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FINANCE | RESEARCH ARTICLE

Effect of Financial Performance on Stock-Prices in Food and Beverages Firm

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Abstract: This study examines the effect of financial ratios on Food and Beverage stock prices (F&B). The study uses a sample of Food and Beverage firms listed on the IDX period 2017-2019. By the 31 companies as the population, we decided the sample just 14 F&B companies; the study's total sample was 42 financial statements and annual reports with the purposive sampling method. Hypothesis testing was used in this study using multiple linear regression analysis. This study indicates that Return on Equity (ROE) has a significant positive effect on stock prices. In contrast, Return on Assets (ROA), Net Profit Margin (NPM), Current Ratio (CR), Debt to Equity Ratio (DER), and Debt to Assets Ratio (DAR) partially has no significant effect on stock prices. Therefore, first, the company should pay attention to the level of the company's liability. The ratios related to the comparison with debt tend to be at a safe point from financial distress to increase the company's share price, especially in the food and beverage sub-sector. Secondly, for investors to invest in companies, especially the food and beverage sector, they need to pay attention to Return on Equity (ROE) because it significantly affects its stock price with this ratio.

Keywords: Return on Assets, Return on Equity, Net Profit Margin, Current Ratio, Stock-Price.

JEL Classification Code: G10, G20, G17

1. INTRODUCTION

The current rapid development of the Indonesian stock exchange cannot be separated from the role of investors in trading on the Indonesian stock exchange. Before investors decide to invest their funds in the capital market, they need to complete the most critical activity, namely a careful assessment of the issuer (by buying exchange-traded securities). Investors must be sure that the information they receive is correct (Fadila & Yuliani, 2015). The Capital Market Law on August 8, 1995, regarding the definition of the capital market, defines the capital market as "activities related to public offerings and securities transactions, listed companies related to the securities they issue, as well as institutions and professions related to securities."

The capital market plays an essential role in a country's economy because the capital market has two functions, first as a means for companies to obtain funds from groups of investors. The two capital markets are a means for the public to invest in financial instruments such as stocks, bonds, warrants, rights, mutual funds, and various derivatives (such as options, futures, etc.) (Kocka, 2015; Vintilă & Gherghina, 2014). Shares are one of the financial instruments traded in the capital market. According to Praveen Kumar & Manoj Kumara (2020), buying shares is the prospect of purchasing a company. One indicator of the company's value is the share price and the number of shares traded on the IDX. In this way, companies expanding can issue shares in the capital market to obtain funds from potential investors, and potential investors will invest in the company.

The capital market effectively guides and invests funds that positively impact and benefit investors (Zhang et al., 2020). Through these activities, companies can obtain capital to funding the operational activities and company expansion. The capital market is also a means to solve the company's liquidity problems. Financial information is one of the main parts of analyzing the financial status of a company because it reflects the health and prospects of the company (Mait et al., 2013). A company's



performance results from many individual decisions made continuously by management; therefore, to evaluate the company's performance, it is necessary to analyze the cumulative economic and financial impact of these decisions and consider the use of cumulative metrics.

Financial performance is an analysis that aims to understand how the company has implemented the correct and correct financial implementation rules (Angela & Yudianti, 2014; Zhang et al., 2020). Company performance is a picture of the company's financial status, which can be analyzed through financial analysis, so you can see the company's good or bad financial situation that reflects the performance of a specific period. This is very important to optimize the use of resources in the face of a changing environment. The stock price is one indicator of the success of a company's management. If the company's stock price continues to rise, investors or potential investors will assess whether the company has successfully managed its business. The trust of investors or potential investors is very beneficial for issuers because the more people who trust the issuer, the stronger the will to invest in the issuer.

One of the factors that affect stock prices is the company's ability to pay dividends. If the compensation paid is high, then the stock price is often high so that the value of the company is also high (Elshandidy et al., 2013). Conversely, if the dividend paid is small, the company's stock price is low, so that the company's value is also low. The ability to pay dividends is closely related to the company's profitability. Stock price levels also reflect investment decisions, financing decisions, and asset management. The company must be in good condition or have high profitability. This is because the company has increased profitability and can survive. Profitability has an essential meaning for the company in maintaining its survival for the long term. Because an investor or shareholder of a business entity has an interest in current and expected income in the future, the stability of payment, and the relationship with other company earnings, so investors or shareholders need to pay attention to the company's profitability. According to Tahir & Mushtaq (2016), the types of profitability used to evaluate and measure the financial status of a company within a certain period are Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Current Ratio (CR), Ratio of Liabilities to Equity, and Ratio of Liabilities to Total Assets.

A study from Watung & Ilat (2016) states that simultaneously with the F-test, it can be concluded that the company's financial performance as measured by ROA, ROE, NPM, and EPS influences stock prices. From the results of the partial test with the t-test, it can be concluded that partially the ROA and EPS variables have a positive and significant effect on stock prices. In contrast, the ROE and NPM variables have a positive and insignificant effect on stock prices. (2) Subsequent research Maulita & Mujino (2019) states that the Current Ratio has a significant and positive effect on stock prices. ROA has a significant and positive effect on stock prices. DER has a significant and negative effect on stock prices. Furthermore, research entitled The effect of financial performance on stock prices in manufacturing companies in the consumer goods industry sector listed on the IDX in 2012-2016 (Asmirantho & Somantri, 2017). The results of this study are ROE, ITO, and PER variables have a positive and significant effect on stock prices with $\alpha = 0.05$. The other variables, namely CR and DER, do not affect stock prices. Yustina & Setiawati (2019). The results of this study are Return On Assets (ROA) and Earning Per Share (EPS) have a significant effect on stock prices. In contrast, those that do not significantly affect stock prices are Net Profit Margin (NPM) and Debt To Equity Ratio (DER).

The background above shows that the research results on the effect of financial ratios on stock prices are still very varied. The interest in conducting this research is because the results are not always consistent, and the company has unique characteristics. This is one of the reasons that encourage research on financial ratios that affect stock prices. This research is a replication of previous research; this study also uses financial ratios to assess a company's performance. The percentages that researchers use include the profitability ratio and the purposive sampling method using Earning Per Share (EPS). Based on the above background, the researcher tries to examine the effect of the independent variables on the dependent variable in Food and Beverages companies listed on the Indonesia Stock Exchange by taking the title "Analysis of the Effect of Financial Performance on Stock Prices in Food and Beverages Companies Listed on the Indonesia Stock Exchange (IDX). in 2017-2019)". Therefore, this study objectively examines the effect of ROA, ROE, NPM, Current Ratio, Liability Ratio on stock prices.

2. Literature Review

Ventoruzzo (2012) and On-Yang (2005) explain "shares are some of the holders in a company in which each share approves the authority of one vote to the owner." There are two plans in stock price analysis that can be used to complete stock price evaluations: (a) Technical Analysis, according to Kewal (2012), "By observing changes in inventory over some time, technical analysis is an analysis with various indicators." Technical analysis uses or involves several trend line indicators to predict stock price movements in graphical form. In addition, we can understand whether the stock price is at its highest (overvalued) or lowest (undervalued) point. (b) Fundamental analysis. Corrado (2002) explains "examination of a firm's accounting statement and other financial and economic information to assess the stock." Fundamental analysis helps analyze a company's financial statements by considering financial performance.

According, e.g., Hovakimian et al. (2001); Li & Krehbiel (2018); On-Yang (2005) explained that the stock price refers to the stock price that occurs on the stock market. Stock prices can be influenced by market conditions around the maximum market share price, determined by the central bank (which will issue shares or bonds and sell them to the general public) through the capital market or by companies that will raise funds through the capital market. The method of determining the coin or banknote (issuer) is based on the fundamental analysis of the company. According to Gikandi & Bloor (2010), stock prices are divided into 3 (three): (a) Nominal Price, is the price listed on the share certificate, which the issuer determines to value the issued shares because the dividend is determined based on the nominal value, then the amount of the nominal price has the significance of the stock. (b) Initial Price, Primary Market for the stock price recorded in the stock bubble, and the price of the issued shares will be sold to the public because it is known how much the initial price is determined. This is because the stock market is determined and issued by the underwriter. (c) The market price is the selling price of the same investor and the old investor, and the initial price is the selling price of the issuance agreement to investors.

Yanti & Dwirandra (2019) explains that financial performance describes how a company applies a description of the extent to which a company applies and uses financial enforcement regulations correctly and adequately. Examination of financial performance uses information on the balance sheet, income statement and cash flow statement, and other related information to view the financial comments owned by the company or business entity concerned with financial performance evaluation. According to Goodell (2020) and Tiwari et al (2020), the purpose and benefits of performance research: work research is to plan and control in evaluating a company's performance, and companies can choose strategies and plans by implementing things that can achieve the goals that have been set together. In addition, the above objectives are helpful for management to create an effective and efficient organization. Performance evaluation aims to prioritize appropriate behavior and maintain behavior that must be completed through feedback on performance results when rewarded.

Chen & Shimerda (1981) explained that financial ratios are an analytical technique within the finance department of a company, which can compare financial data contained in financial statements to evaluate company performance. The ratio describes the relationship or balance between a certain amount and another amount. It compares two variables obtained from the company's financial statements: the balance sheet and the income statement. According to Lev & Sunder (1979), the financial ratio is an index that connects two accounting numbers by dividing one financial number by another financial account. Comparisons can be made between a component and components of financial statements or compared in financial statements. Types of Financial Ratio Analysis In general, this type can be divided into several types: profit ratio analysis, solvency ratio analysis, liquidity ratio analysis, and activity ratio analysis.

A profitability ratio is a ratio used to measure the company's ability to generate profits from income related to sales, assets, and equity. According to Tahir & Mushtaq (2016), the types of profitability used to evaluate and measure the financial status of a company within a specific time are: Return on Assets (ROA) indicates that the company can use all assets to measure the level of net profit after tax (Yanikkaya et al., 2018). This ratio is the most important ratio for management to evaluate

all company assets' management. The greater the ROA, the higher the productivity of net income from investments, and vice versa. Return On Equity (ROE) proves the company's quality by using the company's funds to generate profit after tax. This ratio will affect the shareholders' understanding of the effectiveness and efficiency of the company's management of its capital court (Afandi & Riharjo, 2017). The higher the percentage, the more efficient the company's management uses its funds. Net Profit Margin (NPM) This ratio is used to measure the company's ability to generate net profit from the company's sales (Mursidah & Ummah, 2016). The larger the Net Profit Margin (NPM), the higher the company's performance, so this ratio will increase investor confidence in the company's investment. This ratio shows what percentage of net profit can be obtained for each sale. The bigger the balance, the better because the company believes that the company's profitability is very high.

According to Öztürk (2017), the current ratio (CR) is a ratio that measures a company's financial performance based on liquidity. This current ratio shows that the company can meet its short-term debt obligations in the next 12 months. Prospective creditors usually use this ratio to determine whether to provide a short-term loan to the company. The current balance also shows the efficiency of a company's operating cycle or converting products into cash. The current ratio is one of the liquidity ratio analyses, also known as the working capital ratio. The current ratio formula is calculated by dividing existing assets by current liabilities. Alarussi & Alhaderi (2018) explains that the debt-to-equity ratio (DER), or what can be abbreviated as DER, is the debt-equity ratio. This can also be called a ratio (DER) is a financial ratio used for company operations to be proportional. According to Maya (2013), the ratio of debt to total assets is the ratio of the percentage of funds provided by creditors by calculating total liabilities divided by total assets. Total liabilities include current liabilities and long-term liabilities. Creditors prefer debt to total assets, and the greater the protection against creditor losses during liquidation (Alnori & Alqahtani, 2019). The solvency ratio (also known as the leverage ratio) is a financial ratio used to measure a company's ability to meet long-term obligations, such as interest payments on debt, final principal payments, and other fixed obligations. The type of solvency ratio or leverage ratio often used is the debt to equity ratio (DER). Liquidity Ratio is a ratio that measures the quality of the company's short-term debt payments at maturity. This ratio measures the company's ability to meet short-term debt as it matures. Activity ratio or efficiency ratio is a financial ratio analysis that measures the adequate number of companies, including activity ratio analysis, including inventory turnover, total active turnover, and fixed asset turnover (Priastuti & Lestariningsih, 2016). Based on the literature review, so the hypotheses in this study are:

- H1: Return on Assets has a positive and significant effect on the stock price.
- H2: Return on Equity has a positive and significant effect on the stock price.
- H3: Net Profit Margin has a positive and significant effect on the stock price.
- H4: Current Ratio has a positive and significant effect on the stock price.
- H5: Liability Ratio on Equity has a positive and significant effect on the stock price.
- H6: Liability Ratio on Assets has a positive and significant effect on the stock price.

3. Research Method and Materials

3.1. Sample Criteria

The data collection in this study is located on the Indonesia Stock Exchange (IDX) and can be accessed through the website <https://www.idx.co.id/>. The data to be taken at the location of this research are companies in the food and beverage sub-sector. This research is planned to last for approximately three months, namely December 2020 to February 2021. In this case, the population is a generalization area consisting of objects or subjects with specific quantities and characteristics determined by the researcher, and then conclusions are drawn. The population used by the researchers in this study were Food and Beverage companies listed on the Indonesia Stock Exchange in 2020 (IDX), as many as 31 companies displayed in Table 1.

Table 1: List of Food and Beverage Companies listed on the IDX

No	Code	Firm-List	IPO Listed
1	ADES	Akasha Wira International Tbk.	13-Jun-94
2	AISA	Tiga Pilar Sejahtera Food Tbk.	11-Jun-97
3	ALTO	Tri Banyan Tirta Tbk.	10-Jul-12
4	BTEK	Bumi Teknokultura Unggul Tbk.	14-Mei-04
5	BUDI	Budi Starch & Sweetener Tbk	08-Mei-95
6	CAMP	Campina Ice Cream Industry Tbk	19-Dec-17
7	CEKA	Wilmar Cahaya Indonesia Tbk.	09-Jul-96
8	CLEO	Sariguna Primatirta Tbk	05-Mei-17
9	COCO	Wahana Interfood Nusantara Tbk	20-Mar-19
10	DLTA	Delta Djakarta Tbk	12-Feb-84
11	DMND	Diamond Food Indonesia Tbk.	22-Jan-20
12	FOOD	Sentra Food Indonesia Tbk.	08-Jan-19
13	GOOD	Garudafood Putra Putri Jaya Tb	10-Okt-18
14	HOKI	Buyung Poetra Sembada Tbk	22-Jun-17
15	ICBP	Indofood CBP Sukses Makmur Tbk	07-Okt-10
16	IIKP	Inti Agri Resources Tbk	20-Okt-02
17	IKAN	Era Mandiri Cemerlang Tbk.	12-Feb-20
18	INDF	Indofood Sukses Makmur Tbk	14-Jul-94
19	KEJU	Mulia Boga Raya Tbk.	25-Nov-19
20	MGNA	Magna Investama Mandiri Tbk.	07-Jul-14
21	MLBI	Multi Bintang Indonesia Tbk.	17-Jan-94
22	MYOR	Mayora Indah Tbk	04-Jul-90
23	PANI	Pratama Abadi Nusa Industri Tb	18-Sep-18
24	PCAR	Prima Cakrawala Abadi Tbk	29-Dec-17
25	PSDN	Prasidha Aneka Niaga Tbk	18-Okt-94
26	ROTI	Nippon Indosari Corpindo Tbk.	28-Jun-10
27	SKBM	Sekar Bumi Tbk	05-Jan-93
28	SKLT	Sekar Laut Tbk.	08-Sep-93
29	STTP	Siantar Top Tbk.	16-Dec-96
30	TBLA	Tunas Baru Lampung Tbk.	14-Feb-00
31	ULTJ	Ultrajaya Milk Industry & Trading Co. Tbk.	02-Jul-90

Source: Indonesia Stock Exchange, 2021.

Sampling in this study used the purposive sampling method, a sampling technique with specific considerations (See Table 2). The following are the criteria that the author will consider in determining the research sample in the population of companies listed on the Stock Index on the Indonesia Stock Exchange (IDX). Stocks that are still active in trading listed on the Indonesia Stock Exchange (IDX) are food and beverages companies in 2017-2019. Food and beverage companies that in 2017-2019 presented complete financial statements and ratios following the variables to be studied based on the sources used (See. Table 2).

Table 2: Samples of Food and Beverage Companies on the IDX

Code	Firms
ADES	Akasha Wira International Tbk.
BUDI	Budi Starch & Sweetener Tbk
CAMP	Campina Ice Cream Industry Tbk
CEKA	Wilmar Cahaya Indonesia Tbk.
CLEO	Sariguna Primatirta Tbk
DLTA	Delta Djakarta Tbk
HOKI	Buyung Poetra Sembada Tbk
ICBP	Indofood CBP Sukses Makmur Tbk
INDF	Indofood Sukses Makmur Tbk
MLBI	Multi Bintang Indonesia Tbk.
ROTI	Nippon Indosari Corpindo Tbk.
SKBM	Sekar Bumi Tbk
TBLA	Tunas Baru Lampung Tbk.
ULTJ	Ultrajaya Milk Industry & Trading Co. Tbk.

3.2. Measurement

Measurement and analysis of data through several stages, e.g., including a descriptive analysis of the data; testing the normality of the data using the probability plot method and testing the multicollinearity of the data with a VIF size < 10 and heteroscedasticity of the data using a graph plot pattern and trying multiple linear regression analysis with sig. Level < 0.05, F test, and T-test as a means of determining the hypothesis. All data analyzes and measurements were processed using SPSS. Hypothesis and conceptual framework displayed in Figure 1.+

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Information:

Y = Share Price

X₁ = ROA

X₂ = ROE

X₃ = NPM

X₄ = CR

X₅ = LRE

X₆ = LRA

α = Constant

β = Regression coefficient of each independent variable

e = Fact error

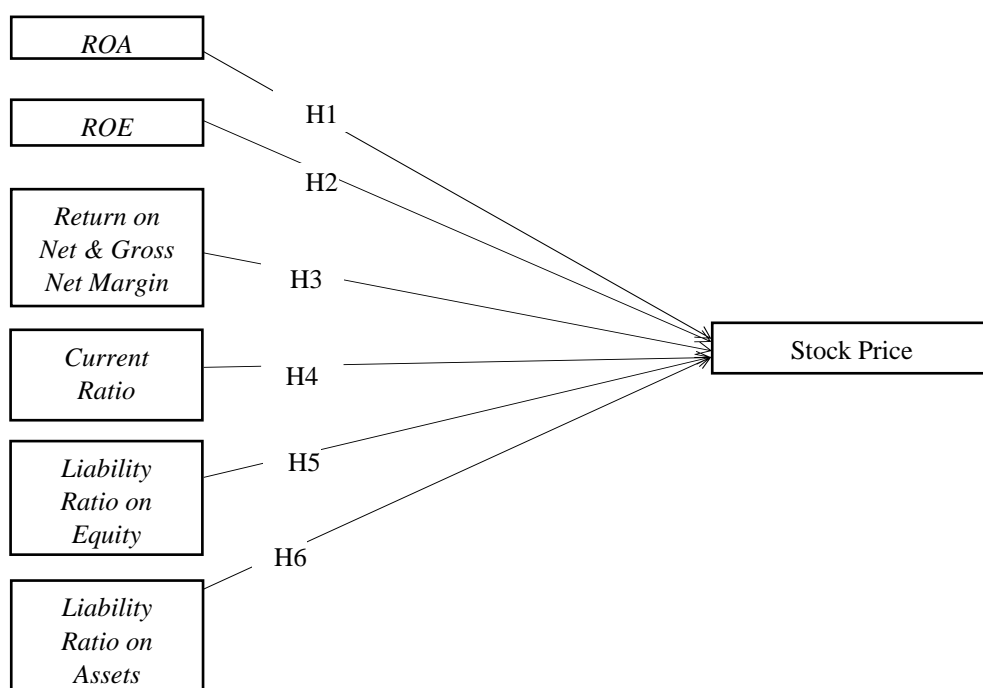


Figure 1: Conceptual Framework

4. Results and Discussion

4.1. Description Research Variables

Based on table 3, the level of Return on assets (ROA) of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year displayed in Table 3. The highest Return on assets (ROA)

occurred at PT Nippon Indosari Corpindo (ROTI) in 2019, 59.09%. In contrast, the lowest level of Net Profit Margin (NPM) occurred at PT Sekar Bumi Tbk (SKBM) in 2019, which was 0.04%.

Table 3: Recapitulation of ROA for 2017-2019

No	Stock code	2017	2018	2019	Mean
1.	ADES	0,046	0,0668	0,1046	0,072467
2.	BUDI	0,0139	0,0015	0,0271	0,014167
3.	CAMP	0,0342	0,0649	0,0709	0,056667
4.	CEKA	0,0749	0,0859	0,1537	0,104833
5.	CLEO	0,0762	0,0762	0,1035	0,0853
6.	DLTA	0,2061	0,2282	0,2189	0,217733
7.	HOKI	0,0816	0,122	0,1217	0,108433
8..	ICBP	0,1117	0,1515	0,1482	0,137133
9.	INDF	0,0565	0,0658	0,0685	0,0636
10.	MLBI	0,5262	0,425	0,4167	0,455967
11.	ROTI	0,0273	0,031	0,5909	0,2164
12	SKBM	0,0148	0,0099	0,0004	0,008367
13	TBLA	0,0644	0,047	0,0416	0,051
14	ULTJ	0,1355	0,1264	0,1559	0,139267
Mean		0,10495	0,107293	0,158757	0,123667

Table 4 states that the Rate of Return on Equity (ROE) of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year. The highest Return on Equity (ROE) rate occurred at PT Multi Bintang Indonesia (MLBI) in 2017, 124.04 %. In contrast, the lowest level of Return on Equity (ROE) occurred at PT Sekar Bumi Tbk (SKBM) in 2019, which was 0.07%.

Table 4: Recapitulation of ROE for 2017-2019

No	Code	2017	2018	2019	Mean
1.	ADES	0,0913	0,1222	0,1515	0,121667
2.	BUDI	0,0343	0,0041	0,0633	0,0339
3.	CAMP	0,0494	0,0736	0,0802	0,067733
4.	CEKA	0,1156	0,1028	0,1893	0,1359
5.	CLEO	0,1691	0,0999	0,1682	0,145733
6.	DLTA	0,2415	0,2708	0,2572	0,2565
7.	HOKI	0,0989	0,1644	0,161	0,141433
8..	ICBP	0,1737	0,2293	0,2151	0,206033
9.	INDF	0,106	0,1272	0,1216	0,118267
10.	MLBI	1,2404	1,0518	1,0533	1,115167
11.	ROTI	0,0441	0,0467	0,8946	0,328467
12	SKBM	0,0235	0,0168	0,0007	0,013667
13	TBLA	0,2173	0,1604	0,1345	0,170733
14	ULTJ	0,1671	0,1471	0,1822	0,165467

Based on table 5, the level of Net Profit Margin (NPM) of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year. The highest level of Net Profit Margin (NPM) occurred at PT Nippon Indosari Corpindo (ROTI) in 2017, 124.04 %. In contrast, the lowest level of Net Profit Margin (NPM) occurred at PT Sekar Bumi Tbk (SKBM) in 2019, which was 0.03%.

Table 5: NPM Recapitulation for 2017-2019

No	Code	2017	2018	2019	Mean
1.	ADES	0,0474	0,0732	0,1031	0,074567
2.	BUDI	0,0163	0,0019	0,0271	0,0151
3.	CAMP	0,0438	0,0678	0,0729	0,0615
4.	CEKA	0,0245	0,0277	0,0686	0,040267
5.	CLEO	0,082	0,0764	0,1184	0,092267
6.	DLTA	0,3556	0,3893	0,3773	0,374067
7.	HOKI	0,0389	0,0647	0,0625	0,055367
8..	ICBP	0,0992	0,1355	0,1356	0,123433
9.	INDF	0,0711	0,0865	0,086	0,0812
10.	MLBI	0,3897	0,3365	0,3252	0,350467
11.	ROTI	0,05	0,0493	0,829	0,309433
12	SKBM	0,0131	0,0089	0,0003	0,007433

13	TBLA	0,1031	0,0891	0,0846	0,092267
14	ULTJ	0,1437	0,1283	0,1651	0,1457

Table 6 states that the Current Ratio (CR) of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year. The highest Current Ratio (CR) occurred at Campina Ice Cream Company (CAMP) in 2017, 1582.23%. Meanwhile, the lowest Current Ratio (CR) occurred at PT Multi Bintang Indonesia (MLBI) in 2019, 73.19%.

Table 6: Recapitulation of CR 2017-2019 Period

No	Code	2017	2018	2019	Mean
1.	ADES	1,2015	1,3877	2,0042	1,531133
2.	BUDI	1,0074	1,0032	1,0065	1,0057
3.	CAMP	15,8223	10,839	12,6337	13,09833
4.	CEKA	2,2244	5,113	4,7997	4,0457
5.	CLEO	1,234	1,64	1,1747	1,349567
6.	DLTA	8,6378	7,1983	8,0505	7,9622
7.	HOKI	4,567	2,6784	2,9859	3,410433
8..	ICBP	2,4283	1,9517	2,5357	2,305233
9.	INDF	1,5227	1,0663	1,2721	1,287033
10.	MLBI	0,8257	0,7784	0,7319	0,778667
11.	ROTI	2,2586	3,5712	1,6933	2,5077
12	SKBM	1,6353	1,3833	1,3301	1,449567
13	TBLA	1,0518	1,8794	1,6268	1,519333
14	ULTJ	4,1919	4,3981	4,4441	4,3447

Based on table 7. above, it can be seen that the level of Debt to Equity Ratio (DER) of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year. The highest Debt to Equity Ratio (DER) level occurred at PT Tunas Baru Lampung (TBLA) in 2018, 241.58%. In contrast, the lowest level of Debt to Equity Ratio (DER) happened at the Campina Ice Cream Company (CAMP) in 2019, which was 13.06%.

Table 7: Recapitulation of DER for the 2017-2019 period

No	Code	2017	2018	2019	Mean
1.	ADES	0,9863	0,8287	0,448	0,754333
2.	BUDI	1,4604	1,7664	1,3339	1,520233
3.	CAMP	0,4455	0,1342	0,1306	0,236767
4.	CEKA	0,5422	0,1969	0,2314	0,3235
5.	CLEO	1,2181	0,3123	0,6249	0,718433
6.	DLTA	0,1714	0,1864	0,175	0,1776
7.	HOKI	0,2122	0,3475	0,3228	0,294167
8..	ICBP	0,5557	0,5135	0,4514	0,506867
9.	INDF	0,8768	0,934	0,7748	0,861867
10.	MLBI	1,3571	1,4749	1,5279	1,4533
11.	ROTI	0,6168	0,5063	0,514	0,5457
12	SKBM	0,5862	0,7023	0,7574	0,681967
13	TBLA	2,3722	2,4158	2,2376	2,341867
14	ULTJ	0,233	0,1635	0,1686	0,188367

Table 8: Recapitulation of DAR for the 2017-2019 period

No	Code	2017	2018	2019	Mean
1.	ADES	0,4966	0,4532	0,3094	0,419733
2.	BUDI	0,5936	0,6385	0,5715	0,6012
3.	CAMP	0,3082	0,1183	0,1155	0,180667
4.	CEKA	0,3516	0,1645	0,1879	0,234667
5.	CLEO	0,5492	0,238	0,3846	0,3906
6.	DLTA	0,1463	0,1571	0,149	0,1508
7.	HOKI	0,175	0,2579	0,244	0,225633
8.	ICBP	0,3572	0,3393	0,311	0,335833
9.	INDF	0,4672	0,4829	0,4366	0,462233
10.	MLBI	0,5757	0,5959	0,6044	0,592
11.	ROTI	0,3815	0,3361	0,3395	0,352367
12.	SKBM	0,3696	0,4126	0,431	0,4044
13.	TBLA	0,7035	0,7072	0,6911	0,7006

14.	ULTJ	0,189	0,1406	0,1443	0,157967
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Based on table 13 above, it can be seen that the level of Debt to Assets Ratio (DAR) of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year. The highest Debt to Assets Ratio (DAR) level occurred at PT Tunas Baru Lampung (TBLA) in 2018, 70.72%. In contrast, the lowest level of Debt to Assets Ratio (DAR) occurred at Campina Ice Cream Company (CAMP) in 2019, which was 11.55%.

Table 9: Recapitulation of Share Prices for the 2017-2019 Period

No	Code	2017	2018	2019	Mean
1.	ADES	Rp885	Rp.920	Rp.1.045	Rp. 950
2.	BUDI	Rp94	Rp.96	Rp.103	Rp. 97,67
3.	CAMP	Rp1.185	Rp.346	Rp.374	Rp. 635,00
4.	CEKA	Rp1.290	Rp1.375	Rp.1.670	Rp. 1445,00
5.	CLEO	Rp755	Rp.284	Rp.545	Rp. 528,00
6.	DLTA	Rp4.590	Rp5.500	Rp.6.800	Rp. 5630,00
7.	HOKI	Rp344	Rp.730	Rp.940	Rp. 671,33
8.	ICBP	Rp8.900	Rp.10.450	Rp.11.150	Rp. 10166,67
9.	INDF	Rp7.625	Rp.7.450	Rp.7.925	Rp. 7666,67
10.	MLBI	Rp14.033	Rp.15.992	Rp.16.133	Rp. 15386
11.	ROTI	Rp1.275	Rp.1.200	Rp.1.300	Rp. 1258,33
12.	SKBM	Rp715	Rp.695	Rp.410	Rp. 606,67
13.	TBLA	Rp1.225	Rp.865	Rp.995	Rp. 1028,33
14.	ULTJ	Rp1.295	Rp.1.350	Rp.1.680	Rp. 1441,67

Based on table 14 above, it can be seen that the stock price level of food and beverage companies on the IDX in 2017-2019 fluctuated from year to year. The highest share price level occurred at PT Multi Bintang Indonesia (MLBI) in 2018, Rp. 16.133. While the lowest level of share price occurred at PT Budi Starch & Sweetener Tbk (BUDI) in 2017, Rp. 94.

4.2. Statistics Analysis

This statistical description provides an overview of the research variables. The statistical report focuses on the minimum value, maximum value, mean value, and standard deviation value. The complete statistical description data can be seen in the following table 10.

Table 10: Statistical Description

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
ROA (X1)	42	.00	.59	.1240	.13552
ROE (X2)	42	-7.26	.22	-2.1707	1.33010
NPM (X3)	42	-8.11	-.19	-2.6804	1.40950
CR (X4)	42	-.31	2.76	.8412	.80734
DER (X5)	42	-2.04	.88	-.6086	.84609
DAR (X6)	42	-2.16	-.35	-1.1195	.54240
Stock Price (Y)	42	4.54	9.69	7.2672	1.38108
Valid N (listwise)	42				

The results of the descriptive statistical test in table 10 above show the value of N or the amount of data from sample 14, food and beverage sub-sector manufacturing companies listed on the Indonesia Stock Exchange for the 2017-2019 period. The average value of ROA is 0.1240%, while the standard deviation value is 0.13552. The average value is compared with the normal deviation value; the result is that the average value is smaller, so it can be stated that the fluctuations in the ROA value are high. The average weight of ROE is -0.2151%. Similarly, compared between the maximum value and the minimum value between NPM, CR, DER, DAR, and stock prices vary.

a) Normality test

Normal PP plots and standardized regression have points spread around the diagonal line. So it can be proven that regression analysis can or is feasible to use, even if the plot deviates slightly from the diagonal line, it can be seen in the following figure 2:

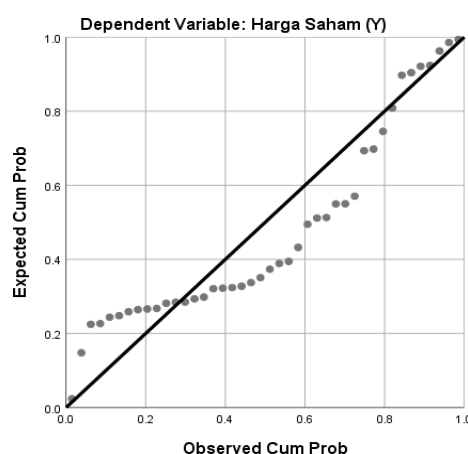


Figure 2: Normality Test

b) Heteroscedasticity test (Scatterplots)

The heteroscedasticity test has used inequality of variance from the residuals for all observations in the regression model. The prerequisite that must be met in the regression model is the absence of heteroscedasticity symptoms. Based on the Scatterplot output above, it is known that: the plot is spread between the zero point area both positively and negatively and does not form a regular pattern. Thus, it can be concluded that there is no heteroscedasticity problem so that the ideal regression model can be fulfilled (See. Figure 3).

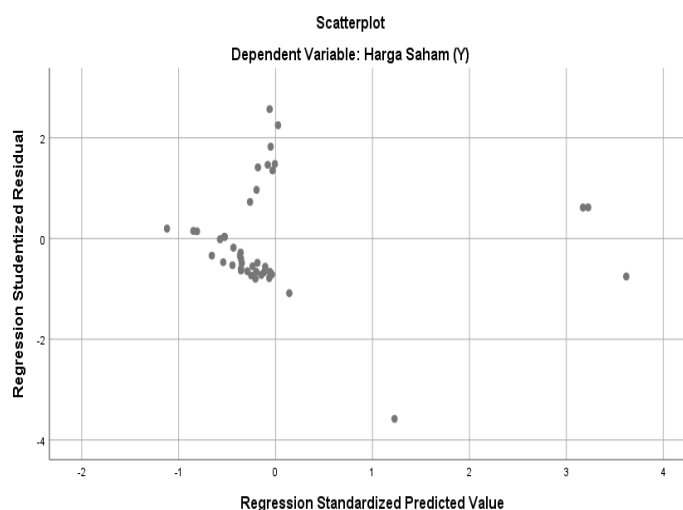


Figure 3: Scatterplots Heteroscedasticity Test

c) Coefficient of Determination Test. (R^2)

The coefficient of determination (R^2) = 0.835, which indicates that the variation of PBV (Y) in the food and beverage sub-sector Manufacturing Companies listed on the Indonesia Stock Exchange for the 2017-2019 period can be explained by the variables ROA, ROE, NPM, CR, DER, DAR, amounted to 57.8%, while the remaining 42.2% (100% - 57.8%), influenced by other factors. Interest rates, rupiah exchange rate inflation. Based on the F test statistic results, it looks like 7,992 with a significance value of 0.000. Because the p-value or significance value shows 0.000 is smaller

than 0.05, it can be concluded that jointly or simultaneously, ROA, ROE, NPM, CR, DER, DAR have a positive and significant effect on stock prices (See Table 11).

Table 11: Coefficient of Determination Test, Simultaneous Test, and Partial Test

Model	R	R-Square	Adjusted R Square	Std. error of Estimate			
1	.760 ^a	.578	.506	3191.06846			
a. Predictors: (Constant), ROA, ROE, NPM, CR, DER, DAR							
b. Dependent Variable: Stock Price (Y)							
ANOVA							
Model		Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	488288750.794	6	81381458.466	7.992	.000b	
	Residual	356402126.540	35	10182917.901			
	Total	844690877.333	41				
Coefficients							
	Model	Unstandardized Coefficients		Standardized Coefficients	Beta	Sig. Value	
		B	Std. Error	Std. Error		t	Sig.
1	(Constant)	2740.546	4182.859			.655	.517
	ROA (X1)	-53094.964	41957.080	-1.585		-1.265	.214
	ROE (X2)	31833.055	14364.920	2.018		2.216	.033
	NPM (X3)	9399.987	13754.483	.325		.683	.499
	CR (X4)	-50.888	231.886	-.038		-.219	.828
	DER (X5)	-4288.470	2794.815	-.591		-1.534	.134
	DAR (X6)	6921.435	12393.975	.272		.558	.580

The t-statistic test aims to measure how far the influence of the independent variables individually in explaining the variation of the dependent variable if the value of t-calculated is greater than the value of t-estimated and the value of sig. <0.05, it can be stated that the independent variables individually have a significant effect on the dependent variable. The results of the Multiple Regression Analysis obtained the value of Standardized coefficients with the following equation values:

$$Y = 2740546 - 1.585X_1 + 2.018 X_2 + 0.325.X_3 + (-0.038X_4) + (-0.591X_5) + 0.272X_6.$$

The coefficient value indicates that an increase or decrease of one unit will have an equal impact, either positively or negatively. Based on the data from the t-statistical test results shown in table 11 above, it can be seen that the Return on Assets (X1) variable has the t-calculated value of 1.265 < t-estimated (2.018) and a sig. of 0.214 > 0.05, then Ho is accepted, and H1 is rejected. So, it can be concluded that Return on Assets (X1) does not affect Stock Price. Hypothesis 1 is rejected. Based on the data from the t-statistical test results shown in table 12 above, it can be seen that the Return on Equity variable. (X2) has t-calculated value of 2.216 > t-estimated (2.018) and a sig. of 0.003 < 0.05, then Ho is rejected and H1 is accepted. So, it can be concluded that Return on Equity (X2) influences Stock Price. Hypothesis 2 is accepted. Based on the results of the t-statistical test shown in table 11 above, it can be seen that the Net profit margin (X3) variable has the t-calculated value of 0.683 > t-estimated (2.018) and a sig. of 0.499 > 0.05, then Ho is accepted, and H1 is rejected. So, it can be concluded that the Net profit margin (X3) does not affect the Stock Price. Hypothesis 3 is rejected. Based on the data from the t-statistical test results shown in table 12 above, it can be seen that the Current ratio (X4) has the t-calculated value of -0.219 > t-estimated (2.018) and a sig. of 0.828 > 0.05, then Ho is accepted, and H1 is rejected. So, it can be concluded that the Current ratio (X4) does not affect the Stock Price. Hypothesis 4 is rejected. Based on the results of the t-statistical test shown in table 11 above, it can be seen that the variable Debt to Equity Ratio (X5) has the t-calculated value of -1.534 > t-estimated (2.018) and a sig. of 0.134 > 0.05, then Ho is accepted, and H1 is rejected. So, it can be concluded that the Debt to Equity Ratio (X5) does not affect the Stock Price. Hypothesis 5 is rejected. Based on the data from the t-statistical test shown in table 12 above, it can be seen that the Debt to Assets Ratio (X6) variable has the t-calculated value of 0.558 > t-estimated (2.018) and a sig. of 0.580 > 0.05, then Ho is accepted, and H1 is rejected. So, it can be concluded that the Debt to Equity Ratio (X5) does not affect the Stock Price. Hypothesis 5 is rejected.

4.3. Discussion

The results showed in the acquisition of an average ROA level of 12.37% during the 2017-2019 period, which means that the lower the ROA in a company will not increase the Stock Price of the food and beverage sub-sector companies listed on the IDX. The results of this study support the research of Ramadhana, AA, & Sjahruddin, H. (2018), which concludes that ROA has a negative and insignificant effect on Stock Price. The results of this study indicate that the lower the ROA of a company, the less it will increase the stock price, so it can be claimed that the ROA in this study cannot make a natural or significant contribution to the company's stock price. The average value of the ROE level is 21.58% and has a positive and significant effect during the 2017-2019 period. The increasing ROE indicates the more efficient the company is in managing the capital invested by investors. This also causes the company's profits to increase. Significant gains will affect investor confidence—the higher investor confidence in the company, the better for the company. The results of this study support the research of Pratama, CA et al. (2019), which states that partial Return On Equity (ROE) affects Stock Price. On the other hand, the acquisition of significant value testing by the NPM variable shows an insignificant effect. It can be identified that the declining NPM indicates the company's inability to earn a return on sales and manage the costs of its operational activities, thus causing investors not to be interested in investing in the company.

The same thing is also shown in the Main research results, EW (2018), which states that net profit margin does not affect Stock Price. So no matter how high or low the NPM value is, it will not necessarily change or shift up or down the nominal Stock Price. The demonstration results of this study also show that the CR value does not significantly affect the Stock Price. This is assumed to come from the results of the ratio measurement with an average of 332.82% during the 2017-2019 period. The effect of a low current ratio shows that the company lacks the capital to pay debts or liabilities. However, if the results of the measurement ratio are high, it does not mean that the company is in good condition. This can happen because cash is not used as well as possible. The results of this study support Sari's research; DI's (2020) Current Ratio does not affect the Stock Price variable, and this shows that with the increasing Current Ratio, the Stock Price will decrease. This indicates that even though the company is very liquid because it has current assets more significant than its current liabilities, the company can pay off short-term obligations that are due soon. However, investors are not interested in investing their shares even though they see its financial performance in paying off short-term duties as very good. Then the Debt to equity ratio (DER) in this study found no significant effect on the Stock Price, meaning that the size of the Debt to equity ratio (DER) in the company could not affect the stock price. It is assumed that in the food and beverage (F&B) sector, the Debt to equity ratio (DER) is not the primary consideration for investors when buying shares. Debt to Assets Ratio (DAR), representing the company's ability to pay debts on company assets, also shows an insignificant effect on Stock Price. It can be concluded that the higher the Debt of a company, the lower the company's stock price because the greater the cost of Debt can reduce the company's profitability. The decline in company profits will cause investor demand for these shares to decrease, which in turn will cause the stock price to fall.

5. Conclusion

Based on the conclusions described above, some suggestions can be put forward as follows: (1) Companies should pay attention to the level of company liabilities so that the ratios related to comparisons with debt tend to be at a safe point from financial distress to increase the company's stock price, especially in food and beverage sub-sector. (2) For investors, when they want to invest in companies, especially the food and beverage sector, they need to pay attention to Return on Equity (ROE) because it significantly affects their stock price with this ratio. (3) For further researchers, they can change several research variables with Quick Ratio and Earning Per Share and different research objects to develop research on financial ratios to Stock Price.

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