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Company Value and Operating Profit Margin in the Energy Sector vs. PTBA vs. PGAS

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ABSTRACT

This paper aims to provide a benchmark for average company value and operating profit margins in the energy sector. This paper analyzes the average company value and operating profit margin in the energy industry sector from 2021 to 2024 and compares them with those of PT Bukit Asam Tbk (PTBA) and PT Perusahaan Gas Negara Tbk (PGAS). The research method used is descriptive quantitative comparative analysis. Secondary data were obtained from annual financial reports and publications of the Indonesia Stock Exchange for the 2021–2024 period in the energy sector for 191 energy sector companies. The results show that the average company value across the energy sector from 2021 to 2024 was 1.56, while the average company value for PTBA was 1.53 and the average company value for PGAS was 0.69. This indicates that PTBA's company value is almost equivalent to the company value across the energy sector, while PGAS must strive to increase its company value. The average operating profit margin for the entire energy sector is 0.17, while the average operating profit margin for PT BA is 2.55 and the operating profit margin for PGAS is 0.15. This indicates that PTBA's operating profit margin is much larger than the average operating profit margin for the entire energy sector.

Keywords: Company Value; Operating Profit Margin; PGAS, PTBA; Energy Sector

INTRODUCTION

The average company value and operating profit margin of all companies in the energy sector from 2021 to 2024 are crucial to analyze to provide a baseline for the conditions of those years. This baseline is used to compare the performance of companies in the energy sector, for example, PTBA and PGAS. By analyzing the company value and operating profit margin of PTBA and PGAS, the two companies will be able to determine the best strategies for the future. For investors, it will serve as a benchmark for appropriate investments in assessing a company's performance and prospects. Company value is an important indicator because it reflects investors' perceptions of a company's ability to generate long-term profits (Fahmi, 2020) and (Kasmir, 2021). Company value also reflects management's performance in managing its resources. As more investors buy a company's shares, the share price will increase, and the company's value will increase. Based on data from several energy sector companies listed on the Indonesia Stock Exchange, several companies have experienced a decline in company value (Indonesia Stock Exchange, 2025).

Company value is also determined by various internal factors that reflect the company's performance and sustainability. These factors include financial aspects, such as profitability, liquidity, company size, and capital structure. Meanwhile, non-financial aspects, such as company reputation, play a crucial role in shaping investor perceptions and investment decisions (Wibowo & Farahmita, 2018). Operating Profit Margin (OPM) is a profitability ratio that measures a company's ability to generate profit margins through its production operations. According to (Fahmi, 2020), a high OPM reflects internal strength to support external strategies such as CSR and GCG. OPM is an important indicator for assessing a company's operational efficiency in generating profits. According to the signaling theory proposed by (Spence, 1973), companies with good financial performance, including operational efficiency reflected in a high OPM, will send a positive signal to investors about the company's future prospects.

In energy sector companies, understanding the dynamics of OPM can provide insight into a company's ability to maintain profitability amidst challenges such as fluctuating commodity prices and demands for social responsibility.

OPM focuses on the efficiency of a company's core operational activities. When a company has a high operating margin, it tends to have greater resources to support its value. This study aims to provide solutions related to the average value of energy sector companies and the average operating profit margin of energy companies, as well as case examples of company value and operating profit margin at PT BA and PGAS. This is crucial for interpreting the value of energy sector companies and operating profit margins within an energy company entity.

LITERATURE REVIEW

Firm Value and Price to Book Value (PBV)

Firm value reflects the overall market value of a business, which indicates a measure of a company's economic performance. This value includes the interests of common and preferred shareholders, minority shareholders, and debt holders. In unstable corporate conditions, creditors' rights take priority, and share value can decline sharply. Therefore, every company's operational activity is generally directed at increasing profitability and optimizing company value. According to (Kasmir, 2021), the concept of firm value explains the value of a company, including market value, intrinsic value, book value, and liquidity value.

(Fahmi, 2020), (Hery, 2019) state that company value indicates a company's business capability in maximizing shareholder wealth. Maximizing company value is crucial for a company because it demonstrates the company's efforts in maximizing the company's primary objectives. Company value also reflects the company's performance in managing resources for investors. Company value in this study is proxied by Price to Book Value (PBV). PBV was chosen as a proxy for company value because PBV illustrates how much the market values the book value of shares and indicates the extent to which a company is able to create company value relative to the total amount of invested capital. The higher the PBV, the more confident investors are in the company's future prospects (Fahmi, 2020). Price to Book Value (PBV) is a profitability ratio calculated by comparing the market price per share with the book value per share (Rahardjo, 2009). PBV has the advantage over book value, which is a stable yet simple measure and can be compared with market prices and between similar companies. The higher the PBV, the better the company is considered to have good future prospects. The PBV calculation formula according to (Rahardjo, 2009) and (Brigham & Houston, 2014) is as follows:

$$PBV = \frac{Price\ per\ share}{Book\ value\ per\ sheet}$$

Operating Profit Margin (OPM)

Operating Profit Margin (OPM) is a profitability ratio used to measure a company's operational efficiency in generating profits from its core activities. Operating Profit Margin (OPM) is a ratio used to estimate the percentage of operating profit from total sales (Hery, 2019). OPM serves to assess the efficiency of operational costs, especially when compared to similar companies in the same industry. If a company has a higher operating profit margin than its competitors, management can implement a lower pricing strategy to increase market share. (Kasmir, 2021) and (Irfani, 2020) state that Operating Profit Margin (OPM) is used to measure the profit received from sales activities before deducting interest and tax expenses, and dividing by net sales. OPM represents the actual profit or operating profit received for each rupiah of sales made. The amount in this OPM is said to be pure because it is actually obtained from the company's operating results, ignoring financial obligations in the form of interest and obligations to the government in the form of taxes. The higher the OPM ratio, the better the company's operations. This will encourage investors to invest.

Operating Profit Margin (OPM) indicates the efficiency of production, personnel, and marketing departments. OPM can indicate the profit generated by a company from its operational activities. The OPM ratio is calculated by dividing net sales by cost of goods sold by net sales. This ratio is used to determine the company's gross profit for each item sold. OPM is used as a relevant benchmark of operational performance in assessing a company's ability to maintain business sustainability, particularly in the energy sector, which has a high cost structure. This aligns with (Brigham & Houston, 2014) who define the operating profit margin (OPM) as one of the key profitability ratios that can be compared over time and between companies in the same industry to evaluate relative efficiency and operational strength.

One indicator that reflects a company's operational efficiency is the Operating Profit Margin (OPM). A high OPM demonstrates a company's ability to manage costs and generate profits from core activities. OPM is a key indicator in assessing a company's efficiency and competitiveness, therefore companies are advised to continuously improve their OPM. OPM is highly relevant for decision-making by internal parties, such as company management, and external parties, such as investors.

(Jannah & Suryaningsum, 2025). (Fahmi, 2020), A high OPM reflects internal strengths that support a company's external strategy. One measure of a company's profitability for investment decisions is the operating profit margin (OPM). Therefore, OPM can be a relevant indicator for investors and creditors in evaluating a company's profitability.

RESEARCH METHOD

This research method is a descriptive quantitative comparative analysis of the average firm value and operating profit margin of all companies in the energy sector, compared to two energy sector companies: PT Bukit Asam Tbk (PTBA) and PT Perusahaan Gas Negara Tbk (PGAS). The research method used is descriptive-comparative value analysis. Secondary data was obtained from annual financial reports and publications of the Indonesia Stock Exchange for the energy sector for the 2021–2024 period. The data analyzed included firm value and operating profit margin data from the average of 191 energy sector companies, firm value and operating profit margin data from the average of PT BA for 2021–2024, and firm value and operating profit margin data from the average of PGAS for 2021–2024. The analysis was conducted on average data for 2021-2024 and annual data for 2021-2024. The research subjects were energy sector companies listed on the Indonesia Stock Exchange (IDX), obtained through the Indonesia Stock Exchange homepage.

Research Population and Sample

The population in this study includes all energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2024 period. Energy sector companies were selected as samples for this study because they are a strategic sector with a significant contribution to the national economy, high risk and complexity, and significant exposure to social and environmental issues. The researcher based this on (Sekaran & Bougie, 2017) who defined a population as the entire group of people, events, or things of interest that share certain characteristics and are of interest to the researcher for the purpose of conducting the study.

Sampling Method

The sample for this study was energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2024 period. The method used in this study was purposive sampling, which involves specific criteria determined by the researcher to ensure relevance to the research objectives. The sample selection criteria are as follows:
1) Energy sector companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2024 period.
2) Complete annual reports and sustainability reports from the website www.idx.co.id and each company's website.
3) Presents quantitatively measurable information regarding OPM and Company Value.

Data Collection Method

The data collection method used in this study was quantitative. The researcher based this on (Sugiyono, 2023), who stated that quantitative methods were used because the research data consisted of numbers. The data source used was secondary data, using documentation, a search tool through records and written documents from energy sector companies.

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RESULTS

The research sample was selected based on the above criteria as follows:
Table 1. Sample

No.	Sample	Year			
		2021	2022	2023	2024
1	Sample of energy companies	22	26	36	37
Number of Samples		121			

Source: Processed Secondary Data, 2025

The population of this study was all energy sector companies listed on the Indonesia Stock Exchange during the observation period (2021-2024). An initial sample of 319 companies was obtained from this population, but after a selection process, only 121 companies met the criteria.

Table 2. Descriptive Statistics

Variable	N	Min	Max	Mean
PBV	121	0.23	9.68	1.5652
OPM	121	-5.70	0.68	0.1702

Source: Processed Secondary Data, 2025

Tables 1 and 2 above show the descriptive statistical results of the research variables in the form of ratios. The data indicate that the sample size used in the study was 121 observations. The descriptive statistical analysis of the firm value variable, measured by PBV, showed a minimum value of 0.23 for PT. Radiant Utama Interinsco Tbk. in 2024, a maximum value of 9.68 for PT. Indah Perkasa Sentosa Tbk. in 2021, and an average value of 1.5652. The average PBV value of 1.5652 indicates that, in general, the energy sector companies in the study sample are trading slightly above their book value. Companies in the energy sector enjoy fairly good market confidence, although there is significant variation between companies, as indicated by the range of minimum and maximum values.

The OPM variable showed a minimum value of -5.70 for PT. Ancara Logistic Indonesia Tbk. in 2024, indicating the company experienced significant operational losses. The maximum value was 0.68 for PT. Energi Mega Persada Tbk.'s 2021 performance demonstrated that the company generated an operating profit of 68% of its sales, reflecting relatively high operational efficiency

These findings align with agency theory (Jensen & Meckling, 1976). From an agency theory perspective, the results of this study indicate that OPM strengthens the effectiveness of independent commissioners in mitigating conflicts of interest between agents and principals. With a high OPM, investors perceive management as successful in managing operational costs efficiently, thereby reducing agency costs. This makes the presence of independent commissioners even more significant in ensuring corporate governance is truly aligned with the primary objective of increasing and maximizing company value.

Table 3. Financial Performance of Energy Sector, PTBA, and PGAS

Financial performance	Energy Sector	PTBA	PGAS
Company Value	1,56	1,53	0,69
Operating Profit Margin	0,17	2,55	0,15

Source: Processed Secondary Data, 2025

Consistent with previous research, several studies have shown that OPM has a significant impact on company value. Research conducted by Tiarsih et al. (2022) and (Tampubolon & Banjarnahor, 2020) found that OPM significantly influences company value. This research confirms that companies are able to generate high operating profits because the higher the OPM, the greater the company's value. OPM is a key indicator in assessing a company's operational efficiency and competitiveness (Jannah & Suryaningsum, 2025).

DISCUSSION

The findings of this study reveal clear differences in firm value (PBV) and Operating Profit Margin (OPM) between the average performance of companies in the energy sector and the individual performance of PT Bukit Asam Tbk (PTBA) and PT Perusahaan Gas Negara Tbk (PGAS). The average firm value across the energy sector for the period 2021–2024 was **1.56**, while PTBA recorded a similar value of **1.53**, indicating that PTBA's market valuation is generally aligned with the sector's overall performance. In contrast, PGAS exhibited a significantly lower PBV of **0.69**, suggesting weaker investor confidence in its growth prospects and long-term economic value.

These results support the arguments of (Fahmi, 2020) and (Kasmir, 2021), who emphasize that firm value reflects investor perceptions regarding a company's ability to generate sustainable future performance. A PBV below the sector average often signals higher perceived risk or strategic challenges. In the case of PGAS, its lower firm value may stem from regulatory constraints in the gas distribution industry, exposure to fluctuating international gas prices, and ongoing geopolitical dynamics that affect energy supply and demand. These conditions contribute to higher uncertainty and reduced market optimism toward the company.

In terms of profitability, the study highlights a stark contrast between PTBA and PGAS. The average OPM for the energy sector was **0.17**, whereas PTBA achieved an exceptionally high OPM of **2.55**, demonstrating superior operational efficiency. This performance aligns with the favorable commodity cycle during 2021–2023, when coal prices surged globally, enabling PTBA to generate strong profit margins. High OPM indicates the company's ability to control production costs and leverage economies of scale, supporting (Spence, 1973) signaling theory whereby firms with strong operational efficiency send positive signals to investors regarding their long-term prospects.

Conversely, PGAS recorded an OPM of **0.15**, below the sector average. This relatively low profitability reflects the structural characteristics of the midstream gas industry. PGAS operates under strict government-regulated pricing, faces rising distribution and infrastructure costs, and must navigate fluctuating global gas prices. These conditions compress its operational margin and reduce its ability to convert revenue into profit. The findings confirm prior studies (e.g., Tiarsih et al., 2022; Tampubolon & Banjarnahor, 2020) which demonstrate that stronger operating margins are associated with higher firm value. PGAS's lower OPM, therefore, contributes to its weaker PBV, suggesting less efficiency and reduced competitiveness compared to leading players in the sector.

The energy sector itself is subject to substantial regulatory and operational risks, such as annual renewal of exploration and production permits (RKAB, WP&B) and export approvals. Delays in the processing of these permits can disrupt production plans and sales activities, ultimately affecting profitability. Additionally, the sector's heavy dependence on commodity price cycles makes firm performance highly sensitive to global market volatility. These conditions explain the substantial variance in PBV and OPM among energy companies and highlight the importance of operational resilience, governance quality, and strategic adaptability in maintaining firm value.

Overall, the study underscores the significant role of operational efficiency in shaping firm value within the energy sector. PTBA's strong OPM positions it favorably in the eyes of investors, whereas PGAS must enhance operational performance and manage regulatory challenges to improve its market valuation.

CONCLUSION

The results of this study indicate that the average company value across the energy sector from 2021 to 2024 was 1.56, while over the same period, the average company value for PT BA was 1.53 and the average company value for PGAS was 0.69.

This indicates that PTBA's corporate value is nearly equivalent to that of companies across the energy sector, while PGAS must strive to increase its value. Corporate value reflects a company's business ability to maximize wealth.

The results of this study indicate that the average operating profit margin for all energy sector companies from 2021 to 2024 was 0.17. During the same period, the average operating profit margin for PTBA was 2.55, and the average operating profit margin for PGAS was 0.15. This indicates that PTBA's operating profit margin is significantly higher than the average operating profit margin across the energy sector. Operating profit margin serves to assess a company's performance in terms of achieving profits truly derived from its core business activities and also assessing the efficiency of its operational costs.

LIMITATION

The limitations of this study are as follows:
Many factors influencing the company value and operating profit variables in the energy industry sector remain unexplored in this study. For example, the energy sector is heavily influenced by global commodity prices

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DECLARATION OF CONFLICTING INTERESTS

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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