Analysis of Asset Growth and Profit Growth Through Supply Chain Management Toward Company Value

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***Abstract*— The purpose of this study was to determine the effect of asset growth and profit growth on firm value. The object of research is financial reports issued by finance companies from 2015 to 2017, which are as many as 45 companies listed on the IDX. Analysis of the data used is path analysis and data processing used using the SPSS program. The results of data processing show that asset growth and profit growth have a significant effect on firm value. Partially asset growth has a significant effect on firm value, but earnings growth has a significant negative effect on firm value. The relationship between asset growth and profit growth has a negative relationship.**

***Keywords*—** *Asset Growth, Supply Chain Management, Profit Growth, and Company Value.*

1. Introduction

Economic development encourages the increase and growth of the business world, this means more opportunities can be used to gain more profits. Likewise, sharp competition in the business world today encourages companies to implement appropriate strategies in order to win the competition and achieve better performance. At present, there are many companies that produce and market new products to increase the profits they get, as a result, the sale of old products will decrease and so the profits will be less. The increase or decrease in company profits greatly affects the condition of the company in the future.

Basically, every company in running its business aims to earn a profit, and also the company will always strive so that profits always increase. Large profits will invite investors to join in investing in the company. High earnings will have an impact on the company's value, the better, if the company's profits are low, then the company's value will decrease. High company profits show that resource management is actually carried out effectively, high profits will result in higher asset growth, and vice versa, if assets are not managed properly will result in low profits and even losses so that assets do not experience growth. Asset growth comes from company profits, liabilities and equity. If the growth of assets comes from the company's profits, it will have a positive impact on the company, but if the growth of assets comes from unregulated liabilities with equity and is not consistent with its use, it will have a negative impact on the company, because these obligations will be a burden on companies negative impact on company profits .

Based on the explanation above, the researcher is interested in analyzing asset growth and profit growth towards company value in 45 Financing Companies listed on the Indonesia Stock Exchange (IDX).

2. Literature Review

2.1 Asset Growth

Assets are resources that provide future economic benefits for the company. Assets are something that is owned by the company and has value [1-4]. Assets are used for operational activities of the company, the greater the assets used tend to be the greater the benefits obtained. An increase in assets followed by an increase in results is obtained, it will increase the trust of interested parties in the company. With the increasing trust of stakeholders, the value of the company will increase.

Then there are five key factors that can affect the growth of assets, namely Sales growth, Capital intensity, Spontaneous liabilities-to-sales ratio, Profit margin, and Payout Ratio [5-7]. Asset growth can be formulated as follows;

Asset Growth = Total Assets t - Total Assets t-1

Total Assets t-1

Where: Assets t = Assets of the current period t-1, Assets = Previous year assets Asset

2.2 Profit (*Net Income Growth)*

Profit earned by the company is the result achieved from the use of company assets. So that profit is one indicator of business success. The size of the profit as a measure of increase is very dependent on the accuracy of the measurement of income and costs. Thus an accurate measurement of income and costs is needed. Because of the difference in income and costs will show the success of the company. Business success includes productivity and efficiency, competitiveness, competence and business ethics, the building of a good image of the company and operating profit [5-8]. Operating profit shows how efficiently and effectively the company conducts operating activities in using its assets. So to measure the success of the company always compare the current profit with the previous profit, commonly referred to as profit growth. Thus to measure the level of profit growth can be formulated as follows:

Profit Growth = Total profit t - Total profit t-1

Total profit t-1

Where: Assets t = Profit of the current period, Assets t-1 = Profit in the previous period

2.3 Company Value

The value companies is the actual value per share to be accepted if the company's assets are sold according to the price of shares [9]. This is in accordance with the opinion expressed by [10-22], company value is the company's performance as reflected by stock prices formed by capital market demand and supply that reflect the community's assessment of company performance. Thus the value of the company reflects the assets owned by the company. Value of a company can be measured using stock prices, namely using a ratio called the valuation ratio. According to Sudana, , there are three approaches commonly used assessment ratios (i) Price Earnings Ratio (PER), (ii) Price to Book Value (PBV) and (iii) Tobin's Q [23-29].

Company value reflects the selling value of a company. The value of the company will form a demand for shares. So that the value of this company forms the perception of investors in assessing the level of success of the company in managing resources for a certain period. The form of assessment of investor perceptions will show investors' ability to pay shares if the company sells its shares to investors in the secondary market. In this study the approach used in valuing companies is *Price to Book Value* (PBV) with the formula:

$$\textbf{PBV} = \frac{\textit{Market Price per Share}}{\textit{Book Value per Share}}$$

Price to Book Value (PBV), one of the fundamental indicators of a stock that is widely used by investors and analysts to find out the fair value of shares. This indicator is obtained by dividing the share price in the stock market with the value of the book value of the stock. Shares that have a large PBV ratio can be said to have a high valuation (overvalued) while stocks that have PBV below 1 have a low valuation (undervalued).

3. Research Methods

In this study, the research method used was descriptive analysis by analyzing asset growth variables, profit growth, and firm value. The research subjects are 45 finance companies listed on the Indonesia Stock Exchange (IDX) in the period 2015 until 2017. Operational research variables are described in Table 1 as follows:

Table 1. Definition of Operational variable, indicator and measurement scale

Variables	Definition of	Indicators	Scale
Asset Growth (X1)	Growth is a process of increasing size that describes the development of a bank in a given year compared to the previous year.	$\frac{Assets\ t - Assets\ t-1}{Assets\ t-1}$	Ratio
Profit Growth (X2)	Growth is a process of increasing size that describes the development of a bank in a given year compared to the previous year.	$\frac{Profit\ t - Profit\ t-1}{Profit\ t-1}$	Ratio
Company Value (Y)	The selling value of a company	$Price\ to\ Book\ Value\ (PBV\ company) = \frac{Market\ Price\ per\ share\ Stock}{Book\ Value\ per\ Share\ Sheet}$	Ratio

Sample in this study is a Financing Company Registered in IDX from 2015 to 2017. And described in Table 2 as follows:

Table 2. 45 Listed Companies on IDX

No	EMITEN		No	EMITEN	
1	AGRO	Bank Rakyat Indonesia Tbk Dh Bank Agroniaga Tbk	24	DNAR	Bank Dinar Indonesia Tbk
2	READ	Capital Bank Indonesia Tbk	25	INPC	Bank Artha Graha International Tbk
3	BBCA	Bank Central Asia Tbk	26	MAYA	Mayapada Tbk
4	BBKP	Bank Bukopin Tbk	27	Amcor	Bank of China Construction Bank Indonesia Tbk
5	BBMD	PT Bank Mestika Dharma Tbk	28	MEGA	Bank Mega Tbk
6	BBNI	Bank Negara Indonesia Tbk	29	NAGA	Bank Mitraniaga Tbk
7	BBNP	Bank Nusantara Parahyangan Tbk	30	NISP	Bank OCBC NISP
8	BBRI	PT Bank Rakyat Indonesia Tbk	31	NOBU	Bank Nationalnobu Tbk
9	BBTN	State Savings Bank (Persero) Tbk	32	PNBN	Bank Pan Indonesia Tbk
10	BBYB	Bank Yudha Bhakti Tbk	33	SDRA	PT Bank Woori Saudara Indonesia 1906 Tbk
11	BDMN	Bank Danamon Indonesia	34	VRNA	Verena Multi Finance Tbk
12	BEKS	Banten Tbk Regional Development Bank	35	TRUS	Trust Finance Indonesia Tbk
13	BINA	Bank Ina Perdana Tbk	36	WOMF	Wahana Ottomitara Multiartha Tbk
14	BJBR	West Java and Banten Tbk Development Bank	37	MFIN	Mandala Mulitinance Tbk

15	BJTM	East Java Regional Development Bank	38 38	IMJS	Indomobil Multi Jasa Tbk
16	BMAS	Bank Maspion Indonesia Tbk	39	HDFA	Redana Bhaskara Finance Tbk
17	BMRI	Bank Mandiri Tbk	40	DEFI	Danasupra Erapacifik Tbk
18	BNBA	Bank Bumi Arta Tbk	41	CFIN	Finance Indonesia TBk
19	BNGA	Bank CIMB Niaga Tbk	42	BPFI	Batavia Prosperindo Finance Tbk
20	BNII	Bank Maybank Indonesia Tbk	43	BFIN	BFI Finance Indonesia Tbk
21	BSIM	Bank Sinar Mas Tbk	44	ADMF	Adira Dynamics Multi Finanace Tbk
22	BTPN	PT Bank Tabungan Pensiunan Nasional Tbk	45	BBLD	Buana Finance Tbk
23	BVIC	Bank Vi ctoria International Tbk			

3.1 Data Analysis

This study aims to see the effect of independent variables on the dependent variable using path analysis. The research variables are depicted in figure 1 as follows:

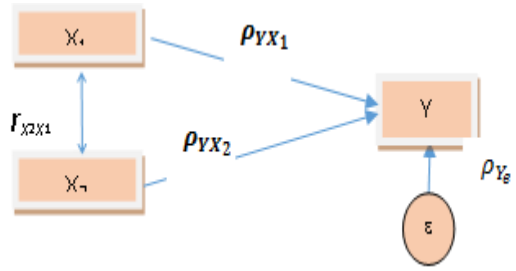

Figure 1. Research Framework

Description:

X_1 = Asset Growth

X_2 = Profit Growth

Y = Company Value

ε = Other factors that are not examined but affect the variable Y

ρ_{YX1} = Path coefficient between variable X_1 to variable Y

ρ_{YX2} = Path coefficient between variables X_2 to variable Y

r_{X2X1} = Correlation between variables X_1 and variable X_2

ρ_{ε} = Epsilon Coefficient ε on variable Y

From the structure *path analysis* above, there are steps that can be used, as follows:

3.2 Calculating the Correlation of Correlation (r)

$$rX_iX_j = \frac{n\sum X_iX_j - (\sum X_i)(\sum X_j)}{\sqrt{\{n\sum X_i^2 - (\sum X_i)^2\}\{n\sum X_j^2 - (\sum X_j)^2\}}}$$

$$\rho_{XiXj} = \frac{n\sum_{h=1}^{n} Xih.Xjh - \left(\sum_{h=1}^{n} Xih\right)\left(\sum_{h=1}^{n} Xjh\right)}{\sqrt{\left\{\left(n\sum_{h=1}^{n} X^2ih - \left(\sum_{h=1}^{n} Xih\right)^2\right\}\left\{n\sum_{h=1}^{n} X^2jh - \left(n\sum_{h=1}^{n} Xjh\right)^2\right\}}}$$

3.3 Calculating Simultaneously

$$\rho YXi = bYXi\sqrt{\frac{\sum_{h=1}^{n} Xi\,h^2}{\sum^{n} Yh^2}} \quad i = 1,2,3.....\ k$$

3.4 Coefficient of Epsilon

$$\rho_{Ye} = \sqrt{1 - R^2 Yix_1x_2.....x_k}$$

4. Results

Based on the researchers' data collected on the growth of Assets and Profit Growth and company Value are illustrated in table 3 as follows:

Table 3. Growth of Assets 45 Financing Companies on the IDX

No	EMITEN		Assets growth of			Average
			2015	2016	2017	
1	AGRO	Bank Rakyat Indonesia Tbk and Bank Agroniaga Tbk	49,60	43,17	60,69	51,15
2	BACA	Bank Capital Indonesia Tbk	8,13	24,84	7,10	13,36
3	BBCA	Bank Central Asia Tbk	15,02	25,76	16,58	19,12
4	BBKP	Bank Bukopin Tbk	10,46	26,58	-29,14	2,63
5	BBMD	PT Bank Mestika Dharma Tbk	6,24	18,46	14,93	13,21
6	BBNI	Bank Negara Indonesia Tbk	28,54	13,79	13,05	18,46
7	BBNP	Bank Nusantara Parahyangan Tbk	5,04	0,17	-4,98	0,08
8	BBRI	PT Bank Rakyat Indonesia Tbk	15,75	29,78	13,99	19,84
9	BBTN	Bank Tabungan Negara (Persero) Tbk	13,12	38,03	13,24	21,46
10	BBYB	Bank Yudha Bhakti Tbk	713,40	12,23	-72,81	217,61
11	BDMN	Bank Danamon Indonesia Tbk	3,63	6,32	7,68	5,88
12	BEKS	Bank Pembangunan Daerah Banten Tbk	-51,16	178,29	-8,82	39,44
13	BINA	Bank Ina Perdana Tbk	5,48	51,11	149,47	68,69
14	BJBR	Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	9,51	24,71	4,45	12,89
15	BJTM	Bank Pembangunan Daerah Jawa Timur Tbk	4,17	14,52	8,41	9,03
16	BMAS	Bank Maspion Indonesia Tbk	31,24	31,09	4,55	22,29
17	BMRI	Bank Mandiri Tbk	13,97	28,35	10,85	17,72
18	BNBA	Bank Bumi Arta Tbk	104,91	5,09	5,10	38,37
19	BNGA	Bank CIMB Niaga Tbk	0,81	19,28	8,02	9,37
20	BNII	Bank Maybank Indonesia Tbk	7,46	22,42	7,80	12,56
21	BSIM	Bank Sinar Mas Tbk	16,11	21,96	8,24	15,44
22	BTPN	PT Bank Tabungan Pensiunan Nasional Tbk	15,45	17,15	5,45	12,68
23	BVIC	Bank Victoria International Tbk	20,11	24,25	8,38	17,58
24	DNAR	Bank Dinar Indonesia Tbk	3,26	3,10	2,69	3,02
25	INPC	Bank Artha Graha International Tbk	1,71	59,97	1,89	21,19
26	MAYA	Bank Mayapada Tbk	60,82	53,77	21,12	45,24

27	MCOR	Bank China Construction Bank Indonesia Tbk	15,87	69,49	1,99	29,12
28	MEGA	Bank Mega Tbk	65,56	6,50	6,51	26,19
29	NAGA	Bank Mitraniaga Tbk	16,40	9,18	-1,93	7,88
30	NISP	Bank OCBC NISP Tbk	10,09	18,86	11,68	13,54
31	NOBU	Bank Nationalnobu Tbk	1,73	11,94	4,52	6,06
32	PNBN	Bank Pan Indonesia Tbk	32,62	11,02	6,10	16,58
33	SDRA	PT Bank Woori Saudara Indonesia 1906 Tbk	5,93	6,67	38,42	17,01
34	VRNA	Verena Multi Finance Tbk	-11,95	-5,48	-2,24	-6,56
35	TRUS	Trust Finance Indonesia Tbk	8,51	-7,28	5,04	2,09
36	WOMF	Wahana Ottomitara Multiartha Tbk	0,12	25,72	16,11	13,98
37	MFIN	Mandala Mulitinance Tbk	-4,38	-22,48	-9,74	-12,20
38	IMJS	Indomobil Multi Jasa Tbk	14,47	11,98	12,38	12,94
39	HDFA	Redana Bhaskara Finance Tbk	20,72	16,83	6,84	14,80
40	DEFI	Danasupra Erapacifik Tbk	1,53	17,28	37,34	18,72
41	CFIN	Clipan Finance Indonesia TBk	0,08	1,47	46,66	16,07
42	BPFI	Batavia Prosperindo Finance Tbk	-8,01	5,67	51,44	16,37
43	BFIN	BFI Finance Indonesia Tbk	21,71	6	32,12	19,94
44	ADMF	Adira dinamika Multi Finanace Tbk	-7,31	-0,36	6,69	-0,33
45	BBLD	Buana Finance Tbk	-11,82	14,74	20,36	7,76

Source: Indonesia Stock Exchange 2018

Table 4. Growth of Profit 45 Financing Company on the IDX

No	**EMITEN**		Profit Growth			**Average**
			2015	**2016**	**2017**	
1	AGRO	Bank Rakyat Indonesia Tbk D.h. Bank Agroniaga Tbk	29,82	27,97	36,40	31,40
2	BACA	Bank Capital Indonesia Tbk	21,86	2,9	-7,83	5,64
3	BBCA	Bank Central Asia Tbk	9,23	14,4	13,03	12,22
4	BBKP	Bank Bukopin Tbk	32,68	13,1	-87,54	-13,92
5	BBMD	PT Bank Mestika Dharma Tbk	1,58	-25,55	47,13	7,72
6	BBNI	Bank Negara Indonesia Tbk	-15,60	24,83	20,69	9,97
7	BBNP	Bank Nusantara Parahyangan Tbk	-30,73	-87,87	8578,53	2819,98
8	BBRI	PT Bank Rakyat Indonesia Tbk	4,77	3,22	10,74	6,24
9	BBTN	Bank Tabungan Negara (Persero) Tbk	61,57	41,49	15,60	118,66

10	BBYB	Bank Yudha Bhakti Tbk	-11835,1	-80,67	-94,8	-4003,51
11	BDMN	Bank Danamon Indonesia Tbk	-7,96	13,1	48,61	17,92
12	BEKS	Bank Pembangunan Daerah Banten Tbk	-177,88	-22,33	81,17	-39,68
13	BINA	Bank Ina Perdana Tbk	10,01	8,05	0,57	6,21
14	BJBR	Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	23,30	-16,49	5,04	3,95
15	BJTM	Bank Pembangunan Daerah Jawa Timur Tbk	-5,81	16,25	12,76	7,73
16	BMAS	Bank Maspion Indonesia Tbk	62,11	69,59	1,97	44,56
17	BMRI	Bank Mandiri Tbk	2,41	-30,74	46,73	6,13
18	BNBA	Bank Bumi Arta Tbk	9,88	38,3	13,70	20,63
19	BNGA	Bank CIMB Niaga Tbk	-81,74	386,51	43,04	115,94
20	BNII	Bank Maybank Indonesia Tbk	60,54	72,03	-1,24	43,78
21	BSIM	Bank Sinar Mas Tbk	19,51	100,19	-13,96	35,25
22	BTPN	PT Bank Tabungan Pensiunan Nasional Tbk	-6,23	7,03	-24,20	-7,80
23	BVIC	Bank Victoria International Tbk	-11,00	6,68	35,60	10,43
24	DNAR	Bank Dinar Indonesia Tbk	351,07	-6,68	-22,94	107,15
25	INPC	Bank Artha Graha International Tbk	-35,53	2,17	-6,51	-13,29
26	MAYA	Bank Mayapada Tbk	49,77	25,73	-17,65	19,28
27	MCOR	Bank China Construction Bank Indonesia Tbk	27,43	-67,08	124,99	28,45
28	MEGA	Bank Mega Tbk	75,68	10	724,66	270,11
29	NAGA	Bank Mitraniaga Tbk	78,80	9,39	-49,75	12,81
30	NISP	Bank OCBC NISP Tbk	12,66	19,26	21,56	17,83
31	NOBU	Bank Nationalnobu Tbk	16,99	66,49	15,42	32,97
32	PNBN	Bank Pan Indonesia Tbk	-39,29	60,61	-20,24	0,36
33	SDRA	PT Bank Woori Saudara Indonesia 1906 Tbk	92,09	16,81	41,61	50,17
34	VRNA	Verena Multi Finance Tbk	-89,95	167,28	16,79	31,37
35	TRUS	Trust Finance Indonesia Tbk	-6,23	12,17	25,32	10,42
36	WOMF	Wahana Ottomitara Multiartha Tbk	-56,89	284,9	199,6	142,54
37	MFIN	Mandala Mulitinance Tbk	-18,22	3,54	30,42	5,25
38	IMJS	Indomobil Multi Jasa Tbk	-34,67	69,66	38,31	24,43
39	HDFA	Redana Bhaskara Finance Tbk	-3,57	-35,69	-30,32	-23,19
40	DEFI	Danasupra Erapacifik Tbk	-86,19	1321,2	-1,71	411,10
41	CFIN	Clipan Finance Indonesia TBk	-27,97	-28,28	15,05	-13,73
42	BPFI	Batavia Prosperindo Finance Tbk	1,69	-18,12	44,43	9,33

43	BFIN	BFI Finance Indonesia Tbk	8,91	22,77	48,74	26,81
44	ADMF	Adira dinamika Multi Finanace Tbk	-10,07	51,82	39,6	27,12
45	BBLD	Buana Finance Tbk	-25,44	-35,37	24,36	-12,15

Source: Indonesia Stock Exchange in 2018

Table 5: Value Company 45 Financing in Indonesia Stock Exchange (BEI)

No	EMITEN		Price Book Value			Average
			2015	2016	2017	
1	AGRO	Bank Rakyat Indonesia Tbk D.h. Bank Agroniaga Tbk	0,82	4,1	3,02	2,65
2	BACA	Bank Capital Indonesia Tbk	1,25	1,1	1,1	1,15
3	BBCA	Bank Central Asia Tbk	3,66	3,49	4,11	3,75
4	BBKP	Bank Bukopin Tbk	0,84	0,63	0,54	0,67
5	BBMD	PT Bank Mestika Dharma Tbk	2,82	2,25	1,87	2,31
6	BBNI	Bank Negara Indonesia Tbk	1,19	1,19	1,83	1,40
7	BBNP	Bank Nusantara Parahyangan Tbk	1,05	1,06	0,86	0,99
8	BBRI	PT Bank Rakyat Indonesia Tbk	2,49	2,04	2,68	2,40
9	BBTN	Bank Tabungan Negara (Persero) Tbk	0,99	1,02	1,75	1,25
10	BBYB	Bank Yudha Bhakti Tbk	2,66	3,01	2,62	2,76
11	BDMN	Bank Danamon Indonesia Tbk	0,9	0,98	1,7	1,19
12	BEKS	Bank Pembangunan Daerah Banten Tbk	1,83	5,45	4,07	3,78
13	BINA	Bank Ina Perdana Tbk	1,91	1,37	4,72	2,67
14	BJBR	Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	0,94	3,41	2,3	2,22
15	BJTM	Bank Pembangunan Daerah Jawa Timur Tbk	1,04	1,21	1,36	1,20
16	BMAS	Bank Maspion Indonesia Tbk	1,82	2,07	1,5	1,80
17	BMRI	Bank Mandiri Tbk	1,81	1,77	2,2	1,93
18	BNBA	Bank Bumi Arta Tbk	0,36	0,36	0,47	0,40
19	BNGA	Bank CIMB Niaga Tbk	0,52	0,63	0,92	0,69
20	BNII	Bank Maybank Indonesia Tbk	0,74	1,24	0,86	0,95
21	BSIM	Bank Sinar Mas Tbk	0,97	1,78	2,86	1,87
22	BTPN	PT Bank Tabungan Pensiunan Nasional Tbk	1,01	0,97	0,84	0,94
23	BVIC	Bank Victoria International Tbk	0,35	0,38	0,71	0,48
24	DNAR	Bank Dinar Indonesia Tbk	0,59	1,23	1,38	1,07
25	INPC	Bank Artha Graha International Tbk	0,3	0,28	0,28	0,29

26	MAYA	Bank Mayapada Tbk	1,83	2,95	2,74	2,51
27	MCOR	Bank China Construction Bank Indonesia Tbk	1,39	1,01	1,44	1,28
28	MEGA	Bank Mega Tbk	1,98	1,44	1,78	1,73
29	NAGA	Bank Mitraniaga Tbk	1,61	1,4	1,84	1,62
30	NISP	Bank OCBC NISP Tbk	0,89	1,24	0,99	1,04
31	NOBU	Bank Nationalnobu Tbk	1,64	2,49	3,08	2,40
32	PNBN	Bank Pan Indonesia Tbk	0,64	0,54	0,76	0,65
33	SDRA	PT Bank Woori Saudara Indonesia 1906 Tbk	1,35	1,34	0,96	1,22
34	VRNA	Verena Multi Finance Tbk	0,56	0,52	0,52	0,53
35	TRUS	Trust Finance Indonesia Tbk	0,71	0,66	0,42	0,60
36	WOMF	Wahana Ottomitara Multiartha Tbk	0,37	0,6	0,69	0,55
37	MFIN	Mandala Mulitinance Tbk	0,72	0,57	1,05	0,78
38	IMJS	Indomobil Multi Jasa Tbk	1,13	0,67	0,64	0,81
39	HDFA	Redana Bhaskara Finance Tbk	0,85	1,12	1	0,99
40	DEFI	Danasupra Erapacifik Tbk	1,85	9,13	5,59	5,52
41	CFIN	Clipan Finance Indonesia TBk	0,3	0,26	0,28	0,28
42	BPFI	Batavia Prosperindo Finance Tbk	1,63	1,37	1,06	1,35
43	BFIN	BFI Finance Indonesia Tbk	1,09	1,33	2,21	1,54
44	ADMF	Adira dinamika Multi Finanace Tbk	0,80	1,38	1,24	1,14
45	BBLD	Buana Finance Tbk	1,90	1,23	0,76	1,30

5. DISCUSSION

Based on the data collection has been done, then the next step performs processing using SPSS version 25. Results of the program as data processing carried out showed in table 6 as follows:

Table 6. The result of hypotheses testing

Variable(s)	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.146	0.213		5.371	0.000
Asset growth	0.018	0.007	0.568	2.477	0.017
Profit Growth	0.000	0.000	0.295	1.287	0.205
R		0.383[a]		F Change	3.618
R Square		0.147		df	2

Adjusted R Square	0.106		Sig. F Change	0.035
Std. Error of Estimate	0.989		Durbin-Watson	2.403
a. Predictors: (Constant), profit growth, asset growth				
b. Dependent Variable: Company Value				

Table 6 the direct effect of asset growth on the value of the firm is 0.322 or 32.2% with path coefficient 0.568 and a significant level of 0.017 below 0.05, meaning that the growth of asset has a significant effect on firm value. Then the indirect effect of asset growth through profit growth of -0.1312 or -13.12% thus the total effect of asset growth on firm value is 0.1914 or 19.14%. This is in line with the results of Hutabarat's research, Fitrawaty, Eko Wahyu Nugrahadi, Nikhil Varaiya, Roger A. Kerin and David Weeks, Oliver Ike Inyiama1, Ugbor1, Raphael Oluchukwu1, Chukwuani Victoria Nnenna [30-35]. Then the direct effect of profit growth on firm value is 0.0870 or 8.70% with path coefficient 0.295 and not significant 0.205, which means this shows a greater 0.05. Then the indirect effect of earnings growth through asset growth is -13.12%, so the total effect of profit growth on firm value is -0.0442 or -4.42%. This is consistent with the results of research [36]. Further, the growth of assets and growth in earnings has a positive and significant effect on company value of 14.7% meaning that the higher the growth of assets and profit growth will have an impact on the value of the company increases, this indicates that growth assets and profit growth will have an impact on investor valuation of the company as it increases. This research is in accordance with the results of research by [37-44].

Table 7: The result of Correlation matrix

Variable (s)	Company Value	Asset Growth	Profit Growth
Company Value	1.000	0.337	-0.150
Asset growth	0.337	1.000	-0.783
Profit growth	-0.150	-0.783	1.000

Then based on table 7 asset growth has a negative relationship with profit growth, this is in accordance with the results of the research of [45-49]. However, it is different from the results of [50-52], which states that company growth has a positive influence on company profits as a company performance.

The relationship of asset growth and negative profit growth is possible for the growth of assets sourced from financing originating from liabilities, where the source contains a risk in the form of a burden as a deduction to the profits obtained by the company, the impact of the company's profits will decrease. Thus the growth of assets has a negative impact on profit. Different if the growth of assets originating from the equity in the form of investment, it is possible to grow these assets will have a positive impact on profits because the source of funds does not contain the risk of a fixed burden that can reduce company profits. Thus the best funding source is equity which will have an impact on increased profit growth, besides that companies must be able to maintain a balance between debt and equity

6. Conclusion

Using the data the researchers collected and processed, the results showed that asset growth and profit growth had a positive and significant effect on the value of the company in 45 finance companies listed on the Indonesia Stock Exchange. Then partially the growth of assets has a significant positive effect on the value of the company but earnings growth has a negative effect not significant on the value of the company. Furthermore, the relationship of asset growth and profit growth has a negative relationship, this shows if the growth of assets increases then the profit decreases and vice versa if the profit growth decreases, resulting in increased asset growth. This condition occurs showing that assets grow not from the results of the company's operations but come from liabilities that have a fixed burden and a

deduction from the company's income as a result of the company's profits being decreased. Thus the company should be consistent in making investments for the purpose of growth with external financing [3].

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