The Impact of Selected Financial Ratios on The Market Performance of Listed Companies on The Acceleration Board Indonesia Stock Exchange (Period 2020-2023)

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ABSTRACT: This research aims to analyze the impacts of selected financial ratios on the market performance of listed companies in the Acceleration Board IDX (Period 2020-2023) and find if IDX need to add the financial requirements in IDX Listing Regulations no. I-V to increase the company's market performance in Acceleration Board IDX. The data of selected financial ratios and market performance were collected from the publication of listed companies' financial reports and market trading data in 2020-2023 that can be accessed publicly on IDX's official website. The population in this research is the whole Acceleration Board listed companies that were listed in IDX from 1st January 2020 – 31st December 2023. The samples used are limited to companies listed in Acceleration Board IDX period 2020-2023. Multiple regression analysis is used in this research to examine the relationship between the dependent variable and two or more independent variables. From five independent variables, partially, only the Net Profit Margin has a significant impact on the company's market performance (stock price). From the results of the ANOVA test, there is a simultaneous significant effect of the independent variables ROA, ROE, DER, NPM, and Cash Flow from Operation on the dependent variable Market Performance (stock price).

KEYWORDS: Cash Flow form Operation, Debt to Equity, Net Profit Margin, Return on Assets, Return on Equity, Stock Price.

I. INTRODUCTION

Small and medium-sized enterprises (SMEs) are a vital part of the Indonesian economy. They contribute significantly to the total business population and workforce. Based on data published by the Republic of Indonesia's Ministry of Cooperatives and SMEs cited [1], the SMEs, which consist of 64.2 million enterprises, contributed 99.99% to the total business population and 96.9% to the total workforce in 2019.

To facilitate the growth of SMEs in Indonesia, the Indonesian Financial Services Authority (OJK) released Regulations No. 53/POJK.04/2017 and No. 54/POJK.04/2017 in 2017, which cover the public offering process for such enterprises. These regulations also define small and medium-sized issuers as follows:

1. The issuer is categorized as a small-asset issuer if their asset value is ≤ IDR 50 billion
2. The issuer is categorized as a medium-asset issuer if their asset value is IDR 50 – 250 billion
3. Neither category of issuer may be controlled (directly or indirectly) by a company that is a controller of an issuer or public company that is not a small or medium-asset issuer or has assets of more than IDR 250 billion

Following the issuance of the OJK regulations on public offerings by SMEs (no.53/POJK.04/2017 and No. 54/POJK.04/2017), Indonesia Stock Exchange (IDX) issued Rule number I-V Concerning Specific Provisions for the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock on The Acceleration Board Issued by The Listed Company in 2019. The regulations also provide for some leniency in public offerings by small-medium assets companies compared to the general listing requirements on the Main Board and Development Board under Rule I-A Concerning the Listing Of Shares (Stock) And Equity-Type Securities Other Than Stock Issued By The Listed Company (Table 1).

Table 1. IDX Equity Listing Requirements

Criterion	Listing Board		
	Main Board	**Development Board**	**Acceleration Board**
Independent Board of Commissioner	Required	Required	Six-month grace period for medium-asset issuers One-year grace period for small-asset issuers
Corporate Secretary	Required	Required	Six-month grace period for medium asset issuers One-year grace period for small asset issuers
Audit Committee and unit of internal audit	Required	Required	Six-month grace period for medium asset issuers One-year grace period for small asset issuers
Operating period	36 months	12 months	Since booked operating revenue
Operating profit	Minimum 1 year	May experience loss, but should have operating and net profit in 2 years based on projection	May experience loss, but should have operating profit by 6th year, based on projection
Audited financial report	Minimum 3 years, unqualified opinion	Minimum 12 months with an unqualified opinion	Minimum 1 year or since establishment if established less than one year
Financial requirement	Profit before tax for the last 1 () financial year & NTA*) ≥ IDR 250 billion; or Cumulative Profit Before Tax Last 2 years ≥ IDR100 billion & Market Capitalization ≥ IDR1 trillion; or Revenue ≥ IDR 800 billion &; Market Capitalization ≥ IDR8 trillion; or Total Assets ≥ IDR2 trillion & Market Capitali-	Net tangible asset minimum IDR5 billion; or Cumulative Profit Before Tax Last 2 years ≥ IDR10 billion & Market Capitalization ≥ IDR100 billion; or Revenue ≥ IDR 40 billion &; Market Capitalization ≥ IDR 400 billion; or Total Assets ≥ IDR250 billion & Market Capitaliza-	N/A

Criterion	Listing Board		
	Main Board	**Development Board**	**Acceleration Board**
	zation ≥ IDR4 trillion; or Cash Flow from Operating Activities 2 years ≥ IDR200 billion & Market Capitalization ≥ IDR4 trillion	tion ≥ IDR500 billion; or Cash Flow from Operating Activities 2 years ≥ IDR20 billion & Market Capitization ≥ IDR400 billion	
Number of shares owned by non-controlling and non-majority shareholders	Minimum 300 million shares and: • 20% of total shares, for equity <IDR 500 billion • 15% of total shares, for equity IDR 500 billion – IDR 2 trillion • 10% of total shares, for equity >IDR 2 trillion	a) Minimum 150 million shares and: • 20% of total shares, for equity <IDR 500 billion • 15% of total shares, for equity IDR 500 billion – IDR 2 trillion • 10% of total shares, for equity >IDR 2 trillion	Minimum 20% of total shares
Minimum offering price	IDR 100	IDR 100	IDR 50
Number of shareholders	≥1000 parties	≥500 parties	≥300 parties
Underwriting scheme	Full commitment	Full commitment	Best effort
lock-up for controlling shareholders	N/A	N/A	6 months
*Net tangible asset= (total assets – intangible assets – deferred tax assets – total liabilities – non-controlling interest)			

As of December 2023, there are 40 companies listed on the Acceleration Board, but unfortunately, their market performance still needs to be improved because 85% of the companies listed on the Acceleration Board have experienced a decline in their share prices since the IPO.

The Indonesian Capital Market has been in existence since long before Indonesia gained its independence. As stated by IDX, 2022, The Vereniging voor de Effectenhandel (stock exchange) was established by this government on December 14, 1912. It functioned as a branch of the Netherlands' Amsterdam Stock Exchange, or Amsterdamse Effectenbeurs. In addition, a new era for the Indonesian capital market began on August 10, 1977, when President Soeharto established the Capital Market Executing Agency (BAPEPAM) by Presidential Decree No. 52/1976 and Presidential Proclamation No. 25/1976. This establishment marks a new

phase in the history of Indonesia's capital market, which was freed from three decades of Dutch colonialism. It also demonstrates the government's resolve to bring the capital market back to life in Indonesia. Despite the existence of the capital market since 1912, its development and growth did not proceed as expected. At times, the capital market experienced a vacuum due to several factors such as World War I and II, the transfer of power from the colonial government to the government of the Republic of Indonesia, and various conditions that caused stock exchange operations to function improperly. The Government of the Republic of Indonesia reactivated the capital market in 1977, and a few years later, the capital market expanded in response to different government incentives and restrictions [2].

As one of three institutions that are both Self-Regulatory Organizations and function as regulators with the authority to establish binding rules and regulations for capital market participants, IDX has the vision to become an acknowledged and credible world-class Exchange. To align with those visions, IDX has a few missions such as creating a trusted and credible financial market infrastructure to deliver a fair, orderly, and efficient market, accessible to all stakeholders through innovative products and services. To ensure that trading activities in the Indonesian capital market are conducted in an organized, fair, and efficient manner, the OJK and SROs including IDX, work together to implement improvements and innovations following the changing and expanding dynamics of economic recovery in every aspect including for the issuer as participants. To give services to issuers that aim to accelerate their business through Initial Public Offering (IPO) and become IDX Listed Companies, IDX has the Listing Directorate. The listing directorate is one of the core businesses of IDX. This Directorate has responsibilities in giving socialization, helping the listing process, and interacting with a company listed in IDX. On December 31, 2023, 903 companies have become IDX Listing Directorate portfolios.

As mentioned previously, Acceleration Board company's market performance still needs to be improved because 85% of the total companies listed on the Acceleration Board have experienced a decline in their stock prices since the IPO (Table 2).

Table 2. Acceleration Board Market Performance

No.	Ticker Code	Company Name	IPO Fund Raised	IPO Price	Closing Price 2023	IPO Price Changes
			IDR Thousand	IDR	IDR	%
1	PGJO	PT Tourindo Guide Indonesia Tbk.	12.000.000	80	83	3.75%
2	CASH	PT Cashlez Worldwide Indonesia Tbk.	87.500.000	350	110	-68.57%
3	SOFA	PT Boston Furniture Industries Tbk.	40.000.000	100	17	-83.00%
4	PPGL	PT Prima Globalindo Logistik Tbk.	16.500.000	110	102	-7.27%
5	PLAN	PT Planet Properindo Jaya Tbk.	29.999.962	112	28	-75.00%
6	LFLO	PT Imago Mulia Persada Tbk.	30.000.000	100	60	-40.00%
7	FIMP	PT Fimperkasa Utama Tbk.	20.000.000	125	76	-39.20%
8	LUCY	PT Lima Dua Lima Tiga Tbk.	33.750.000	100	144	44.00%
9	MGLV	PT Panca Anugrah Wisesa Tbk.	54.000.000	135	63	-53.33%
10	IPAC	PT Era Graharealty Tbk.	22.796.844	120	102	-15.00%
11	RUNS	PT Global Sukses Solusi Tbk.	49.987.200	254	48	-81.10%
12	IDEA	PT Idea Indonesia Akademi Tbk.	29.748.250	140	51	-63.57%
13	WGSH	PT Wira Global Solusi Tbk.	29.190.000	140	93	-33.57%
14	SMKM	PT Sumber Mas Konstruksi Tbk.	66.000.000	264	53	-79.92%
15	NANO	PT Nanotech Indonesia Global Tbk.	128.500.000	100	17	-83.00%
16	IBOS	PT Indo Boga Sukses Tbk.	160.736.000	100	364	264.00%
17	OLIV	PT Oscar Mitra Sukses Sejahtera Tbk.	40.000.000	100	9	-91.00%
18	RCCC	PT Utama Radar Cahaya Tbk.	20.250.000	135	120	-11.11%
19	AMMS	PT Agung Menjangan Mas Tbk.	24.000.000	100	40	-60.00%
20	EURO	PT Estee Gold Feet Tbk.	35.000.000	70	166	137.14%

No.	Ticker Code	Company Name	IPO Fund Raised	IPO Price	Closing Price 2023	IPO Price Changes
			IDR Thousand	IDR	IDR	%
21	KLIN	PT Klinko Karya Imaji Tbk.	23.000.000	100	28	**-72.00%**
22	NINE	PT Techno9 Indonesia Tbk.	32.400.000	75	9	**-88.00%**
23	ISAP	PT Isra Presisi Indonesia Tbk.	144.000.000	96	10	**-89.58%**
24	SOUL	PT Mitra Tirta Buwana Tbk.	29.700.000	110	22	**-80.00%**
25	BMBL	PT Lavender Bina Cendikia Tbk.	52.640.000	188	25	**-86.70%**
26	NAYZ	PT Hassana Boga Sejahtera Tbk.	51.000.000	100	20	**-80.00%**
27	PACK	PT Solusi Kemasan Digital Tbk.	49.896.000	162	36	**-77.78%**
28	CHIP	PT Pelita Teknologi Global Tbk.	32.000.000	160	2,27	**1318.75%**
29	KING	PT Hoffmen Cleanindo Tbk.	67.600.000	130	105	**-19.23%**
30	HAJJ	PT Arsy Buana Travelindo Tbk.	96.194.000	140	128	**-8.57%**
31	MENN	PT Menn Teknologi Indonesia Tbk.	33.555.600	78	11	**-85.90%**
32	RELF	PT Graha Mitra Asia Tbk.	108.000.000	90	22	**-75.56%**
33	GRPM	PT Graha Prima Mentari Tbk.	37.080.000	120	48	**-60.00%**
34	WIDI	PT Widiant Jaya Krenindo Tbk.	40.000.000	100	27	**-73.00%**
35	HBAT	PT Minahasa Membangun Hebat Tbk.	26.000.006	108	44	**-59.26%**
36	LMAX	PT Lupromax Pelumas Indonesia Tbk.	39.000.000	200	133	**-33.50%**
37	MSIE	PT Multisarana Intan Eduka Tbk.	26.000.000	100	24	**-76.00%**
38	AEGS	PT Anugerah Spareparts Sejahtera Tbk.	40.000.000	100	103	**3.00%**
39	LOPI	PT Logisticsplus International Tbk	30.000.000	100	62	**-38.00%**
		Bahari Nusantara Tbk	50.000.000	100	59	**-41.00%**

Source: IDX

Stated that for public companies, value at any time is reflected in the stock price [3]. Therefore, management should act only on those opportunities that are expected to create value for owners by increasing the stock price. So, one of the critical aspects that should be considered by companies, as well as related capital market parties, is the stock price.

II. LITERATURE REVIEW

As mentioned in the previous chapter, the market performance of the IDX Acceleration Board listed companies still requires improvement, as 85% of 40 companies that listed on the Acceleration Board in period 2020-2023 have seen a decrease in their stock price since the initial public offering. To improve the market performance of the IDX Acceleration Board listed companies, the researcher tries to figure out the indication of financial requirements that are not implied in recent IDX Rule number I-V Concerning Specific Provisions for the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock on The Acceleration Board Issued by The Listed Company in 2019. The regulations provide for some leniency in public offerings by small-medium assets companies compared to the general listing requirements on the Main Board and Development Board under Rule I-A Concerning the Listing of Shares (Stock) And Equity-Type Securities Other Than Stock Issued By The Listed Company, one of the main leniency is related to financial requirement, which Rule number I-V didn't mentioned any financial requirement for small-medium assets companies

Market Performance

According to [4], the most complete way to evaluate a company's performance is to look at its market performance (valuation ratio), which considers both the effects of risk and return on investment. By calculating how much of a growth in shareholder wealth from one period is based on dividends received and the company's stock price appreciation, market indicators can be used to calculate the wealth created for shareholders. Market performance can be measured by stock price, PBV ratio, and Tobin's Q. This research will measure the company's market performance using stock prices.

Stock prices fluctuate based on company news. Value per se is not as important to information traders as the relationship between information and changes in value is. Therefore, if an information trader thinks that the next information disclosure will result in a price increase because it contains better-than-expected news, he or she may purchase stock in even an expensive company. If a correlation is found between a company's undervaluation or overvaluation and the way its stock price responds to fresh information, the valuation may be relevant to a trader's investment strategy [4].

Fundamental Factors

Fundamental analysis is an examination of corporate accounting reports to assess the value of the company, that investors can use to analyze a company's stock price. The company's financial statements are crucial because they allow analysts to assess the performance and state of the business's finances. Investors feel that the company's financial health is important to consider because it will impact the company's capacity to pay dividends. One way to perform the financial analysis is to compute the company's financial ratios, which include capital structure, profitability, liquidity, and efficiency [5].

Return on Asset (ROA)

Measuring the firm's profitability in relative terms or percentage returns is equally important, even though the income statement provides us with an indication of its absolute profitability. By comparing profitability to the capital required to obtain a return on investment, one can determine profitability in the most direct and instructive manner. This might be accomplished by looking at the company or from the standpoint of stock investors. According to [6], a firm's return on asset (ROA) measures its operating efficiency in generating profits from its assets, before the effects of financing.

$$ROA = \frac{EBIT \ (1 - tax \ rate)}{Total \ Assets}$$

By separating the effects of financing from operating effects, the ROA provides a clearer measure of the true return on assets.

Return on Equity (ROE)

The return on equity (ROE) examines profitability from the perspective of the equity investor by relating profits to the equity investor (net profit after taxes and interest expenses) to the book value of the equity investment [6].

$$ROE = \frac{Net \ Income}{Book \ Value \ of \ Common \ Equity}$$

Because preferred stockholders have a different type of claim on the firm than common stockholders, the net income should be estimated after the preferred dividends, and the book value of common equity should not include the book value of the preferred stock.

Debt to Equity Ratio (DER)

According to [6], the debt ratio indicates the percentage of a company's market value from debt financing. The debt-to-equity ratio (DER) measures the ability of a business to pay its debts by using equity. As the DER increases, the risk associated with the business also increases. This, in turn, affects investor confidence in the company and its valuation. DER can be formulated as follows:

$$DER = \frac{Total \ Liabilities}{Equity}$$

Net Profit Margin

Net Profit Margin is a measure of profitability that shows how much of each dollar of sales remains in the company's pocket after all expenditures, expenses, and taxes have been paid. Accountants define income as the amount that remains after deducting expenses from revenue; economists define income as the difference between a company's capital balances at different times. The first two steps in calculating income are identifying the revenue that can be attributed to the period being reported on and matching the associated costs with the revenue of that period [7]. Net Profit Margin can be formulated as follows:

$$Net \ Profit \ Margin = \frac{Net \ Income}{Total \ Revenue} \ x \ 100\%$$

Cash Flow from Operations

Cash flow from operations/ operating cash flows is a measure of the amount of cash generated by a company's normal business operations. According to [6], when operating cash flows decline, the likelihood of default increases, and the default risk decreases in tandem with the decline in debt cash flows. Although each company's specific formula will differ, there is a general cash flow from operations formula that can be applied:

$$CFO = Net\ Income + Non - Cash\ Items + Changes\ in\ Working\ Capital$$

Conceptual Framework

The conceptual framework in this research related to the research questions will observe the correlation between financial ratios on the market performance of listed companies in the Acceleration Board IDX (Period 2020-2023). Those hypotheses will be mapped in a conceptual framework as shown in Figure 1.
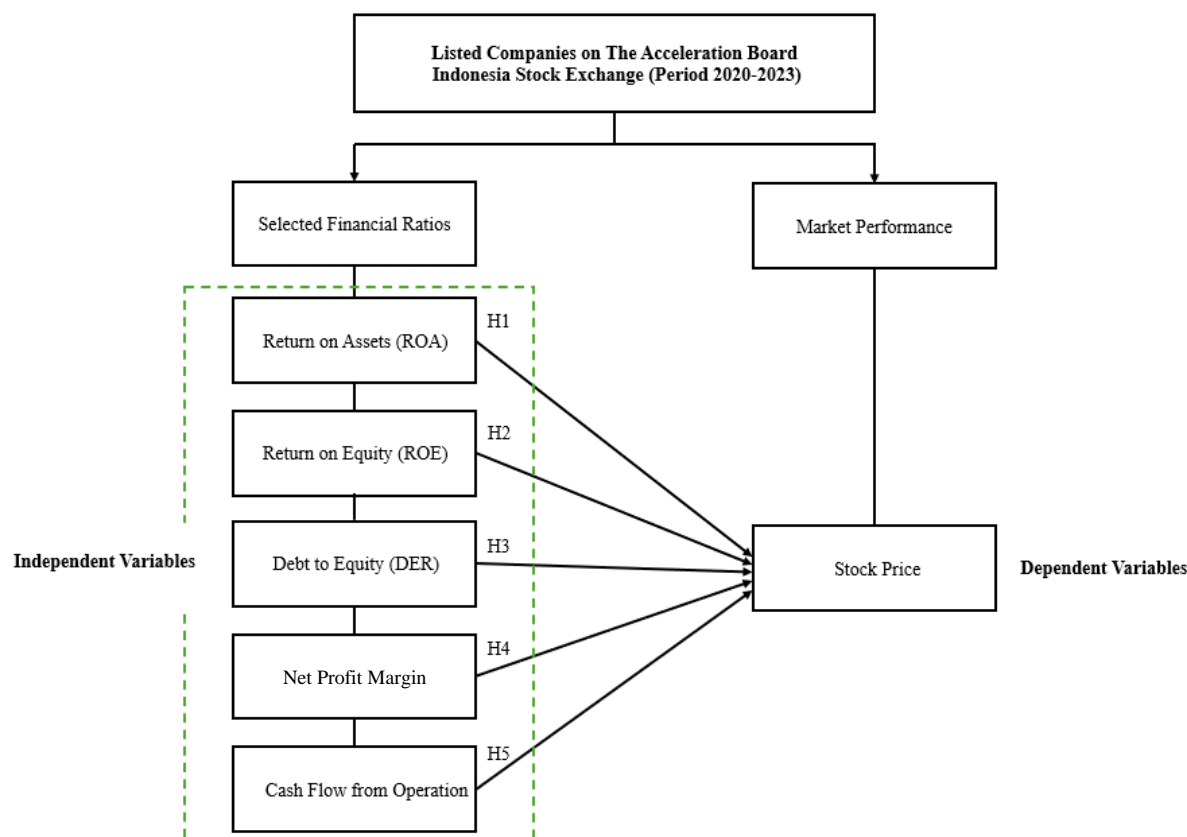

Figure 1. Conceptual Framework
Source: Author, 2024

III. METHODOLOGY

The data of selected financial ratios and market performance were collected from the publication of listed companies' financial reports and market trading data in 2020-2023 that can be accessed publicly on IDX's official website. The population in this research is the whole acceleration board-listed companies that were listed in IDX from 1st January 2020 – 31st December 2023. The selected period was chosen because the acceleration board was launched in 2019, but the first company listed on the acceleration board was listed in January 2020. The purposive sampling method will be used in this research. The research data were obtained from samples that determined through some criteria, that are:

a. The samples used are limited only to Listed Companies in Acceleration Board IDX without considering the companies in the Main Board and Development Board.
b. The samples used are limited to companies listed in Acceleration Board IDX period 2020-2023. The Acceleration Board launched in 2019, but the first company was listed on the Acceleration Board in 2020.

All of the secondary data used in this research were gathered from a variety of sources. This research uses empirical models for data analysis to obtain empirical evidence supporting the relationship between a subset of financial ratios and market performance. The stock price serves as a stand-in for the company's market performance. Multiple regression analysis is used in this research to examine the relationship between the dependent variable and two or more independent variables [8]. The multiple regression model that is used in this research is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + e$$

The multiple regression model utilized in this research is supposed to yield an unbiased estimator and the smallest variance, necessitating the completion of some traditional assumption tests before doing the multiple regression analysis. To get a representative, effective, and accurate regression model that is free from the signs of heteroscedasticity, autocorrelation, multicollinearity, and normal distribution, a classical assumption test is conducted.

IV. RESULTS AND DISCUSSION

Descriptive Statistic Analysis
A descriptive statistic is used in this research to give an overview of the data characteristic as shown in table 3.

Table 3. Descriptive Statistics of the Variables

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	40	1.366	411.101	52.56703	75.423172
ROE	40	-5.669	-.170	-2.79346	1.126571
DER	40	.025	8.808	.84569	1.431594
NPM	40	.005	48.368	1.81771	8.074745
CFO	40	-14150939720	23270973084	1171476521.95	6719303380.170
Market Performance	40	-2.621	3.507	-.48982	1.178037
Valid N (listwise)	40				

Source: SPSS Analysis

Based on the descriptive statistics data in Table 3, the ROA value has a mean value of 52.58 with a 75.42 standard deviation, a minimum value of 1.37, and a maximum value of 411.10. The ROE has a mean value of -2.79 with a standard deviation of 1.13, a minimum value of -5.67, and a maximum value of -0.17. For DER, it has a mean value of 0.85 with a standard deviation of 1.43, a minimum value of 0.03, and a maximum value of 8.81. The NPM variable has a mean value of 1.85 with an 8.08 standard deviation, a minimum value of 0.01, and a maximum of 48.37. The Cash flow of Operation has a mean value of 1,171,476,521 with a 6,719,303,380.17 standard deviation, a minimum value of 14,150,939,720, and a maximum of 23,270,973,084. From the table, it is also known that Market Performance for Acceleration Board listed companies has a mean value of -0.49 with a 1.18 standard deviation, a minimum value of -2.62, and a maximum value of 3.51.

Correlation Analysis
This research conducted correlation analysis among variables with 40 data samples. The result of the correlation analysis is shown in Table 4.

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Table 4. Correlation Analysis

Correlations		ROA	ROE	DER	NPM	CFO	Perform
ROA	Pearson Correlation	1	-.755**	.111	-.143	-.084	.229
	Sig. (2-tailed)		.000	.497	.380	.605	.155
	N	40	40	40	40	40	40
ROE	Pearson Correlation	-.755**	1	.089	.298	-.135	-.110
	Sig. (2-tailed)	.000		.584	.062	.405	.498
	N	40	40	40	40	40	40
DER	Pearson Correlation	.111	.089	1	-.118	-.045	-.039
	Sig. (2-tailed)	.497	.584		.467	.785	.813
	N	40	40	40	40	40	40
NPM	Pearson Correlation	-.143	.298	-.118	1	-.052	.502**
	Sig. (2-tailed)	.380	.062	.467		.752	.001
	N	40	40	40	40	40	40
CFO	Pearson Correlation	-.084	-.135	-.045	-.052	1	.009
	Sig. (2-tailed)	.605	.405	.785	.752		.958
	N	40	40	40	40	40	40
Perform	Pearson Correlation	.229	-.110	-.039	.502**	.009	1
	Sig. (2-tailed)	.155	.498	.813	.001	.958	
	N	40	40	40	40	40	40

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Analysis

Based on the data in Table 4, we can conclude that only Net Profit Margin has a correlation with Market Performance that is reflected by Stock Price because the sig of Net Profit Margin value with Market Performance is 0.001 < 0.05. Other financial ratios such as ROA, ROE, DER, and Cash Flow from Operations do not correlate with the Market Performance.

Classical Assumption Test
Normality test
Kolmogorov-Smirnov Test and P-P Plot of Regression Chart analysis were used in this research to conduct the normality test, with a significance level (α) of 0.05 or 5%. Table 5 display the normality test result.

Table 5. Normality Test

One-Sample Kolmogorov-Smirnov Test			Unstandardized Residual
N			40
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		.94886510
Most Extreme Differences	Absolute		.166
	Positive		.166
	Negative		-.130
Test Statistic			.166
Monte Carlo Sig. (2-tailed)	Sig.		**.198[d]**
	99% Confidence Interval	Lower Bound	.187
		Upper Bound	.208

Source: SPSS Analysis

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Based on the data in Table 5, the result of residual value gives the Sig value of the Kolmogorov-Smirnov Normality is 0.198 > 0.05. It means H0 was accepted, and the residual value has been normally distributed.

Autocorrelation test
Durbin-Watson Test was conducted in this research to analyze whether there is autocorrelation or not among residual values. The Durbin-Watson Test result is shown in Table 6.

Table 6. Autocorrelation Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.593[a]	.351	.256	1.016242	**2.231**

a. Predictors: (Constant), X5, X3, X4, X1, X2
b. Dependent Variable: Y
Source: SPSS Analysis

Based on the table above we can conclude that the calculated value of Durbin-Watson is 2.231. Because the calculation of the D-W value is 2.231 > dU value 1.78594, it means that H0 is accepted, and there is no autocorrelation between residuals, or the residuals are independent.

Heteroscedasticity test
This research used the Breusch-Pagan Test to analyze whether there is heteroscedasticity or not among residual values. The result of the heteroscedasticity test is shown in Table 7.

Table 7. Heteroscedasticity Test

Breusch-Pagan Test for Heteroscedasticity[b,c]		
Chi-Square	df	Sig.
1.297	1	.255

Source: SPSS Analysis

Based on the output above, a Sig value of 0.255 is obtained. If the Sig value > 0.05, it can be concluded that the H0 is accepted, and residuals are identical, or that there are no cases of heteroscedasticity in the model.

Multicollinearity test
By seeing the Variance Inflation Factor (VIF) value and Tolerance value in the coefficient, this research analyzes whether there is a correlation among independent variables in the regression model. The test result can be shown in Table 8.

Table 8. Multicollinearity Test

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	ROA	.352	**2.838**
	ROE	.323	**3.097**
	DER	.880	**1.137**
	NPM	.860	**1.163**
	CFO	.897	**1.115**

Source: SPSS Analysis

The results of the multicollinearity assumption test in Table 8, show that each variable has a VIF value < 10, so it can be concluded that H0 is accepted, and there is no multicollinearity in each variable.

Coefficient Determination Test (Adjusted R Square)

The result of the coefficient determination test in this research using adjusted R square is shown in Table 9.

Table 9. Coefficient Determination Test

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.593[a]	.351	**.256**	1.016242	2.231

a. Predictors: (Constant), X5, X3, X4, X1, X2

b. Dependent Variable: Y

Source: SPSS Analysis

The coefficient of determination value of the multiple regression model formed is 0.256 or 25.6%, which means that Market Performance (Y) can be influenced by ROA, ROE, DER, Net Profit Margin, and Cash Flow from Operations simultaneously as independent variables contained in the model by 25.6%, while the remaining 74.4% is explained by other factors besides those independent variables.

Statistical F Test

The result of the statistical F test or simultaneous test to analyze the impact of independent variables on dependent variables simultaneously in this research is shown in Table 10.

Table 10. Statistical F Test

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.010	5	3.802	3.681	**.009[b]**
	Residual	35.113	34	1.033		
	Total	54.123	39			

a. Dependent Variable: Y

b. Predictors: (Constant), X5, X3, X4, X1, X2

Source: SPSS Analysis

The ANOVA test is in Table 10. show that the Sig value is 0.009 < 0.05, this indicates that there is a simultaneous significant effect of the independent variables ROA (X1), ROE (X2), DER (X3), Net Profit Margin (X4), and Cash Flow from Operation (X5) on the dependent variable Market Performance (Y).

Statistical t-Test

Table 11 shows the statistical t-test result for this research. The 5% or significance level (α) used in this statistical t-test is regarded as marginal

Table 11. Statistical t-Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.114	.636		-1.751	.089
	ROA	.004	.004	.248	1.064	**.295**
	ROE	-.091	.254	-.087	-.356	**.724**

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DER	.009	.121	.011	.074	**.941**
NPM	.083	.022	.567	3.807	**.001**
CFO	8.307E-12	.000	.047	.325	**.747**

Source: SPSS Analysis

Based on the table 11, we can conclude several points, which are:

1. Variable ROA (X1) has a Sig value 0.295 > 0.05 so the variable has no significant impact on Market Performance (Y). This result is similar to research conducted [9] that showed ROA, ROE, NPM, EPS and DER partially has no significant impact on Stock Price.

2. Variable ROE (X2) has a Sig value 0.724 > 0.05 so the variable has no significant impact on Market Performance (Y). This result contrasts with the research of [10], that showed ROE has a significant impact on market performance proxied by Stock Price.

3. Variable DER (X3) has a Sig value 0.941 > 0.05 so the variable has no significant impact on Market Performance (Y). This result is in line with the research by [11], that showed DER has no significant impact to Stock Price.

4. Variable NPM (X4) has a Sig value 0.01 < 0.05 so the variable has a significant impact on Market Performance (Y). This result is in line with the previous research conducted [12], and also [13], that showed Net Profit Margin has a significant impact on Market Performance proxied by Stock Price.

5. Variable CFO (X5) has a Sig value 0.747 > 0.05 so the variable has no significant impact on Market Performance (Y). The result is in contrast with the findings of research conducted [14], that showed variable Cash Flow from Operation has a significant impact on Stock Price.

Analysis of Hypothesis Testing Results

The regression coefficients of ROA, ROE, DER, Net Profit Margin, and Cash Flow from Operations as shown in Table 11 have values of 0.248, -0.087, 0.011, 0.567, and 0.047. Thus, the following is the multiple regression model that can be produced as a result of this regression:

Stock Price = 0,248ROA – 0,087ROE + 0,011DER + 0,567NPM +0,047CO

The explanation of the regression model above is as follows:

1. The coefficient of regression for ROA is 0,248, which indicates that if the company's management is able to manage its assets to generate profit, as measured by ROA, and if all other variables are zero, the company's stock price will increase 0,248 times.

2. The coefficient of regression for ROE is -0,087, which indicates that if the company's management can manage the capital of the company to generate profit, as measured by ROE, and if all other variables are zero, the company's stock price will decrease 0,087 times.

3. The coefficient of regression for DER is 0,011, which indicates that if the company's management is able to meet all obligations with a portion of its equity capital to pay debts, as measured by ROE, and if all other variables are zero, the company's stock price will increase 0,011 times.

4. The coefficient of regression for Net Profit Margin is 0,567, which indicates that if the company's management is able to manage its income, as measured by Net Profit Margin, and if all other variables are zero, the company's stock price will increase 0,567 times.

5. The coefficient of regression for Cash Flow from Operation is 0,074, which indicates that if the company's management can manage operating cash flow, and if all other variables are zero, the company's stock price will increase 0,074 times.

Solution and Proposed Implementation Plan

Based on the results of this research, IDX as one of the capital market regulators in Indonesia needs to adjust the requirement for being listed on the acceleration board in order to increase the market performance of acceleration board listed companies. Some solutions and implementation planning are recommended as follows.

1. Adjust the requirement, especially the financial requirement to be listed in the acceleration board. This research results show that the variable Net Profit Margin has a Sig value 0.01 < 0.05 so the variable has a significant impact on Market Performance. So, the financial requirement that needs to be implemented is related to Net Profit Margin. This action needs to be implemented

because the current requirement doesn't provide any financial requirements.

2. The financial requirement mentioned previously should be released as the revision of Rule number I-V Concerning Specific Provisions for the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock on The Acceleration Board Issued by The Listed Company.

3. Not only adjust the financial requirements in the IDX Listing Rule, the adjustment also should be implemented in the Indonesian Financial Services Authority (OJK) Regulations No. 53/POJK.04/2017 and No. 54/POJK.04/2017 related to Initial Public Offering for Small and Medium Assets Companies in Indonesia.

4. To achieve the solution and implementation related to IDX and OJK Regulations, IDX and OJK need to conduct the focus group discussion first with all capital market ecosystems such as capital market associations, listed companies' associations, investors, etc to hear their opinions about this planning.

Justification of Implementation

To adjust the financial requirements in IDX Listing Rule number I-V Concerning Specific Provisions for the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock on The Acceleration Board Issued by The Listed Company, several steps are highly recommended to propose to find the ideal nominal of financial requirements that meet the need of Listed Company and also impacted to boost their market performance.

1. Conduct the focus group discussion with related parties, such as capital market associations, listed companies' associations, investors, etc to hear their opinions about this planning.

2. After knowing the needs and expectations of all related parties, the next step is to find the ideal number of financial requirements that should be fulfilled by potential listed companies in the Acceleration Board of IDX.

3. If the ideal number of financial requirements identified, the next step is to implement it by released the revision of IDX Listing Rule number I-V Concerning Specific Provisions for the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock on The Acceleration Board Issued by The Listed Company, along with the revision of Regulations No. 53/POJK.04/2017 and No. 54/POJK.04/2017 that will launched by the Indonesian Financial Services Authority (OJK).

4. The next step is to launch the revision of IDX Listing Rule number I-V and POJK No. 53/POJK.04/2017 and No. 54/POJK.04/2017 and socialize it to all Indonesia capital market ecosystems.

5. The last step is to get feedback about the revision of revision of IDX Listing Rule number I-V and POJK No. 53/POJK.04/2017 and No. 54/POJK.04/2017 from all related parties and evaluate those new regulations regularly.

V. CONCLUSION AND RECOMMENDATION

Conclusion

Based on the results of the hypothesis testing, there is one independent variable that has a significant impact on the company's Market Performance proxied by Stock Price. While the other independent variables have no significant impact. So, the conclusions of this research are:

a. From the five independent variables (Return on Asset, Return on Equity, Debt to Equity Ratio, Net Profit Margin, and Cash Flow from Operation), partially, only the Net Profit Margin that has a significant impact on the company's market performance. The result of this research is in line with the previous research conducted by [12], and also [13] that showed Net Profit Margin has a significant impact on Market Performance proxied by Stock Price.

b. As one of capital market regulator in Indonesia, IDX should consider to revised the IDX Regulation number I-V related to Acceleration Board by adding financial requirement especially the Net Profit Margin to increase the market performance of Acceleration Board Listed Companies. The revision of IDX Regulation number I-V should be conducted in several steps, such as the focus group discussion with all parties in Indonesia Capital Market ecosystem to mapping their need.

c. Based this research results, only the Net Profit Margin that partially has a significant impact on market performance. But Simultaneously, the five variables; Return on Asset, Return on Equity, Debt to Equity Ratio, Net Profit Margin, and Cash Flow from Operation can explain variation change of the Stock Price about 25,6%, while the rest 74.4% is explained by other factors besides those independent variables.

Recommendation

IDX should consider revising the Listing Regulations number I-V Concerning Specific Provisions for the Listing of Shares (Stock) and Equity-Type Securities Other Than Stock on The Acceleration Board Issued by The Listed Company by adding financial requirements for the small and medium assets company, especially the financial requirement related to net profit. Before implementing financial requirements for listing in the acceleration board, IDX should conduct the focus group discussion with all related stakeholders to map their needs and get feedback about the planning. IDX also needs to discuss with the Indonesian Financial Services Authority (OJK) about their rule number POJK No. 53/POJK.04/2017 and No. 54/POJK.04/2017 about the IPO regulations for small and medium assets companies, because these POJK would related to the IDX listing regulations number I-V. After the revision of IDX listing regulations has been done, IDX should improve the awareness of this regulation revision to all parties in the Indonesia Capital Market Ecosystem.

Potential listed companies that are willing to be listed in the Acceleration Board are expected to have awareness regarding the importance of maintaining their financial ratios, especially the Net Profit Margin for their future market performance. Potential listed companies in the Acceleration Board should run a self-assessment or ask a third party to measure the quality of their financial ratios and compare it with similar companies to find and fix the weaknesses. This action is also needed in order to prepare them to face future challenges related to market performance.

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