in the industrial sectors analyzed, differences in the observation period, and changes in macroeconomic conditions that influence market responses to the company's sales growth and debt policy. This certainly makes prospective investors wonder whether an increase in firm value can be seen from sales growth or the high or low use of borrowed funds-or even, in fact, the research variable does not become the main focus in examining it's effect on firm value in this sector? Therefore, this research is conducted to determine the extent of the market's response to the sales growth and debt policy of issuers during the economic recovery phase in the sector of property and real estate during the period 2021-2025.

The reason this research was conducted by the author is because since PSAK 72 on Revenue from Contracts with Customers become effective on January 1, 2020 up to now, several anomalies were found because recognition of sales revenue experiences a lag time, so the recording of revenue or Net Sales in the financial statements is not real time, causing inaccuracy in the calculation of issuers' sales increases fluctuate disproportionately until providing the wrong signal to investors and potentially disrupting their ability in assessing the company's value accurately. Therefore, this raises questions for the author whether the proxy of sales growth usually used in several previous studies is still relevant since the enactment of the regulation, thus requiring re-testing with the 2021-2025 period, especially in the property and real estate sector. In this sector, in fact external loan funding is needed so that the company can continue to expand widely, but many of these companies are unable to meet their obligations because the profits generated are smaller than the debt funds, which raises the question of whether the use of loan funds in this sector becomes one of the important indicators of the rise and fall in value of the company.

Based on previous research showing inconsistent results and the existence of imbalance in revenue recognition caused by new regulations indicating that this issue requires a comprehensive academic solution by clearly understanding the impact of the growth ratio of sales and the use of leverage during the 2021-2025 transition period that is important to reduce information asymmetry in the capital market. Therefore, the author feels it important to conduct further research by presenting the title Growth Ratio and Leverage on Firm Value for Property and Real Estate Issuers on IDX Period 2021-2025.

B. METHODS

Research Method

The research method used in this study is associative quantitative research to determine the influence between the investigated variables. This method was chosen because it's characteristics are capable of measuring causal relationship objectively and quantitatively suitable for analyzing financial statement data in the form of ratios or metrics. This study was conducted to determine how large the actual influence is between the independent and dependent variables on the company property and real estate on the IDX that became the research subjects through statistical testing.

Population and Sample

The population in this study covers all property and real estate issuers listed on the Indonesia Stock Exchange (BEI) totaling 79 companies, which was then narrowed down to 57 issuers after excluding companies in the special monitoring category. From that population, the sampling collection in this study uses purposive sampling with criteria property and real estate companies listed before 2021, publish annual reports each year, never received delisting SP > 6 months and has operating activity viewed from operating income. Therefore, based on the sample criteria, 30 companies were obtained property and real estate that meet the criteria. Therefore, this study uses 150 sample data obtained from the multiplication between 30 selected issuers and 5 years of the research period in property and real estate companies in 2021-2025.

Data Collection and Processing

Furthermore, this study collects data from several companies with a periodization of the data examined is 5 years starting from 2021-2025. This study uses the method of documentation, collected by gathering, recording and reviewing secondary data in the form of annual financial reports (annual report) as well as issuer stock price data (closing price) for the property and real estate sector that are officially

published by the Indonesia Stock Exchange (IDX) or the website of each company during the period 2021-2025. As for the review of supporting books, journals of previous research results and other sources that are closely related to the research variables used are used purely as a literature study to build theoretical foundations and hypotheses, not as a source of empirical research data. The collected data will be processed statistically using the Eviews 12 software tool by testing the research variables using descriptive statistical test analysis, model selection tests (Chow test, Hausman test and LM test), classical assumption tests, regression model estimation, hypothesis testing and the test of the coefficient of determination.

C. RESULTS AND DISCUSSION

Results

Descriptive Statistics Test

The descriptive statistics test is an analysis test conducted to determine an overview of the concise summary of the variables used in the study (Misbahuddin & Iqbal, 2013:258). The following are the results of the descriptive statistics test analysis can be seen in the table as follows:

Table 1. Results of the Descriptive Statistics Test

	X1	X2	Y
Mean	0.184133	0.793600	0.892467
Median	0.060000	0.600000	0.540000
Maximum	7.760000	4.170000	9.950000
Minimum	-1.000000	0.080000	0.090000
Std. Dev.	0.793657	0.676104	1.271862
Observations	150	150	150

Based on Table 1 above, it can be observed that the descriptive figures of each variable with a total number of observations of 150 (one hundred and fifty) with the explanation as following:

Firm value (Y) is the dependent variable using Price to Book Value as a measure. The minimum value of 0.09 means the company has a stock price that is undervalued far from it's book value. The company with that value is PT Megapolitan Developments Tbk in 2025. The company that has a value maximum of 9.95 times is PT Suryamas Duta Makmur in 2024, meaning the stock price owned is valued 9.95 times the book value. The mean value is 0.89 times and the value of standard deviation is 1.27 times, meaning the level of dispersion of stock prices among companies is quite wide.

Sales growth (X₁) is an indicator of the growth ratio that becomes the independent variable in

this study. The minimum value of -1.0% means that sales revenue decreased by 1% from the previous period. The company with that minimum value is PT Lippo Karawaci Tbk in 2024. Next, the company that has a maximum value of 7.76% means the company is only able to make sales as high as 7.76% of the previous period and the company that succeeded in doing this is PT Megapolitan Developments Tbk in 2024. The value mean of this variable is 0.18% and the standard deviation is 0.79% which indicates a fairly wide dispersion among samples in this study.

The debt to equity ratio indicator (X_2) is used as a measure of leverage. The minimum value data is 0.08% meaning total debt is only 8% of total capital. The company with this minimum value is PT Puradelta Lestari Tbk in 2025 and PT Suryamas Dutamakmur Tbk in 2024 and 2025. Next, the company that has the value maximum of 4.17% is PT Duta Anggada Realty Tbk in 2025 which means the company uses debt data 4.17 times it's own capital for funding the company. The mean value of this variable is 0.79 and it's standard deviation is 0.67 meaning the deviation of sample data from it's mean is small, so the data tends to cluster around the central value (mean).

Selection of the Panel Data Regression Model

To choose the best model before conducting panel data regression tests, it is necessary to approach by estimating the Common Effect Model (CEM), Fixed Effect Model (FEM), dan Random Effect Model (REM).

Chow Test

This test is the initial step to determine which regression model is the best conducted. The Chow test results can be observed in the table as follows:

Table 2. Chow Test Results

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	Statistic	d.f.	Prob.
Cross-section F	7.035590	(29,118)	0.0000
Cross-section Chi-square	150.594993	29	0.0000

Referring to Table 2 above, the probability values of Cross Section F and Chi-Square of 0.0000 which means less than 0.05. Therefore, the best model choice from the Chow test results is the Fixed

Effect Model (FEM) and continued with the Hausman Test.

Hausman Test

This test is the second step to determine which is better between Fixed Effect Model (FEM) or Random Effect Model (REM). The Hausman test results can be observed in the table as follows:

Table 3. Hausman Test Results

Correlated Random Effects - Hausman Test
 Equation: Untitled
 Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.512559	2	0.7739

Referring to Table 3 above which shows that the probability value of Cross Section Random of 0.7739 which means greater than 0.05. In the Hausman test, the best model is the Random Effect Model (REM) which is then followed by the Lagrange Multiplier test.

Uji Lagrange Multiplier

This test is the final step in selecting the panel data regression model. This test results of the Lagrange Multiplier can be seen in the table as follows:

Table 4. Lagrange Multiplier Test Results

Lagrange Multiplier Tests for Random Effects
 Null hypotheses: No effects
 Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	87.10842 (0.0000)	0.408918 (0.5225)	87.51734 (0.0000)

Based on Table 4 above which clearly shows the Breusch-Pagan probability value of 0.0000 which means less than 0.05. Therefore, based on the Lagrange Multiplier test, the model selected is the Random Effect Model (REM).

Establishment of the Random Effect Model (REM) as the best estimation model in this study based

on the systematic and consistent panel data testing hierarchy econometrics. Although the Chow test yields a probability value suggesting the use of Fixed Effect Model (FEM) is better than Common Effect Model based on the value probability, the test does not stop at that stage because the final determination must involve a comparison between FEM and REM through the Hausman test. When the Hausman test empirically suggests the use of Random Effect Model (REM), the decision must subsequently be verified again theoretically and statistically using the Lagrange Multiplier (LM) test. The LM test acts as a testing tool to ensure whether the REM model is truly better compared to CEM. If the LM test also consistently selects REM, then theoretically the intercept between companies in the sample are assumed as the disturbance (error term) variable that is random and uncorrelated with the independent variable. Since the REM is superior and consistent with the Hausman test and LM test results, the REM model can be set as the final model that is most efficient without ignoring the initial recommendation from the Chow test.

Classical Assumption Test

Normality Test

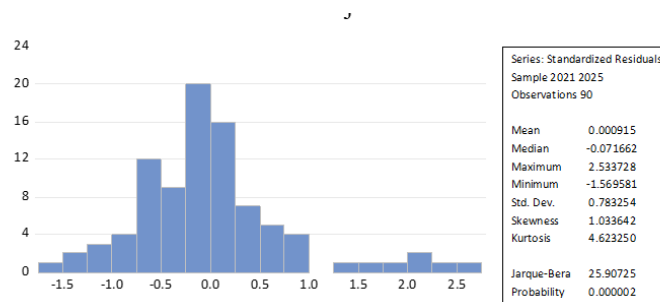


Figure 2. Normality Test

Based on the results of the normality test in this study, it can be seen that the value probability is $0.000002 < 0.5$, therefore statistically the residual value of this study is not distributed normally. This test is acknowledged as one of the limitations of the data characteristics secondary data in the property and real estate sector which often shows quite large variations between issuing companies. Nevertheless, in the context of panel data regression analysis with the number of observations in this study $n > 30$, noncompliance with the normality assumption will not reduce consistency and unbiasedness. Based on the study (Gujarati, 2009) the abnormality of residuals in large samples does not significantly affect the validity of the T-test and F-test. Therefore, hypothesis testing in this study can still be trusted to explain

the relationship between variables.

Multicollinearity Test

Table 5. Multicollinearity Test Results

	X1	X2
X1	1.000000	0.053800
X2	0.053800	1.000000

The results of the Multicollinearity test in this study can be seen from Table 5 above which shows the correlation between the SG variable (X1) and DER (X2) has a value of 0.053800, meaning less than 0.85. The study data are deemed free from multicollinearity.

Heteroskedasticity Test

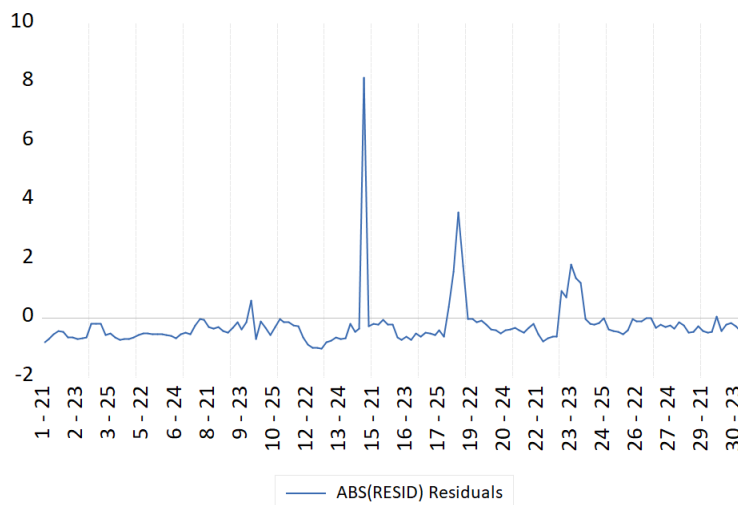


Figure 3. Heterokedasticity Test Results

Based on the heterokedasticity test results in this study, as shown in Figure 2 above that generally the fluctuations of residual values spread on the Y axis. Although there are several extreme spikes (outliers) at certain observation points, most of the residual data do not form a regular geometric pattern, narrowing or widening systematically as observations increase in the number of observations. The random dispersion around the central line visually indicates that the variance of the residuals is constant. By ensuring the objectivity of the results and avoiding bias in visual interpretation, this conclusion is reinforced by formal statistical testing using the Glesjer test which shows the significance probability

values for all variables independent variable are above 0.05. Therefore, no evidence of heterokedasticity was found and passed the heterokedasticity test (Napitupulu *et al.*, 2021:143).

Autocorrelation Test

Table 6. Autocorrelation Test Results

Cross-section random	0.973573	0.5651	
Idiosyncratic random	0.854152	0.4349	
Weighted Statistics			
R-squared	0.006435	Mean dependent var	0.325973
Adjusted R-squared	-0.007083	S.D. dependent var	0.846826
S.E. of regression	0.849819	Sum squared resid	106.1624
F-statistic	0.476048	Durbin-Watson stat	2.183952
Prob(F-statistic)	0.622188		

Based on the autocorrelation test results shown in Table 6 above, the DW value possessed is 2.183962 with a sample size of 150 observations and $k = 2$. Based on the DW table, the value obtained $dL = 1.7148$, nilai $dU = 1.7684$ and $4 - dU = 2.2316$ ($4 - 1.7684$). decision taken indicates that the computed DW value lies within the autocorrelation-free range satisfying the formal criterion $DU < DW < 4 - DU$ or mathematically written as $1.7684 < 2.83962 < 2.2316$. Therefore, it can be concluded that there is no autocorrelation issue.

Panel Data Regression Equation

Panel data regression test in this study aims to determine the effect of Sales Growth and Debt to Equity Ratio as independent variables on Firm Value as the dependent variable bound. The results of the panel data regression can be seen in the following table:

Table 7. Panel Data Regression Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.741223	0.246533	3.006581	0.0031
X1	0.000434	0.095799	0.004526	0.9964
X2	0.190479	0.196667	0.968537	0.3344
Effects Specification				
			S.D.	Rho
Cross-section random			0.973573	0.5651
Idiosyncratic random			0.854152	0.4349
Weighted Statistics				
R-squared	0.006435	Mean dependent var		0.325973
Adjusted R-squared	-0.007083	S.D. dependent var		0.846826
S.E. of regression	0.849819	Sum squared resid		106.1624
F-statistic	0.476048	Durbin-Watson stat		2.183952
Prob(F-statistic)	0.622188			

Based on Table 7 above, the panel data regression equation can be formulated:

$$PBV = 0,741223 + 0,0000434 SG + 0,190479 DER + \varepsilon$$

The following are the results of the interpretation of the panel data regression test:

1. The results of the above equation have a constant value of 0.741223, which indicates that if the independent variables are constant and do not change, then the Firm Value (PBV) will be 0.741223.
2. The coefficient value on the Sales Growth (X1) variable is 0.0000434 positive, which indicates that if the Sales Growth (X1) variable increases by 1 unit with the other independent variables constant, then the Firm Value (PBV) will have a value of 0.0000434.
3. The coefficient value on the Debt to Equity Ratio (X2) variable is 0.190479 positive, which indicates that if the Debt to Equity Ratio (X2) variable increases by 1 unit with the other variables constant, then the Firm Value (PBV) will be 0.190479.

Partial Test (T-Test)

Referring to Table 7 above, it can be concluded that the results of the T-test in this study are as follows:

1. The T-test result for the Sales Growth (X1) variable obtained a t-count of $0.004526 < t\text{-table}$, which is 1.976122 and it's probability value is > 0.05 which is 0.9964, meaning that the Sales Growth (X1) in partially, does not have a significant effect on Firm Value (PBV). Therefore, it is concluded that H1 is rejected.

2. The T-test result for the Debt to Equity Ratio (X2) variable obtained a t-count of $0.968537 < t\text{-table}$ namely 1.976122 and it's probability value $> 0,05$ which is 0.3344 meaning the Debt to Equity Ratio (X2) partially also does not have a significant effect on the Firm Value (PBV). Therefore, it is concluded that H_2 is rejected.

Simultaneous Test (F-Test)

From Table 7 above, the F-statistic value is $0.476048 < f\text{-table}$ which is 3.90506011 . the Prob F-Statistic value is $0.622188 > 0.05$. It can then be indicated that the Sales Growth (X1) and Debt to Equity Ratio (X2) simultaneously do not have a significant effect on Firm Value (PBV).

Determinant Coefficient Test

Based on Table 7 above, the adjusted R-squared (R^2) determinant coefficient has a value negative of -0.007083 indicating that the independent variables in this study namely Sales Growth (X1) and Debt to Equity Ratio (X2) with the dependent variable being Firm Value (PBV) can only explain it's effect by -0.783% , while 99.217% of the rest is influenced by other variables not examined in this study. The company value in this sector is often more driven by macroeconomic factors or other internal variables such as liquidity (current ratio) and profitability (ROA/ROE) but because this study did not calculate those variables, the explanatory power of the variables is minimal.

Discussion

Effect of Sales Growth on Firm Value

This study was conducted to test the effect of the independent variable, namely sales growth, on the dependent variable which is firm value. The analysis results show that the effect of sales growth based on Table 7 above from the t-test found a probability value of $0.9964 > 0.05$ and the T-statistic of this variable of $0.004526 < t\text{-table}$ of 1.976122 . Therefore, it can be indicated that "Sales Growth Does Not Significantly Affect Firm Value" in other words the hypothesis alternative (H_1) is rejected. This study's finding supports the results Baiq & Riya (2022) as well as the study by Aprillando & Mujiyati (2022) which jointly state that Sales Growth does not significantly affect Firm Value. From the results of the study conducted, it can be concluded that Sales Growth is no longer the main indicator of the rise and fall of value of the company in the PSAK 72 era which causes revenue recognition in the company's financial statements not timely so even though the company shows positive sales growth yet certainly

followed by increasing company profits in the current year due to lag time from the rule PSAK 72 especially in the property and real estate sector. Sales growth in this sector also takes a long time to be converted into added value for the company and investors more focused on land value and project portfolios than annual sales growth. Findings in this study show that signalling theory does not apply in a universal way to issuers in the property and real estate sector on the Indonesia Stock Exchange for the period 2021-2025. It's irrelevance is caused by limiting conditions in the form of anomalies recognition under PSAK 72 so that the market does not respond to those growth metrics as positive signals due to high information asymmetry, where investors tend to ignore spikes or declines in phantom accounting and instead prioritize cash flow health indicators operational cash flow of issuers during the national economic recovery period.

Effect of Debt to Equity Ratio on Company Value

The Debt to Equity Ratio in this study has analysis results showing that the effect of Debt to Equity Ratio on Table 7 above has a probability value found to be $0.3344 > 0.05$ and the T-statistic of this variable is $0.968537 < t\text{-table } 1.976122$. Therefore, it can be explained that the "Debt to Equity Ratio Does Not Significantly Affect Value Company" meaning the alternative hypothesis (H2) is rejected. This finding aligns with the results of research from Dimas & Aditya (2023) and research from Cholid & Astri (2022) where this equation is driven by characteristic samples that both focus on the property and real estate sector which is capital-intensive with observation year periods that different together providing evidence that Debt to Equity Ratio does not significantly affect Company Value. The results of this study is interpreted that the high or low Debt to Equity Ratio is not the focus that influences company value in the capital market because companies that feel able to finance owned assets using equity or own capital will reduce risk of default risk and becomes a plus in the eyes of investors because the company is perceived to have prospects for the future without having to worry about diminishing benefits from profits that are received. The lack of influence of this variable on company value is also due to investors in the property and real estate sector assess pure debt as financing for long-term projects that are productive and not a signalling of default risk, so the high or low leverage ratio does not affect stock price fluctuations or market valuation of value of the company's book value.

D. CONCLUSION

The phenomenon of rising and failing company value in the property and real estate sector that can be seen from its stock price which is undervalued or overvalued in this capital market will become a means for prospective investors before making investment decisions. The purpose of this study is to analyze the influence of growth ratio measured using sales growth and leverage which is measured using the debt to equity ratio on the value of companies listed as property and real estate issuers listed on BEI for the period 2021-2025. From the results of the research and tests conducted, it can be concluded that the results of sales growth and debt to equity ratio do not have a significant influence significantly either partially or jointly. In the transition and economic recovery period these, investors tend not to respond to sales growth or debt levels as main signals. Investors focus more on the issuers ability to maintain cash flow and complete stalled projects rather than looking at leverage ratios or sales growth that are still distorted by the PSAK 72 lag time. This research openly acknowledges the limitations of secondary data characteristics in the property sector for the 2021-2025 period where the assumption of normality and the negative Adjusted R-squared value reflecting high variability among issuers post-pandemic and indications of the other crucial external variables that have not yet been accommodated in this linear model.

The limitations of this study include the use of a limited set of independent variables that the researchers acknowledge that company value is certainly influenced by other variables not examined. It is recommended for future research to broaden the scope of independent variables used and aligned with sector-related issues or phenomena to be more relevant to the research results for example, Marketing Sales Growth variable whose data can be taken from the company's press releases so that the lag time anomaly produced by PSAK 72 no longer affects the recording of company profit sales of companies, especially in the property and real estate sector.

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