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FUNDAMENTAL ANALYSIS AND STOCK VALUATION FOR INVESTMENT DECISIONS
(Case Study of Companies Listed on the Sri Kehati Index for the 2020 -2024 Period)

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Abstract

This study aims to analyze the fundamental condition and assess the investment feasibility of eleven issuers that consistently appeared in the Sri Kehati Index during the 2020–2024 period. Fundamental analysis was conducted using the financial ratios TATO, ROE, EPS, CR, DER, and DPR. The results show that UNVR and KLBF demonstrated high efficiency in asset management, while BBCA and BMRI exhibited strong profitability. JSMR had an aggressive capital structure but was supported by adequate liquidity. Meanwhile, UNVR and BBRI stood out for their generous dividend distribution policies. Stock valuation was carried out using two approaches: PER and PBV. Based on PER, nine issuers were classified as undervalued because their intrinsic values exceeded market prices, while two issuers (DSNG and SMGR) were considered overvalued. In contrast, the PBV approach indicated that ten issuers were overvalued, with only DSNG being undervalued. These differing results suggest that PER focuses more on a company's earnings performance, whereas PBV emphasizes its book value. Therefore, stock investment assessment should be carried out comprehensively by considering more than one valuation method.

Keywords: *SRI-KEHATI, Fundamental Analysis, Financial Ratios, PER, PBV, Stock Valuation.*

1. INTRODUCTION

Investment is now an important factor in driving a country's economic growth and as a preparation for the future. Many people choose investments, both in the form of gold and stocks, to manage their wealth. In the world of investment, the common principle known is *high risk, high return*. Before investing, it's important to understand the relationship between returns and risk to avoid mistakes or disappointment. Not all stocks on the Indonesia Stock Exchange provide optimal results, so an in-depth analysis is needed to minimize risks, including by assessing the share price of the company to be invested. Companies that *go public* usually need additional capital for expansion or debt repayment, and if the company manages to increase its share price, it reflects its value and ability to generate profits.

The capital market serves as a place for investors to invest, with the government as the supervisor and regulator of capital market activities. Securities institutions or stock exchanges have an important role in facilitating stock trading. The functions of the capital market include accelerating stock ownership by the public, helping to raise funds, and implementing equitable income. Stock valuation is important to know whether a stock *is undervalued* or *overvalued* . If the stock *is undervalued*, it should be bought; if it *is overvalued*, it can be sold for more profit.

The Indonesia Stock Exchange (IDX), which has existed since the Dutch colonial era in 1912, plays an important role in the economy. Even though it has experienced several periods of vacuum, the IDX remains a link between companies and investors. The capital market provides an alternative source of financing for companies and benefits for investors who choose the right company. In Indonesia, there are various stock indices, including conventional and sharia-based, with a total of 34 indices listed on the IDX in early 2025. One of them is the Sri Kehati index, the result of a collaboration between the IDX and the Kehati Foundation, which focuses on companies with good performance in sustainability and environmental, social, and good corporate governance. This index has a better performance than JCI and LQ45 and provides guidelines for investors who prioritize sustainability in investment.

Although a number of companies are listed in the Sri Kehati index, not all companies can be consistently in it. Only a few are able to maintain this status due to the selection process that is carried out twice a year, in April and October. There are several criteria that must be met to qualify, including companies that must be engaged in sectors that are not harmful to the environment, such as nuclear businesses, weapons, alcohol, tobacco, and *GMOs*. In addition, the company must meet financial requirements, such as having a market capitalization of more than IDR 1 billion, assets of more than IDR 1 trillion, *a free float ratio* of more than 10%, and a *positive Price Earnings Ratio (PER)* ratio for six consecutive months.

The last aspect that must be met is the fundamental aspect, including concern for the environment, good corporate governance, community development, and respect for human rights. The selection uses secondary data and questionnaires filled out by the company, accompanied by relevant supporting data, and then a review will be carried out. Companies that meet all criteria will be listed in the Sri Kehati index. Due to the strict selection process, the listed companies often change, as they are no longer able to meet any of the conditions set.

2. RESEARCH METHOD

This study uses a descriptive quantitative approach that aims to analyze financial performance (*fundamental*) and stock valuation using financial ratios and stock valuation methods in companies listed in the SRI-KEHATI index. This approach was chosen because

the research focuses on understanding and describing existing variables without attempting to test the causality relationship between these variables.

The variables analyzed include financial performance measured by ratios such as *TATO, ROE*, *EPS*, *CR, DER,* and *DPR*, as well as stock valuations using *the Price Earnings Ratio (PER)* and *Price to Book Value (PBV)* methods to assess whether the company's shares are *overvalued* or *undervalued*. The following is an explanation of the ratios used:

a. *Total Asset Turnover (TATO)*

The total asset turnover ratio is one of the activity ratios. According to (Hard, 2017) The ratio is used to measure the effectiveness of the total assets owned by a company in generating a sale generated from every rupiah of funds embedded in the total assets. When the total turnover of assets is high, it shows how effective the company is in using assets to generate sales. The formula for finding the total turnover of assets is as follows:

$$\text{Total Asset Turnover} = \frac{\text{Penjualan}}{\text{Total Aset}}$$

b. *Return on Equity (ROE)*

According to (Kasmir, 2019) *Return on Equity* is the ability of the company to generate profits by utilizing the use of share capital in the company. The higher the company's ability to make a profit, the greater the return and this will have an impact on the company's value which will be better. Formula *Return on Equity* (*ROE*) are as follows:

$$\textit{Return on Equity} = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Ekuitas}} \text{ x } 100\%$$

c. Earning Per Share (EPS)

Earning Per Share describes the profitability of a company which is depicted on each share. According to Fahmi (2018) *Earning Per Share* It is used to measure a company's ability to generate profits per share for its owners. Formula *Earning Per Share* are as follows:

$$\textit{Earning Per Share} = \frac{\text{Laba Bersih Setelah Pajak}}{\text{Jumlah Saham Beredar}}$$

d. Current Ratio (CR)

According to (Harahap, 2018) current ratio or *Current Ratio* is a ratio used to measure a company's ability to meet short-term obligations that will be due. *Current Ratio* High means that the availability of current assets used to pay off current liabilities is also high.

$$Current\ Ratio = \frac{\text{Total Aset Lancar}}{\text{Total Kewajiban Jangka Pendek}} \text{x}100\%$$

e. Debt to Equity Ratio (DER)

The capital structure is a comparison between total debt and its own capital, the capital structure must be able to optimize the value of the company, this is aimed at the benefit of the shareholders and the profits obtained must be greater than the cost of capital as a use of mode. According to Fahmi (2018) Capital structure is an overview of the form of the company's financial proportion, that is, between the capital owned which is sourced from long-term debt and the model itself which will be the source of financing for a company.

$$Debt\ to\ Equity\ Ratio = \frac{\text{Total Kewajiban}}{\text{Total Ekuitas}} \text{x}100\%$$

f. Dividend Payout Ratio (DPR)

Dividend Payout Ratio is a ratio that measures the amount of dividends paid to shareholders, the higher the dividend payout ratio means that it will benefit investors, but from the company's side it will be able to weaken internal finances because it reduces retained profits, but when the dividend payout ratio is smaller, it will harm shareholders (investors) but the company's internal finances will be stronger. The dividend payout ratio formula is as follows:

$$\text{Dividend Payout Ratio} = \frac{\text{Dividen per Lembar Saham}}{\text{Laba per Lembar Saham}} \text{x}100\%$$

g. Price Earning Ratio (PER)

The value of a company can be measured by *Price Earning Ratio* It is the ratio of the stock price per share divided by the net profit per share. Net income per share or *Earning Per Share* is the amount of net profit distributed by the company on each share outstanding in ordinary shares. According to (Hard, 2017) Company value is a certain condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activities for several years, starting from the time the company was established until now. Formula of *Price Earning Ratio* are as follows:

$$Price\ Earning\ Ratio = \frac{\text{Harga Saham Per Lembar}}{\text{Laba Bersih per Lembar Saham } (EPS)} \text{x}100\%$$

h. Price to Book Value (PBV)

Price to Book Value is one of the important components that must be considered in analyzing the company's condition where from this variable investors can determine which shares to buy. When *PBV* A tall company means that the market believes in the company's prospects in the future. According to (Sugiono & Untung, 2016) Companies that have good management are expected to *PBV* of the company at least one or above of the book value (*overvalued*), if *PBV* under one, it can be ascertained that the market price of the stock is lower than the book value (*undervalued*). Formula *Price to Book Value* are as follows:

$$Price\ to\ Book\ Value = \frac{\text{Harga Saham}}{\text{Nilai Buku Per Lembar Saham}} \text{x}100\%$$

The data used in this study is secondary data obtained from the company's annual financial statements published by each company as well as other relevant sources such as the official website of the Indonesia Stock Exchange (IDX). The population in this study is all companies listed in the SRI-KEHATI index for the period 2020 to 2024. The sample selection was carried out by *the purposive sampling* method, which is based on the criterion that the company must be consistently included in the SRI-KEHATI index for five consecutive years. This approach is used to ensure that the sample analyzed truly reflects a long-term commitment to sustainability. Table 2 shows issuers that are consistently listed in the SRI-KEHATI index

Table 2. Research Sample

No.	ISSUE CODE	ISSUER NAME
1	BBCA	Bank Central Asia Tbk
2	BBNI	Bank Negara Indonesia (Persero) Tbk
3	BBRI	Bank Rakyat Indonesia (Persero) Tbk
4	BMRI	Bank Mandiri (Persero) Tbk
5	DSNG	Dharma Satya Nusantara Tbk
6	INDF	Indofood Sukses Makmur Tbk
7	JSMR	Jasa Marga (Persero) Tbk
8	KLBF	Kalbe Farma Tbk
9	SMGR	Semen Indonesia (Persero) Tbk
10	TLKM	Telkom Indonesia (Persero) Tbk
11	UNVR	Unilever Indonesia Tbk

Source: Processed Data (2025)

3. RESULTS AND DISCUSSION

3.1 Results

3.1.1 Fundamental Analysis

In conducting *a fundamental analysis of the company, several* financial ratios *are used consisting of* Total Asset Turnover, Return on Equity, Earning Per Share, *Current Ratio*, *Debt to Equity Ratio*, and *Dividend Payout Ratio*. Each ratio is analyzed to describe the company's financial performance as well as as a basis for assessing the feasibility of investment based on historical data during the 2020–2024 period.

Table 3. Comparison of *TATO* Issuers and Industries

YEAR	BBCA	BBNI	BBRI	BMRI	DSNG	INDF	JSMR	KLBF	SMGR	TLKM	UNVR
2020	0.08	0.08	0.11	0.09	0.52	0.63	0.13	1.08	0.45	0.58	2.09
2021	0.08	0.07	0.11	0.09	0.51	0.58	0.15	1.09	0.46	0.55	2.00
2022	0.08	0.07	0.11	0.08	0.66	0.62	0.17	1.09	0.46	0.53	2.21
2023	0.08	0.08	0.12	0.08	0.60	0.61	0.19	1.12	0.47	0.53	2.21
2024	0.08	0.08	0.13	0.09	0.60	0.60	0.21	1.16	0.46	0.51	2.15
Track-Track Emiten	0.08	0.08	0.12	0.09	0.58	0.61	0.17	1.11	0.46	0.54	2.13
Industry	0.06	0.06	0.06	0.06	1.01	1.01	0.37	1.23	0.53	0.32	1.78

Source: Processed Data (2025)

The *Total Asset Turnover (TATO)* ratio in Table 3 shows how efficiently a company utilizes its total assets to generate revenue. Based on data from 2020 to 2024, UNVR issuers consistently recorded the highest *TATO* value compared to other issuers, with an average of 2.13, far exceeding the industry average of 1.78. KLBF also showed efficient performance in turning assets, with an average *TATO* of 1.11, although still below the industry average of 1.23. In contrast, the four major banks such as BBCA, BBNI, BBRI, and BMRI showed relatively low and stable TATO values, ranging from 0.08 to 0.13 each, reflecting the characteristics of the banking industry which has large assets but slower revenue turnover. Issuers from the consumer sector such as INDF and DSNG recorded an average *TATO* of 0.61 and 0.58, slightly lower than their industry average of 1.01. Meanwhile, JSMR and SMGR showed moderate, but still below the industry average. Overall, this data reflects the variation in asset efficiency between sectors and confirms the importance of considering the industry context when assessing *a company*'s TATO ratio.

Table 4. Comparison of *ROE* of Issuers and Industries

YEAR	BBCA	BBNI	BBRI	BMRI	DSNG	INDF	JSMR	KLBF	SMGR	TLKM	UNVR
2020	15.13	2.15	12.78	8.53	9.76	16.11	2.65	16.42	8.40	20.59	140.20
2021	16.23	7.08	17.40	14.23	11.17	16.86	8.14	17.22	5.63	22.09	124.38
2022	19.23	10.69	19.68	18.96	16.16	12.46	12.95	16.93	5.99	16.54	128.98
2023	20.99	11.19	19.14	22.45	10.03	14.41	27.33	13.24	5.05	18.54	130.13
2024	21.72	11.37	19.56	20.48	12.39	13.90	14.65	14.66	1.65	17.02	121.82
Track-Track Emiten	18.66	8.50	17.71	16.93	11.90	14.75	13.14	15.69	5.34	18.96	129.10
Industry	15.20	15.20	15.20	15.20	17.09	17.09	0.84	16.85	6.49	14.35	118.41

Source: Processed Data (2025)

Return on Equity (*ROE)* measures a company's ability to generate profits from the capital owned by shareholders. Based on data for the 2020–2024 period in Table 4, UNVR issuers recorded the highest *ROE* consistently, with an average of 129.10%, far exceeding the industry average of 118.41%. TLKM also showed solid performance with an average *ROE* of 18.96%, slightly above the industry average of the related sector. Four major banks, namely BBCA, BBNI, BBRI, and BMRI, recorded mixed performances, where BBCA and BBRI recorded *quite high ROE* of 18.66% and 17.71%, respectively, both of which also exceeded the industry average of 15.20%. In contrast, BBNI has the lowest *ROE* among banks with an average of only 8.50%. Issuers such as JSMR and SMGR are far below the industry average of their respective sectors, indicating that capital efficiency is still low. Meanwhile, KLBF and INDF recorded fairly stable performance with average *ROE* close to or slightly below industry standards. These differences between issuers illustrate the inequality in the ability to generate returns on equity, and are an important indicator in assessing the profitability prospects and efficiency of the company's capital management in the future.

Table 5. Comparison of *EPS* of Issuers and Industries

YEAR	BBCA	BBNI	BBRI	BMRI	DSNG	INDF	JSMR	KLBF	SMGR	TLKM	UNVR
2020	220.09	88.05	148.49	180.13	45.57	735.23	69.03	58.31	469.45	210.01	187.77
2021	254.90	292.59	237.96	300.53	68.60	872.65	222.56	67.92	344.10	249.94	150.93
2022	330.45	491.25	338.01	441.26	113.85	724.24	378.47	72.71	350.27	209.49	140.62
2023	394.56	561.23	398.33	589.93	79.23	927.86	936.03	59.81	321.48	247.93	125.84
2024	444.83	575.59	399.08	597.67	107.78	984.19	624.92	70.16	106.61	238.73	88.30

Track-Track Emiten	328.97	401.74	304.37	421.90	83.01	848.83	446.20	65.78	318.38	231.22	138.69
Industry	393.46	393.46	393.46	393.46	418.05	418.05	523.74	88.55	210.20	185.03	117.36

Source: Processed Data (2025)

The *Earnings Per Share* (*EPS)* ratio in Table 5 describes the net profit generated by the company for each outstanding share, making it an important indicator for investors in assessing profitability. From the period 2020 to 2024, INDF issuers consistently recorded the highest *EPS* with an average of 848.83, far exceeding the industry average of 418.05, showing a very strong and stable financial performance. This was followed by JSMR with an average *EPS* of 446.20 despite fluctuations, especially striking in 2023 with *an EPS* achievement of 936.03. Meanwhile, BMRI and BBRI also showed a fairly high and stable EPS performance, recording an average of 421.90 and 304.37, respectively, both exceeding the industry standard of 393.46. BBCA and BBNI showed a consistent upward trend with an average of 328.97 and 401.74, respectively. On the other hand, issuers such as KLBF, UNVR, and DSNG recorded *EPS* that was far below the industry average, especially DSNG with an average of only 83.01. The low *EPS* of these issuers reflects a limited profit margin per share. Overall, *EPS* data shows significant variation between issuers illustrating differences in the ability to generate a decent net profit for shareholders.

Table 6. Comparison of *CR* Issuers and Industries

YEAR	BBCA	BBNI	BBRI	BMRI	DSNG	INDF	JSMR	KLBF	SMGR	TLKM	UN
2020	0.46	0.40	0.32	0.40	1.14	1.37	0.72	4.12	1.35	0.60	0.6
2021	0.46	0.46	0.32	0.31	1.25	1.34	0.86	4.45	1.11	0.81	0.6
2022	0.40	0.39	0.40	0.33	1.07	1.79	1.03	3.77	1.45	0.70	0.6
2023	0.29	0.35	0.34	0.28	1.00	1.92	0.35	4.91	1.23	0.68	0.5
2024	0.13	0.23	0.27	0.23	1.15	2.15	0.34	4.11	1.25	0.81	0.4
Track-Track Emiten	0.35	0.37	0.33	0.31	1.12	1.71	0.66	4.27	1.28	0.72	0.5
Industry	0.25	0.25	0.25	0.25	2.87	2.87	1.51	3.99	1.17	0.88	0.9

Source: Processed Data (2025)

Current Ratio (CR) is used to measure a company's ability to meet its short-term obligations with its current assets. Based on data from 2020 to 2024 in Table 6, KLBF recorded the highest average *CR* of 4.27, which is also above the industry standard of 3.99, indicating a very strong level of liquidity. It was followed by INDF and DSNG with an

average *CR* of 1.71 and 1.12 respectively, although it was still below the industry standard of the relevant sector of 2.87. Issuers in the construction and infrastructure sectors such as SMGR and JSMR recorded a fairly moderate *CR* value, 1.28 and 0.66, respectively, but JSMR was still below the industry average of 1.51. In contrast, the four major banks (BBCA, BBNI, BBRI, and BMRI) showed very low *CRs*, ranging from 0.31 to 0.37, although they remained above the financial sector industry average of 0.25, reflecting the characteristics of sectors that tend to rely on tighter liquidity ratios. UNVR and TLKM also recorded a *low CR*, below 1, which indicates limitations in the closing of current liabilities. The fluctuations of *CR* over time demonstrate the importance of effective current asset management in maintaining the company's short-term operational stability.

Table 7. Comparison of DER Issuers and Industries

YEAR	BBCA	BBNI	BBRI	BMRI	DSNG	INDF	JSMR	KLBF	SMGR	TLKM	UNVR
2020	0.07	0.55	0.86	0.54	1.04	1.26	3.44	0.07	0.75	0.64	0.81
2021	0.06	0.56	0.58	0.57	0.77	1.28	3.08	0.03	0.53	0.57	0.63
2022	0.05	0.57	0.54	0.65	0.68	1.23	2.42	0.06	0.39	0.49	0.32
2023	0.06	0.49	0.58	0.77	0.64	1.09	2.52	0.03	0.37	0.50	0.22
2024	0.03	0.67	0.63	1.09	0.59	1.09	1.76	0.02	0.25	0.54	0.92
Track-Track Emiten	0.05	0.57	0.64	0.72	0.74	1.19	2.64	0.04	0.46	0.55	0.58
Industry	0.49	0.49	0.49	0.49	0.59	0.59	1.43	0.13	0.84	0.94	0.20

Source: Processed Data (2025)

Debt to Equity Ratio (DER) reflects the company's capital structure, specifically the ratio of debt to equity used to finance operational activities. Based on Table 7, during the 2020–2024 period, JSMR recorded the highest average DER of 2.64, far exceeding the industry standard of the infrastructure sector of 1.43, indicating a high dependence on debt. The INDF also showed a high DER with an average of 1.19, exceeding the industry figure of 0.59, which could reflect an aggressive expansion strategy or large financing needs. On the other hand, companies such as KLBF and BBCA recorded very low DERs, just 0.04 and 0.05 respectively on average, well below their sector averages, indicating conservative and efficient financial risk management. The highest DER in the banking sector was recorded at BMRI and BBRI with values of 0.72 and 0.64 respectively, still within reasonable limits although slightly above the financial industry average of 0.49. In contrast, SMGR, TLKM, and UNVR recorded *relatively* moderate and moderately controlled DERs, indicating a balance in the use of debt and own capital. The significant differences between issuers in

the *DER* ratio indicate that there are variations in capital structure strategies that can have an impact on financial risk and the rate of return for shareholders.

Table 8. Comparison *of the House of Representatives* of Issuers and Industries

YEAR	BBCA	BBNI	BBRI	BMRI	DSNG	INDF	JSMR	KLBF	SMGR	TLKM	UNVR
2020	48.16	25.00	64.98	61.14	27.43	37.81	0.00	58.31	40.00	80.00	99.59
2021	56.89	25.00	73.23	60.00	29.15	31.86	0.00	51.53	50.03	60.00	99.38
2022	62.04	39.98	85.27	59.98	26.35	35.49	20.00	52.26	70.00	80.00	99.56
2023	68.43	49.98	80.09	60.00	27.77	28.78	4.05	51.83	26.36	72.00	111.25
2024	67.44	64.99	86.05	78.00	22.27	28.45	25.00	51.31	90.25	89.00	99.66
Track-Track Emiten	60.59	40.99	77.92	63.82	26.59	32.48	9.81	53.05	55.33	76.20	101.89
Industry	36.58	36.58	36.58	36.58	42.68	42.68	4.51	53.66	61.17	46.17	108.03

Source: Processed Data (2025)

The Dividend Payout Ratio (DPR) reflects the percentage of net profit that a company distributes to shareholders in the form of dividends. Throughout the 2020–2024 period shown in Table 8, UNVR occupies the highest position with an average *DPR* of 101.89%, even surpassing its industry average of 108.03%, indicating that almost all of its profits are allocated to dividends, which can be attractive for dividend-income-oriented investors. TLKM and BBRI also showed high and stable dividend distribution rates, with averages of 76.20% and 77.92%, respectively, well above their industry averages. On the other hand, JSMR recorded the lowest *DPR* with an average of only 9.81%, even did not distribute dividends at the beginning of the period, which reflects a profit retention strategy to support expansion or debt repayment. Issuers such as DSNG and INDF also showed low *DPR*, averaging 26.59% and 32.48%, respectively, below the industry standard of 42.68%, signaling a focus on strengthening the capital structure. On the other hand, BMRI, BBCA, and SMGR have moderate and stable dividend policies, with an average *DPR* ranging from 55%–64%. This variation in dividend distribution policy shows the difference in management strategy between maintaining internal profitability and providing direct profits to shareholders.

3.1.2 Stock Valuation

The valuation of stocks in this study was carried out using the *Price Earning Ratio (PER)* and *Price to Book Value (PBV) ratio approaches.* Both ratios are used to identify the condition of stocks, whether they are classified as *overvalued* or *undervalued.* This approach aims to provide an overview of the fairness of the price of shares traded in the market in

relation to the company's financial performance and intrinsic value. In addition, this assessment also plays an important role in uncovering potential investment opportunities based on rational and measurable fundamental analysis.

Price Earning Ratio (PER) It shows how much the current stock price is compared to the net earnings per share, so it is an important indicator in assessing the market valuation of the company's profitability. Stock valuation is carried out by comparing the intrinsic value of the stock with the market value of the stock. The results of this comparison will result in three criteria in investment decision-making. If the intrinsic value is greater than the market price, then the stock is in a state of *undervalued*. Conversely, if the intrinsic value is less than the market price, then the stock is categorized *overvalued*. Meanwhile, if the intrinsic value is equal to the market price, then the stock is in a state of *fairvalued* (Ganefi et al., 2023).

Table 9. Valuation of Issuers' Shares with PER

Issue Code	FOR	Intrigue Value	Stock Price	Stock Conditions
BBCA	26.17	11,640	9,675	Undervalued
BBNI	14.63	8,419	4,350	Undervalued
BBRI	16.81	6,710	4,080	Undervalued
BMRI	12.06	7,208	5,700	Undervalued
DSNG	8.35	900	950	Overvalued
INDF	8.13	7,998	7,700	Undervalued
JSMR	20.91	13,067	4,330	Undervalued
KLBF	24.84	1,743	1,360	Undervalued
SMGR	23.39	2,493	3,290	Overvalued
TLKM	15.42	3,681	2,710	Undervalued
UNVR	29.84	2,635	1,885	Undervalued

Source: Processed Data (2025)

Based on Table 9, it can be concluded that most of the stocks are *undervalued*, with only two issuers categorized as *overvalued*. Issuers such as BBCA, BBNI, BBRI, BMRI, and TLKM show a much higher intrinsic value than the current market price. For example, BBCA has an intrinsic value of IDR 11,640, while its closing price is only IDR 9,675. This difference reflects the potential profits for investors, so the stock is categorized as *undervalued*. The same thing also happened to BBNI with an intrinsic value of IDR 8,419 and a market price of IDR 4,350, as well as JSMR, which recorded an intrinsic value of IDR 13,067 but only traded at a price of IDR 4,330.

Meanwhile, only two stocks are classified *as overvalued*, namely DSNG and SMGR. DSNG has an intrinsic value of IDR 900, but the market price is even higher, namely IDR

950. Similarly, SMGR shows a market price of IDR 3,290, which is above its intrinsic value of IDR 2,493, so it is considered *overvalued* and risks causing losses if the price corrects to its fair value.

Thus, based on *the PER* approach, most of the stocks on the list are still below their fair value and have the potential to provide *positive returns* if the market values the stock in line with its *fundamental* performance. However, investment decisions still need to consider risk aspects, market trends, and the outlook of the industry as a whole.

Price to Book Value (PBV) is a ratio that shows the comparison between the stock market price and the company's book value. In this approach, assessing whether a stock is classified as *undervalued*, *fair valued*, or *overvalued* can be done in a relatively simple way. Investors do not need to calculate the intrinsic value in detail, but simply look at the value of the *PBV ratio*. The assessment was carried out by comparing the results of *the PBV* calculation against the threshold 1. If *the PBV* is above 1, then the market price of the stock is considered higher than the book value, so the stock is categorized as *overvalued*. On the other hand, if *the PBV* is below 1, then the stock is considered *undervalued* because the market price is lower than the book value.

Husnan (2015) explains that well-performing companies generally have *PBV* above one, which means that the market value of the stock exceeds its book value. The higher the ratio *PBV*, the greater the investor's assessment of the company, especially compared to the capital that has been invested. This is also in line with Tandelilin's opinion (2010) which states that ideally, the market price of a bank's shares will be close to its book value. Stocks with a low price-to-book ratio are generally worth buying because they have the potential to provide higher returns with controlled risks.

Table 10. Valuation of Issuer Shares with PBV

Broadcast	PBV	Stock Conditions
BBCA	4.61	Overvalued
BBNI	1.12	Overvalued
BBRI	2.32	Overvalued
BMRI	1.84	Overvalued
DSNG	0.86	Undervalued
INDF	1.13	Overvalued
JSMR	1.26	Overvalued
KLBF	3.76	Overvalued
SMGR	1.17	Overvalued
TLKM	2.83	Overvalued
UNVR	42.24	Overvalued

Source: Processed Data (2025)

Table 10 explains that almost all of the issuers analyzed have an average *PBV (Price to Book Value)* in the last five years above 1, which generally indicates that these stocks are *overvalued* or traded above their book value. The high *PBV* reflects market optimism on the issuer's business prospects as well as investor perception that the company has good performance and growth potential.

Some issuers stand out with very high *PBVs*, such as UNVR, which recorded an extraordinary *average PBV* of 42.24, showing a huge market appreciation for the company, although the figure tends to decrease every year. Other issuers such as BBCA, KLBF, and TLKM also showed consistently high *PBVs*, with averages of 4.61; 3.76; and 2.83, respectively, strengthening their position as market-rated stocks.

On the other hand, the only issuer that was categorized *as undervalued* in this period was DSNG, with an average *PBV* of just 0.86, indicating that its share price is consistently below its book value. This condition can be a signal of investment opportunities, but it can also reflect challenges or negative perceptions of investors on the company's fundamentals. Overall, this table gives an idea that the majority of stocks in the 2020–2024 period are priced higher than their book value, with only a few trading below their book value, thus confirming the importance of advanced analysis before making investment decisions.

3.2 Discussion

In conducting fundamental analysis, six financial ratios are used to assess the financial condition and performance of each issuer from various aspects. These ratios include efficiency, profitability, solvency, and dividend policy.

1. *Total Asset Turnover* (*TATO)* is used to measure how efficiently a company utilizes its total assets to generate sales. Issuers such as UNVR and KLBF show consistently high *TATO* values , indicating good asset management efficiency. In contrast, banking sector issuers such as BBCA, BBRI, and BMRI have low *TATO*, which is a common characteristic in this sector because their asset structure is more in the form of long-term loans.
2. *Return on Equity* (*ROE)* measures a company's ability to generate profits from its own capital. The highest *ROE* value was recorded by UNVR, which indicates a very high level of profitability, while SMGR and BBNI have relatively low *ROE*, indicating suboptimal capital performance.
3. *Earnings per Share* (*EPS*) describes the net profit per share and is the basis for the valuation of stocks with *the PER approach.* Issuers such as INDF, BMRI, and BBNI showed high *EPS*, reflecting strong and consistent earnings performance over the past five years.
4. *Current Ratio (CR)* reflects a company's ability to meet its short-term obligations. The highest *CR* value is owned by KLBF, indicating excellent liquidity. On the

other hand, large banks such as BBCA, BMRI, and BBRI have low *CR,* which is reasonable considering the business structure of the banking sector.

5. *The Debt to Equity Ratio (DER)* shows the proportion of a company's funding derived from debt compared to equity. JSMR has the highest *DER*, indicating the company's high dependence on debt financing. Meanwhile, KLBF, BBCA, and BMRI showed low *DER*, indicating a relatively safe capital structure.
6. *The Dividend Payout Ratio (DPR)* measures how much profit is distributed to shareholders in the form of dividends. UNVR consistently recorded a *DPR* above 90%, demonstrating the company's commitment to dividend distribution. In contrast, issuers such as JSMR have *low DPR*, signaling a focus on reinvestment for growth.

After conducting a financial performance analysis through ratios, stock valuation is carried out using two approaches, namely *Price to Earnings Ratio (PER)* and *Price to Book Value (PBV*), to obtain an estimate of the fair value of the stock and find out whether the stock is classified *as undervalued*, *fair valued*, or *overvalued*.

In the *PER* method, the results of the analysis show that most stocks are *undervalued*. For example, BBCA has an *intrinsic* value of IDR 11,640, while the market price is IDR 9,675. Similarly, BBRI, BBNI, BMRI, and TLKM show an *intrinsic value* that is significantly higher than the market price, indicating the potential for an increase in the value of shares in the future.

However, quite contrasting results were found when using *the PBV approach*. The valuation of stocks with *PBV* only considers the comparison between the market price and the book value of the company. In this case, most issuers show *a PBV* value above 1, which in theory reflects an *overvalued* condition. Even some issuers such as UNVR and BBCA recorded *very high PBVs*, indicating that the market values their shares much higher than their net asset value.

This inconsistency in results between *the PER* and *PBV* methods indicates that the stock valuation approach does not always provide uniform results. *The PER* more reflects earnings performance and operational efficiency, while *PBV* values stocks based on a company's net worth. Therefore, stocks that are *undervalued* based on earnings (*PER*), can be seen as *overvalued* in terms of assets (*PBV*), especially for companies with high *profits* but relatively small net assets.

This condition shows the importance of using the two methods in a complementary manner, rather than replacing each other. Investors should not rely on just one indicator in making decisions, but consider the characteristics of the industry, the company's growth strategy, and the associated risk profile.

4. CONCLUSION

Based on the results of fundamental analysis of eleven issuers that are members of the Sri Kehati index for the 2020-2024 period, it can be concluded that the financial condition of each company shows varying performance. The six financial ratios analyzed — namely *Total Asset Turnover (TATO), Return on Equity (ROE), Earning Per Share (EPS), Current Ratio (CR), Debt to Equity Ratio (DER),* and *Dividend Payout Ratio (DPR)* — provide a comprehensive overview of the company's operational efficiency, profitability, liquidity, capital structure, and dividend policy. Issuers such as UNVR and KLBF display high efficiency in asset management and a sizable dividend distribution policy, while JSMR is recorded to have a high dependence on debt but still maintains liquidity at a good level.

Through the *Price Earning Ratio (PER) approach,* nine out of eleven issuers were identified in the *undervalued category,* namely BBCA, BBNI, BBRI, BMRI, INDF, JSMR, KLBF, TLKM, and UNVR, because the intrinsic value of the calculation of *EPS* and average PER is historically higher than their stock market price. On the other hand, two issuers, namely DSNG and SMGR, are classified *as overvalued*. On the other hand, when using the *Price to Book Value (PBV) approach,* ten issuers were declared *overvalued* — including BBCA, BBNI, BBRI, BMRI, INDF, JSMR, KLBF, SMGR, TLKM, and UNVR — because their *PBV* ratio was above 1, which means that the stock market price was higher than the book value. Only DSNG is categorized *as undervalued* based on this approach. These differences in results between *the PER* and *PBV* methods show that each approach assesses different aspects: the PER focuses on the company's profit performance, while *the PBV* focuses on net worth or book value.

Therefore, stock valuation should not be done with just one approach. Investors need to adopt a more comprehensive method by combining various financial ratios and relevant valuation methods in order to be able to assess the feasibility of investments more accurately and objectively, and to support wise investment decision-making — whether to buy, hold, or sell the shares they own.

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