

An Analysis of ROA and EPS on Dividend Policy of PT Indofood Sukses Makmur Tbk's Manufacturing Shares During the 2020–2024 Period

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ABSTRAC

This research is based on the increase in share dividends in the Manufacturing sector, especially INDF (Indofood), which has continued to experience quite good increases over the last 5 years. And this share is also included in the sharia shares listed on the Jakarta Islamic Index 70 (JII70). Therefore, this research tries to find factors that influence the increase in dividends on this stock and finds two variables that may have an influence, namely ROA and EPS. Both have a positive influence on INDF share dividends. This research uses a quantitative descriptive method and the data required in this research is data originating from financial reports obtained through the official INDF stock website, namely from PT. Indofood Sukses Makmur Tbk. The research results show that the ROA and EPS variables simultaneously have a significant effect on dividends. And partially both also have a positive effect but are not significant.

Keyword: ROA, EPS, DIVIDEN

INTRODUCTION

In the present day, the capital market has developed significantly, particularly in Indonesia, where public investment levels continue to rise. The capital market has a substantial impact on the Indonesian economy. It can be defined as a marketplace where various financial instruments, both short-term and long-term, are traded by investors. The capital market also provides funding support for companies and serves as a means for them to raise capital and as a platform for investment.¹

The primary goal of investing is to gain profits in the form of dividends. Dividends are typically distributed by companies at the end of the fiscal year. A company's dividend policy is crucial as it demonstrates the company's financial stability and growth prospects to investors, thereby attracting them to invest in the company. Each company has its own level of dividend distribution, which is decided through meetings between the company's management and shareholders. The percentage of

¹ D. A. I Dayaratne and A.W.G.C.N Wijethunga, "Impact of Psychology on Behavioral Intention in Investing in Capital Markets: A Survey of Colombo Stock Exchange | IJABF," *International Journal of Accounting & Business Finance*, no. 2 (2015): 37–45, http://www.jfn.ac.lk/maco/ijabf/?attachment_id=91.

dividend distribution is determined and regulated by the company. Dividend distribution in manufacturing companies specifically Indofood, with the stock code INDF—appears quite promising for investors.² From 2020 to 2024, the dividends distributed have consistently increased, as shown in the table below,

Table 1. ROA and EPS on Dividend Policy of PT Indofood Sukses Makmur Tbk's Manufacturing Shares During the 2020–2024 Period

Tahun	ROA%	EPS	DIVIDEN
2020	5,4	108,7	65
2021	6,1	112,26	171
2022	6,8	103,64	278
2023	6,6	206,69	278
2024	10,9	237,7	278

Source: *Secondary Data processed, 2024*

Return on Assets (ROA) is an indicator used in analyzing a financial statement. When ROA increases, it signifies that the company's assets are being utilized optimally to generate profit. The higher the ROA, the greater the profits earned by the company.³ If the company's profits increase, the dividends distributed to shareholders will also rise. Price Earnings Ratio (PER) represents the amount of income earned by the company over a specific period, either annually or quarterly, calculated based on the number of shares owned by the public.⁴ According to Purwanto (2017), Earnings Per Share (EPS) illustrates the amount of income allocated to common shareholders and is then divided by the total number of outstanding shares in the public.⁵ The higher the earnings per share, the greater the potential return for investors. Based on the above explanation, this research is particularly interesting as it examines the dividend levels of PT Indofood Sukses

² Dhera Arizona, "Performa Pasar Modal Indonesia: Analisis 5 Tahun Terakhir Untuk Investor," IDX Channel, 2023.

³ Dian Prasinta, "Accounting Analysis Journal PENGARUH GOOD CORPORATE GOVERNANCE TERHADAP KINERJA KEUANGAN," *Accounting Analysis Journal* 1, no. 2 (2012): 1–7, <http://journal.unnes.ac.id/sju/index.php/aaaj>; Martina Rut Utami and Arif Darmawan, "Pengaruh Der, Roa, Roe, Eps Dan Mva Terhadap Harga Saham Pada Indeks Saham Syariah Indonesia," *Journal of Applied Managerial Accounting* 2, no. 2 (2018): 206–18, <https://doi.org/10.30871/jama.v2i2.910>; Natasya Rosandy and Thio Lie Sha, "Pengaruh CAR, NIM, LDR, Dan BOPO Terhadap ROA Pada Perbankan Di BEI," *Jurnal Paradigma Akuntansi* 4, no. 4 (2022): 1566–76, <https://doi.org/10.24912/jpa.v4i4.21373>.

⁴ Lisda Aisyah Rizki, Syamsi, Yulian Mamun, "Studi Pengaruh Nilai Tukar Rupiah, Dan Inflasi, Terhadap IHSG Di Indonesia Tahun 2013-2022," https://www.researchgate.net/publication/383870310_Studi_Pengaruh_Nilai_Tukar_Rupiah_dan_Inflasi_terhadap_IHSG_di_Indonesia_Tahun_2013-2022, n.d.

⁵ Meti Astuti and Indri Lestari, "Analisis Pengaruh Tingkat Pertumbuhan Ekonomi Dan Tingkat Pengangguran Terhadap Tingkat Kemiskinan Di Kabupaten/Kota Kulonprogo, Bantul, Gunung Kidul, Sleman, Dan Yogyakarta," *At-Tauzi: Jurnal Ekonomi Islam* 18, no. 2 (2018): 149–64.

Makmur Tbk. Further research is essential to provide clearer information both before and after the study is conducted.

LITERATUR REVIEW

Dividends

Dividends are a decision on how to use the profits/profits that are the rights of shareholders. Companies can choose between paying dividends to shareholders or reinvesting them in the company (Darmawan, 2018: 12). Dividends are also part of the company's financing decisions, where dividend policy is a decision related to the profits obtained by a company at the closing period which are then distributed to shareholders and can also be held to increase investment capital for the company in the future.

ROA

ROA is one indicator that shows that when ROA increases, assets have been used optimally to make a profit.⁶ The greater the ROA of the company, the greater the profit that will be generated by the company. ROA is part of profitability that is often used to measure a company's ability to generate profits from the assets used.

ROA Formula

$$ROA = \text{Net profit} / \text{Total Asset}$$

EPS

EPS is a calculation of the amount of income obtained by a company for a period of 1 year from each number of shares in circulation (Lukita Dwi Purnamasari, 2016: 4). EPS is the ratio of net profit in a period of 1 year with the issuance of the number of shares, where EPS acts as a financial ratio that shows the portion of profit from each share in circulation.

⁶ Utami and Darmawan, "Pengaruh Der, Roa, Roe, Eps Dan Mva Terhadap Harga Saham Pada Indeks Saham Syariah Indonesia"; Rosandy and Sha, "Pengaruh CAR, NIM, LDR, Dan BOPO Terhadap ROA Pada Perbankan Di BEI"; Prasinta, "Accounting Analysis Journal PENGARUH GOOD CORPORATE GOVERNANCE TERHADAP KINERJA KEUANGAN"; Wahyu Putri Anggreani and Taufikur Rohman, "Peran Return on Asset Dalam Memoderasi Hubungan Biaya Operasional Pendapatan Operasional, BI Rate, Dan Capital Adequacy Ratio Terhadap Persentase Bagi Hasil Deposito Mudharabah Pada Bank Umum Syariah Di Indonesia," *JIEF : Journal of Islamic Economics and Finance* 2, no. 1 (2022): 28–42, <https://doi.org/10.28918/jief.v2i1.4405>.

RESEARCH METHOD

This study employs a quantitative descriptive method, using a quantitative approach.⁷ The data required for the research are derived from financial reports obtained through the official website of Indofood (<https://www.indofood.com>) for the period 2020–2024. The subject of this research is the stock dividends of PT Indofood Sukses Makmur Tbk, with the stock code INDF, while the objects of the study are Return on Assets (ROA) and Earnings Per Share (EPS). The type of data used in this research is secondary data, which includes the following:

1. Information on Return on Assets (ROA) from 2020 to 2024, obtained from annual data.
2. Information on Earnings Per Share (EPS) from 2020 to 2024, obtained from annual data.
3. Information on stock dividends of PT Indofood Sukses Makmur Tbk from 2020 to 2024.

The data sources can be accessed and obtained through the official website (<https://www.indofood.com>). The analysis technique used in this research is multiple regression analysis, conducted using EViews 12 software.

RESULT AND ANALYSIS

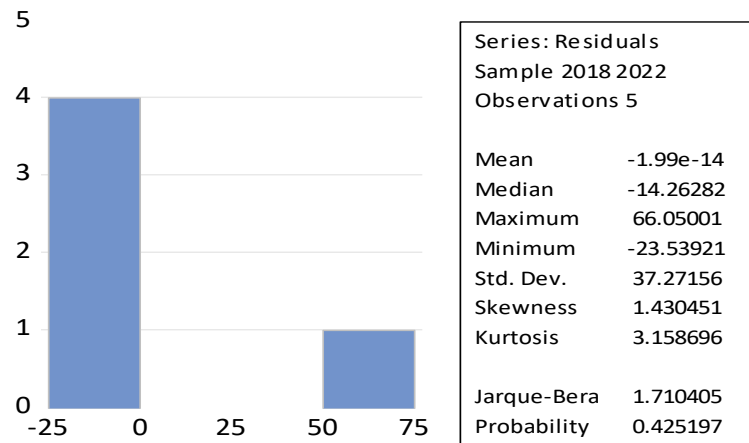
The analysis in this study was carried out from the results of data obtained from the Indofood website. (<https://www.indofood.com>) in the form of financial report data from 2020-2024 which was then analyzed using Multiple Linear Analysis using EViews 12.

Classical Assumption Test

Normality Test

Table 1. Test Results in the form of Histogram data

⁷ Jonathan Sarwono, *Metode Penelitian Kuantitatif Dan Kualitatif (Ed. 1)* (Yogyakarta: Graha Ilmu, 2006); Imam Machali, *Metode Penelitian Kuantitatif Panduan Praktis Merencanakan, Melaksanakan Dan Analisis Dalam Penelitian Kuantitatif*, ed. Abdau Qurani Habib (Yogyakarta, 2021).



Source: *Eviews 12 processed data, 2024*

From the test results, the Jarque-Bera Probability Value is 1.710405 which is higher than the α value ($0.425197 > 0.05$). So it can be said that the data in this study are normally distributed.

UJI ASUMSI KLASIK

1. TEST RESULTS IN MULTIKOLINIERITAS

Table 2. Results in Multikolinieritas

Variance Inflation Factors
Date: 12/12/23 Time: 23:02
Sample: 2018 2022
Included observations: 5

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	11685.29	21.02929	NA
ROA	163.3257	16.16481	1.096465
EPS	1.22E-05	2.935009	1.096465

Source: *Eviews 12 processed data, 2024*

From the results of this test, the Centered VIF value for the ROA variable = $1.096465 < 10$, and the EPS variable = $1.096465 < 10$. Where the Centered VIF value of each of the independent variables above, all have a value < 10 , which means this model is free from multicollinearity problems.

2. HETEROSKEDASTISITAS TEST

Table 3. Heteroscedasticity Test Results

Heteroskedasticity Test: Breusch-Pagan-Godfrey

Null hypothesis: Homoskedasticity

F-statistic	0.033478	Prob. F(2,2)	0.9676
Obs*R-squared	0.161970	Prob. Chi-Square(2)	0.9222
Scaled explained SS	0.027971	Prob. Chi-Square(2)	0.9861

Source: Eviews 12 processed data, 2024

From the test results, the value of the Breusch-Pagan-Godfrey Chi-Square Prob. is 0.9222. This means that it is more than the alpha value ($0.9222 > 0.05$). So it can be concluded that this model is free from Heteroscedasticity problems.

3. AUTOKORELASI TEST

Table 4. Autokorelasi

Breusch-Godfrey Serial Correlation LM Test:

Null hypothesis: No serial correlation at up to 1 lag

F-statistic	0.520151	Prob. F(1,1)	0.6022
Obs*R-squared	1.710854	Prob. Chi-Square(1)	0.1909

Sumber: Eviews 12, data diolah 2024

From the test results, the value of the Prob. Chi-Square Breusch-Godfrey LM Test is 0.1909. This means that the value is higher than alpha ($0.1909 > 0.05$). So it can be said that there is no Autocorrelation problem in this model, and the results of the classical assumption test are met.

MULTIPLE REGRESSION TEST

Table 4. Multiple regression test

Dependent Variable: DIVIDEN
Method: Least Squares
Date: 12/12/23 Time: 23:00
Sample: 2018 2022
Included observations: 5

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-123.8753	108.0985	-1.145948	0.3704
ROA	35.82742	12.77989	2.803420	0.1072
EPS	0.008896	0.003495	2.545178	0.1259
R-squared	0.847084	Mean dependent var		214.0000
Adjusted R-squared	0.694167	S.D. dependent var		95.31264
S.E. of regression	52.70994	Akaike info criterion		11.05119
Sum squared resid	5556.675	Schwarz criterion		10.81686
Log likelihood	-24.62799	Hannan-Quinn criter.		10.42226
F-statistic	5.539522	Durbin-Watson stat		2.758684
Prob(F-statistic)	0.152916			

Source: Eviews 12 processed data, 2024

From the results of the table above, the equation model in this study was obtained:

$$Y = -123,8753 + 35,82742ROA - 0,008896EPS + e$$

From the equation above shows:

1. When ROA and EPS are zero, then the amount of DIVIDEND is Rp. -123.8753.
2. When ROA increases by 1%, DIVIDEND will increase by Rp. 35.82742.
3. When EPS increases by 1%, DIVIDEND will decrease by Rp.0.008896.

UJI F (Simultan)

Table 6. F Test Results

Variable	Coefficient
C	-123.8753
ROA	35.82742
EPS	0.008896
R-squared	0.847084
Adjusted R-squared	0.694167
S.E. of regression	52.70994
Sum squared resid	5556.675
Log likelihood	-24.62799
F-statistic	5.539522
Prob(F-statistic)	0.152916

Source: Eviews 12 processed data, 2024

From the results of the table values above, the Prob (F-Statistic) value is = 0.152916 > 0.05 which means that H0 is not accepted/rejected and Ha can be accepted, meaning that it has a significant effect or $F_{\text{statistic}} = 5.539522 > F_{\text{table}} = 5.32$ then H0 is not accepted/rejected and Ha can be accepted, meaning that there is an effect of ROA and EPS on stock dividends. This indicates that the ROA and EPS variables have a significant effect on INDF stock dividends.

UJI T (Parsial)

To test the hypothesis partially, namely by using Eviews 12 and the following results were obtained:

a) ROA (X1)

Table 5. T test (ROA)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-123.8753	108.0985	-1.145948	0.3704
ROA	35.82742	12.77989	2.803420	0.1072
EPS	0.008896	0.003495	2.545178	0.1259

Source: Eviews 12 processed data, 2024

The results of table 6 above, obtained the ROA Probability Value of $0.1072 > 0.05$. This means that H0 is not accepted/rejected and Ha can be accepted, meaning the results are significant. Or $t_{\text{statistic ROE}} = 2.803420 > t_{\text{table}} = 2.20099$. This means that H0 is not accepted/rejected and Ha can be accepted, and has an effect. And it can be said that ROA has a single/partial but not significant effect on INDF Stock Dividends.

a) EPS (X2)

Table 6. Hasil Uji T EPS

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-123.8753	108.0985	-1.145948	0.3704
ROA	35.82742	12.77989	2.803420	0.1072
EPS	0.008896	0.003495	2.545178	0.1259

Source: Eviews 12 processed data, 2023

Dari hasil Table 9 diatas, didapatkan nilai probabilitas *Earning Oer Share* (EPS) sebanyak $0,1259 > 0,05$. Artinya H0 dapat diterima dan Ha tidak diterima/ditolak yang artinya tidak signifikan. Atau, $t_{\text{statistik EPS}} = 2,545178 > t_{\text{tabel}} = 2,20099$, maka H0 tidak diterima/ditolak dan Ha dapat diterima. Artinya memiliki. Dan bisa dikatakan EPS memiliki pengaruh secara parsial tetapi tidak signifikan kepada Dividen Saham INDF.

ROA (X1)

Based on the results of the analysis that has been done as in Table 8. the results of the hypothesis test show that ROA has an effect but is not significant on Dividends, namely the ROA probability value is $0.1072 > 0.05$. So H_0 is not accepted/rejected and H_a can be accepted, meaning it is significant. Or, $t_statistic\ ROE = 2.803420 > t_table = 2.20099$, H_0 is not accepted/rejected and H_a can be accepted, The results of this study are contrary to the theory explained above, which explains that the higher the ROA, the greater the return/dividend distributed to shareholders. High ROA will affect the stock dividends distributed by the company and will be an attraction for investors to invest their capital and buy INDF shares. However, in this study ROA does not have a significant effect on Stock Dividends. This may be due to a decrease in ROA in early 2021 to the end of 2021 caused by Covid-19, which made investors less interested in investing in INDF shares, which have started to increase their ROA value from 2018 by 5.4% to 10.9% in 2022. The results of this study are also the same and in accordance with Rioldinar Harianja (2016), which in his research also provided ROA results that were also insignificant on Dividends, where the significance value of the study was $0.508 > 0.05$. However, this study contradicts the results of Rico Astica Arisaputra, whose research found that Return On Assets had a significant effect on Dividends. This may be due to differences in the companies studied which resulted in differences in the test results.

Variabel EPS (X2)

From the results of the analysis that has been done previously in Table 9. the results of the hypothesis test show that EPS has an influence but is not significant on Stock Dividends, where the probability value of Earning Per Share (EPS) is $0.1259 > 0.05$, then H_0 can be accepted and H_a is not accepted/rejected, meaning it is not significant. Or, $t_statistic\ EPS = 2.545178 > t_table = 2.20099$, then H_0 is not accepted/rejected and H_a can be accepted, meaning there is an influence. The results of this study are in line with the theory described previously which states that if the EPS value is higher, the Dividends distributed by the company to shareholders will also be higher. The results of this research analysis are also in line with the results of Rico Astica Arisaputra (2020) where his results show that EPS also has a positive but not significant influence on Stock Dividends. According to him, if EPS increases, INDF Stock Dividends will also increase because both have a unidirectional relationship.

CONCLUSION

Based on the data analysis conducted and explained above regarding the effect of ROA and EPS on INDF stock dividends, the following conclusions can be drawn:

Simultaneously, the test results indicate that ROA and EPS have a significant influence on INDF stock dividends during the 2020–2024 period. This is evidenced by the probability value of the F-statistic ($\text{Prob}(F\text{-Statistic}) = 0.152916 > 0.05$, meaning that H_0 is rejected and H_a is accepted, indicating a significant effect. Moreover, the F-statistic value = 5.539522 is greater than the F-table value = 5.32, further supporting the rejection of H_0 and acceptance of H_a .

Individually (partially), ROA has a positive but not significant effect on INDF stock dividends during the 2020–2024 period. This is based on the ROA probability value

of $0.1072 > 0.05$, which leads to the rejection of H_0 and acceptance of H_a , suggesting a significant effect. Additionally, the t-statistic for ROA = 2.803420 is greater than the t-table value = 2.20099, which also supports the rejection of H_0 and acceptance of H_a . On the other hand, EPS also has a positive but not significant effect on INDF stock dividends during the same period. This is indicated by the EPS probability value of $0.1259 > 0.05$, leading to the acceptance of H_0 and rejection of H_a , meaning the effect is not significant. However, the t-statistic for EPS = 2.545178 is greater than the t-table value = 2.20099, which contradicts the probability result and suggests further interpretation may be needed. This analysis was conducted using EViews 12, and the findings of this study show that the ROA and EPS variables, when considered together (simultaneously), have a significant influence on INDF stock dividends during the 2020–2024 period. This is supported by the F-test results where the Prob(F-Statistic) = 0.152916 > 0.05 , indicating H_0 is rejected and H_a is accepted, showing a significant effect. The F-statistic = 5.539522 $> F\text{-table} = 5.32$. However, individually (partially), ROA has a positive but not significant effect, as shown by the T-test results: ROA probability = 0.1072 > 0.05 or t-statistic = 2.803420 $> t\text{-table} = 2.20099$. Likewise, EPS has a positive but not significant effect based on its probability value of $0.1259 > 0.05$, even though its t-statistic = 2.545178 $> t\text{-table} = 2.20099$.

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