

The Effect of Net Income and Dividends on Stock Prices at PT Telkom Indonesia Tbk in 2018 -2022

Rulis Setyowati *¹
Vivi Ade Rivani ²
Yunita Budi A M ³
Maria Yovita R.Pandin ⁴

^{1,2,3,4} Universitas 17 Agustus 1945 Surabaya, Indonesia
e-mail: rulysetyowathy@gmail.com¹, viviadrn46@gmail.com², yunitabudi123@gmail.com³,
yovita_87@untag-sby-ac.id⁴

Abstract

This research aims to analyze the effect of net profit and dividends on share prices at PT Telkom Indonesia Tbk during the period 2018 to 2022. The data used is company financial data which includes net profit, dividends and share prices. The research method applied is quantitative, Quantitative methods are a type of research that is more organized and methodical in terms of the use of numbers, as well as more clear and precise in the way it collects data and presents its findings. The research results show that net profit has a positive and insignificant influence on the share price of PT Telkom Indonesia Tbk. This shows that the higher the company's net profit, the higher the share price, but there are insignificant influencing factors such as economic conditions, industry competitors and so on. Dividends also have a positive and insignificant influence on the company's share price. This means that the higher the dividend distributed, the higher the share price of PT Telkom Indonesia Tbk. Apart from that, net profit and dividends have a positive and insignificant influence on share prices. This research provides a better understanding of the factors that influence company share prices and can be a reference for investors and shareholders in making investment decisions.

Keywords: Net Profit, Dividends, Share Prices.

INTRODUCTION

In the rapidly evolving era of globalization, public companies play an important role in a country's economy. The capital market becomes a vital platform for these companies to raise funds, expand operations, and increase firm value. The capital market can also be considered as a market for buying and selling securities such as stocks and bonds that usually have a maturity of more than one year. Therefore, the factors that influence Stock Price are an interesting and relevant subject of research. One company that attracts attention in this context is PT Telkom Indonesia Tbk, an entity that leads the telecommunications industry in Indonesia. In this context, this article aims to investigate the effect of net income and dividends on stock prices at PT Telkom Indonesia Tbk during the period 2018-2022. (Lubis, 2019)

In the investment world, the share price of a company is one of the most important factors for investors. A high share price indicates that the company has good performance and attracts investors to invest. Therefore, many studies have been conducted to understand the factors that affect the share price of a company. PT Telkom Indonesia Tbk is one of the largest telecommunications companies in Indonesia. As a public company, the financial performance of PT Telkom Indonesia Tbk is a major concern for investors. In this context, net income and dividends are dual factors that are often analysed to assess the financial performance and investment potential of a company. The amount of profit earned by a company is largely determined by the investments it makes. The profits generated can be contributed positively to the investors through dividends at the end of the year. A high profitability rate allows the business to provide high profits. (Mudzakir, 2021)

The period of 2018 to 2022 is an interesting period to analyse the effect of net sales and dividends on the salaries of PT Telkom Indonesia Tbk. During this period, the company had to deal with changes in the pallal conditions in the telecommunication industry. During this period, PT Telkom Indonesia Tbk managed to achieve significant growth in net sales and dividends. The increase in net income indicates an increase in the company's actual performance, while the

dividend paid to shareholders indicates the company's commitment to providing returns to investors.

Problem Formulation

1. Does net income have an impact on the halal salhalm of PT Telkom Indonesia Tbk during the period 2018-2022?
2. What is the effect of dividend on the halal salhalm of PT Telkom Indonesia Tbk during the period of 2018-2022?
3. Does net income and dividends have an impact on the halal salhalm of PT Telkom Indonesia Tbk during the period 2018-2022?

Research Objectives

1. Analyse the effect of net income on the halrgal salhalm of PT Telkom Indonesia Tbk during the period of 2018-2022.
2. Analyse the effect of dividends on the halal salhalm of PT Telkom Indonesia Tbk during the period 2018-2022.
3. To find out the extent of the influence of net income and dividends on the halal salhalm of PT Telkom Indonesia Tbk during the period of 2018-2022.

Research Benefits

1. Provide a more in-depth understanding of the relationship between net income and dividends and the halgal salhalm of PT Telkom Indonesia Tbk.
2. Providing calculations for the head of the management of PT Telkom Indonesia Tbk in realising the actual policies that affect the company's halal salhalm.
3. To be an alternative reference for further research in the field of allocative analysis in the capital market.

LITERATURE REVIEW

Investment and Portfolio Management

Investment is the investment of a certain amount of money with the intention of earning profit in the future. Paldal halkikaltnyal investment aldallalh placement of a certain amount of money with the intention of obtaining profits in the future. Investment management is a set of tasks that includes organising, managing, and managing the capital of individual and institutional investors. Portfolio management is the process of managing the accumulation of investments or assets owned by individuals or institutions. The objective of portfolio management is to achieve a balance between the rate of return expected and the level of risk tolerated by the investor. Thus, portfolio investment management is concerned with the management of an investment asset with the aim of meeting the investment objectives set, both in terms of the allocation hall and the selection of appropriate investment instruments.. (Adnyana, 2020)

Profit

Profit is the difference between income and expenses related to business operations. A loss is the amount that occurs when expenditure exceeds income. The calculations result in either a profit or a loss. This profit or loss has not yet been converted into a recognised amount. It is only after the company ceases to operate and is liquidated that it is possible to determine the actual profit or loss. Soemarso (2010), cited by(Naomi Febrianti Siringoringo, 2022).

One of the informals that investors may use to decide whether to invest in a company is the informal recognition of net worth. Net worth "measures the performance of the management in assessing the overall general performance of the company and the rate of return to the shareholders." Investors are more likely to invest in a company's capital if its net sales increase with the passage of time. Dalmpalknyal, halrgal salhalm perusalhalaln alkaln nalik. (Setiawati, 2018)

Dividend

Dividend is the amount of net income that is paid after the dividend is paid. Dividend is one of the components of investment choice. As a result, in this case the company must pay dividends in order to fulfil the expectations of investors who spend their money to buy shares.(Tita 2011). According to(Mudzakir 2021)Dividends are the dividends from the profits realised by the shareholders in return for their ownership interests. The amount of dividends

received by the shareholder in the balance sheet varies from year to year, depending on the balance sheet earned by the shareholder that year. Menurut (Mudzakir 2021)

Types of dividends

A. Calculated dividend

Cash dividends are cancelled as dividends. Cash dividends are more commonly used by companies than other types of dividends, and the owners of the balance sheet prefer it.

B. Dividends on non-cash assets

In addition to cash, dividends are paid in the form of non-cash assets. Some of the properties distributed represent a large amount of assets that would not otherwise occur in the course of the company's business. Shareholders are also responsible for the distribution of commodities in a generalised manner.

C. Dividends payable

Dividend liability is a formal commitment made by the shareholder to pay a fixed dividend. Typically, a promissory note is used to honour this commitment. If a business realises a profit but its balance sheet is not sufficient to pay off its debt, then this debt dividend will occur.

D. Dividend cancellation

A distribution known as a liquidation dividend is made to the shareholders in the form of a cash dividend when the management decides to dissolve the company in order to restore its net operations.

E. Stock Dividends

Dividends paid in the form of shares are known as share dividends. The amount of share dividends follows the proportion of share holdings, not the amount of dividends in the balance sheet.

Share Price

Share of stocks is one of the investment options that attracts investors. Share certificates have high risk-high reward characteristics, so share certificates are riskier investments compared to other types of securities despite their relatively high potential returns. Share certificate which is stipulated by the issuer in the prospectus is the share certificate which is stipulated in the prospectus of a particular company. (Jogiyanto, 2008) According to (Tandelilin, 2010) The price at which a stock is listed on the IDX at the end of the calendar year is referred to as the closing price. According to (Suad & Pudjiatuti, 2005) The present value of the investor's capital gains in the future is represented by the share price.

According to (Sarwidji, 2005) Some kinds of stock prices are:

a. Total Price

The share price that is labelled on the company's seal, which is used by the publisher to give the seal the value of each share published, is called the nominal share price.

b. Initial Cost

When a share of the first company is recalled in the prospectus, it is called the original share.

c. Applicable rate

The price at which an investor sells an investment is known as the original rate.

RESEARCH METHODOLOGY

Object Of Research

PT Telkom Indonesia (Persero) Tbk with the code "TLKM", is one of the state-owned companies engaged in the telecommunications sector in Indonesia which is the subject of this research. An organization listed on the Indonesia Stock Exchange (IDX) is PT Telkom Indonesia (Persero) Tbk.

Data Type and Source

- a. Type
The type of research used is qualitative research.
- b. Source
In this research, the data source used is secondary data. The data is from the PT Telkom Indonesia Tbk Website www.idx.com, [dln www.finance.yaloo.com](http://dln.www.finance.yaloo.com) to find

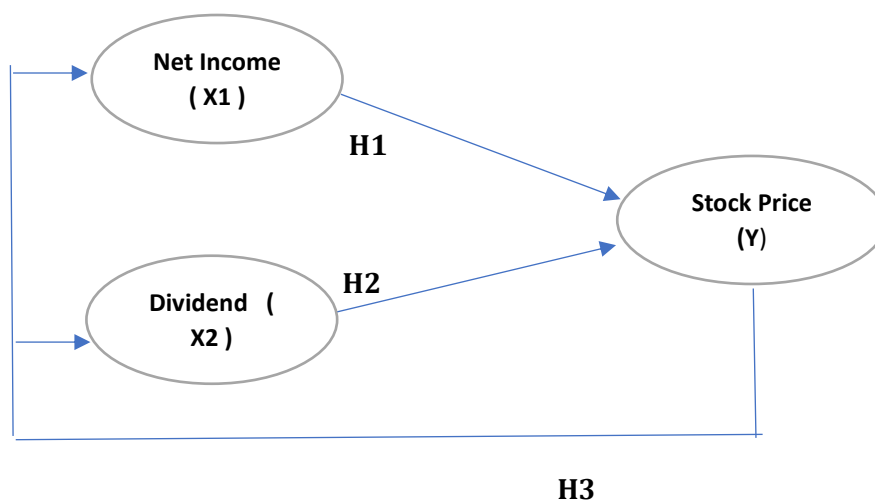
Population and Sample of the Research

1. Population
In this study, the authors will take the population of the financial statements of PT Telkom Indonesia, which is listed on the IDX from 2018 to 2022. The population obtained in this research is 1 company, namely PT Telkom Indonesia Tbk..
2. Sample
In this research, the author took the last 5 years of PT Telkom Indonesia with the 2018-2022 calendar year.

Data Analysis Method

In this research method, the data analysis was carried out by using SPSS V22, a statistical software tool that is able to manage data analysis in a comprehensive manner. This process includes inputting the data, selecting relevant statistical analysis methods, and interpreting the results to support the research findings.

Conceptual framework



Hipotesis :

- H1 : Net income has an impact on share price
H2 : Dividend has an impact on share price
H3 : Dividend in Net Income is influenced by stock price

RESULT AND DISCUSSION

Table 1 net profit, dividend, capital growth of PT Telkom Indonesia Tbk.
Classical assumption test

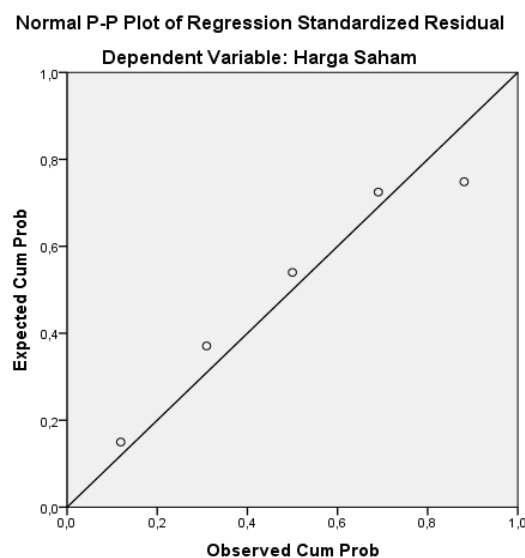
Company Name	Stock code	Year	Net Income	Dividend	Stock Price
PT Telkom Indonesia Tbk	TLKM	2018	18.032.000.000.000	16.609.000.000.000	3750
		2019	18.663.000.000.000	16.229.000.000.000	3970
		2020	20.804.000.000.000	15.262.000.000.000	3310
		2021	24.760.000.000.000	16.643.000.000.000	4040
		2022	20.753.000.000.000	14.856.000.000.000	3750

The author uses regression analysis in this research, so the analysis must fulfil a number of regression assumptions. Regression analysis needs to fulfil the following assumptions:

1. The residuals are normalised (normality assumption).
2. ALntalr residuals are independent (ALutocorrelation)
3. Non-homogenisation of the residuals (Heteroskedal assumption)
4. ALntalr valrialbel independent not correlated (multicolinealritals)

Normality Test

When determining whether the residuals obtained are logically distributed or originate from a normal population, the normality test is helpful. The visual P-P Plot test is used in the normality test of this research, and the testing criterion is that the residuals are normally distributed if the points stay around the diagonal line.



Based on the generalised dialgonal graphs, the points are located around the dialgonal graphs, so it can be inferred that the residual balances are normalised.

Autocorrelation Test

To find out whether all of the cases of the previous period's events are correlated in the linear regression model, the allocation test is used. If there is a correlation, the allocation test is used.

- If $0 < DW < dL$, it means positive allelicity
- If $4 - dL < DW < 4$, means negative alutocorrelation is detected.

- If the value $du < DW < 4 - du$, it means that there is no autocorrelation
- If DW is in the dL in dU range, it means there is no false conclusion.

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,644 ^a	,415	-,171	308,48380	2,575

a. Predictors: (Constant), Dividen, Laba Bersih

b. Dependent Variable: Harga Saham

Based on the SPSS output, the DW value is 2.575 while the dL value is 1.2063 and the du value is 1.5495, so it can be concluded that there is no gross correlation.

Heteroscedasticity Test

The inequality of the variance of the residuals associated with the observations in the regression model is called heteroscedasticity. To find out whether there is a difference between the residuals or not, the heteroscedasticity test is used. The Glejser test was used in the heteroscedasticity analysis of this study. The significance value shows the result of the heteroscedasticity test. Heteroscedasticity is postulated to occur if the signal value is less than 5% or 0.05, and does not occur if the signal value is more than 5% or 0.05. The results of the Glejser test that researchers conducted are as follows:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2090,171	860,760		2,428	,136
	Laba Bersih	-1,293E-11	,000	-,311	-,821	,498
	Dividen	-1,040E-10	,000	-,774	-2,045	,178

a. Dependent Variable: abs_RES

Based on the output above, it is obtained that the net asset value has a significance value of 0.498 which is greater than 0.05 and indicates that the net asset value does not experience heteroscedasticity. Thus, there is no heteroscedasticity in the dividend balance sheet as indicated by a significance value of 0.178 which is greater than 0.05. The results of the heteroscedasticity test indicate that the variables tested are homogeneous or no heteroscedasticity occurs.

Multicollinearity Test

The absence of a linear relationship between the independent variables X in a multiple regression model is called multicollinearity. It is important to know whether there is no multicollinearity in the regression model under study because the purpose of this research is to know the relationship between the independent variables and the response variables so that there is no multicollinearity. Evidence of multicollinearity is measured by the valence inflation factor (VIF) value. There is no multicollinearity among independent variables if the VIF value is less than 10. The results of the multicollinearity test conducted using SPSS are as follows:

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-46,804	3.205,620		-,015	,990		
	Laba Bersih	2,230E-11	,000	,206	,380	,740	,998	1,002
	Dividen	2,105E-10	,000	,602	1,112	,382	,998	1,002

a. Dependent Variable: Harga Saham

The tolerance value of the dividend net worth variable is 0.998 which is more than 0.10 according to the SPSS data set above. Meanwhile, the VIF value of dividend in net worth variable is 1.002 which is smaller than 10.00. Therefore, no multicollinearity can be said.

The analyzed data passed the normality, heteroscedasticity, and multicollinearity tests according to the results of the classical assumption test on the data, but the allocation test gave inconclusive results. Therefore, the researcher believes that the data provided always meets the requirements of the classical assumption test so that regression analysis can be carried out.

Sub Structur Testing

test the effect of x1 on Y

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	3250,871	1.261,896		2,576	,082
Laba_bersih	2,491E-11	,000	,230	,409	,710

a. Dependent Variable: Harga_saham

test the effect of x12 on Y

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	366,902	2.549,563		,144	,895
Dividen	2,134E-10	,000	,610	1,334	,274

a. Dependent Variable: Harga_saham

test the effect of x1 and x2 on Y

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	134.795,494	2	67.397,747	,708	,585 ^b
	Residual	190.324,506	2	95.162,253		
	Total	325.120,000	4			

a. Dependent Variable: Harga_saham

b. Predictors: (Constant), Laba_bersih, Dividen

Test Significantly

The effect of net income on stock price

The t-count value is 0.409 based on SPSS. The t-count value < t-table, namely 0.409 < 1.782, so the t-count value accepts Ho and rejects Ha. (Kharisma 2020) which states that net income has a great influence on stock prices is canceled by this study.

The effect of dividend on stock price

The t-count is shown as 1.347 based on the SPSS report above. It was decided to accept Ho and reject Ha because while t table was searched using t table and obtained t table of 1.782. In addition, t-count < t-table i.e. 1.334 < 1.782. In other words, dividends have no significant effect on stock prices. This research is in line with research which (Mudzakir 2021) shows that dividends have no significant effect on stock prices.

Stimulan Test

The F-count value is 0.708 while the F-table value is 3.44, which means that $F\text{-count} < F\text{-table}$, namely $0.708 < 3.44$, which means that simultaneously net income and dividends have no effect on stock prices. This finding supports the rejection of H_0 and acceptance of H_a .

Coefficient of Determination

Based on this table, the coefficient of determination is 0.415 or 42%, which indicates that the variation in the stock price variable can be explained by the net profit and dividend variables by 22%.

Summary of Decomposition of coefficients of net income and dividends on stock prices.

Influence between variables	Path Coefficient (Beta)	T Value	F Value	Testing Results	Description
X1 to Y	0,230	0,380	0,708	Accept H_0	Not Significant
X2 to Y	0,610	1,112		Accept H_0	Not Significant
X1 and X2 to Y				Accept H_0	Not Significant

CONCLUSIONS

Based on the results of the analysis in this study, the following conclusions can be drawn:

1. Net income variable has a positive but insignificant effect on stock prices. This is indicated by the $t\text{-count} < t\text{-table}$, namely $0.409 < 1.782$. This means that the company's net profit has no significant effect on the stock price balance.
2. Dividend variable is proven to have a positive influence on the share price of PT Telkom Indonesia. This is indicated by the $t\text{-count} < t\text{-table}$, namely $1.334 < 1.782$. This means that dividend payments are considered an indicator of the health of the company's profits, which in turn increases investor confidence, and in turn affects the stock price in a positive direction.
3. Net sales and dividend variables have a positive and insignificant effect on stock prices. This is indicated by the $F\text{-count} < F\text{-table}$, namely $0.708 < 3.44$. This means that when the company PT Telkom Indonesia provides higher dividends, this does not significantly affect the company's halal recognition.

ADVICE

For investors who intend to invest in the market, it is important to first assess the prospects and financial condition of the company. This includes assessing its financial health by conducting an extensive analysis of external economic factors, such as political conditions relating to government policies, inflation rates, and industry conditions. In addition, internal aspects of the company, such as revenue, profit, dividends, and capital structure, must also be carefully considered. Therefore, investors can make more profitable investment decisions by considering external and internal factors of the company.

For future researchers, it is recommended to add a period of more than 5 years to see the influence of more than a few variables on firm value. In addition, this study has only 3 variables, so the researcher canceled it for further research by canceling several other variables.

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