The Effect of Sales Growth, Earning Per Share, Total Assets Turn Over, Return on Equity, and Debt to Equity on Stock Prices during the COVID-19 Pandemic

Zora Nayaka Widyadhana
Master of Management, Sriwijaya University, Palembang, Indonesia
Corresponding author email: zoranayaka70@gmail.com

Isnurhadi
Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
Email: isnurhadi2020@gmail.com

Marlina Widiyanti
Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
Email: marlinawidiyanti68@yahoo.co.id

Mohamad Adam
Lecturer of Magister Management, Economic Faculty, Sriwijaya University, Palembang, Indonesia
*Email: mradam88@unsri.ac.id*

Abstract---*This study aims to determine the effect of Sales Growth, Earning Per Share, Total Assets Turn Over, Return On Equity, and Debt to Equity on stock prices during the Covid-19 pandemic. This signal is in the form of information stating the condition of the Company. This information provides information about what management has done to realize the wishes of the owners of the Company. The data analysis technique used to answer the problem formulation and test the hypothesis above is the Panel Data Analysis technique. Panel data is a combination of time series data and cross-section data. The results showed that Total Assets Turn Over had a positive and significant effect on stock prices, while Sales Growth, Earning Per Share, Return On Equity, and Debt to Equity had no positive and significant effect on stock prices. In uncertainty due to the Covid 19 Pandemic, the Company is required to be more effective and efficient in using its Total Assets to earn income or maintain the viability of the Company. Therefore, information on Total Assets and Revenues obtained by the Company during the Covid-19 Pandemic concerns investors.*
Keywords---*COVID-19, debt to equity, earning per share, pandemic, return on equity, sales growth, stock price, total assets turn over*

Introduction

The Covid-19 pandemic that hit various parts of the world caused a Health and Economic crisis and paralyzed activities in various sectors. The crisis is a hazardous situation that can significantly impact everyone (Hertati et al., 2020). This crisis has caused a commotion among stock investors on the Indonesia Stock Exchange (IDX); this can be seen in the Indonesian Stock Price Index (JCI), which experienced a very significant decline during the Covid-19 Pandemic. This certainly affects the share price of related sector companies. As seen in the figure below, changes in stock prices in the Consumption and Chemical Industry in companies listed on the Indonesia Stock Exchange

experience different movements. The share price of the chemical industry tends to increase while the share price of the consumption industry tends to decrease. The following is a chart of share prices for the consumption and chemical industries during the Covid-19 pandemic (Ndwandwe & Wiysonge, 2021; Gilat & Cole, 2020).
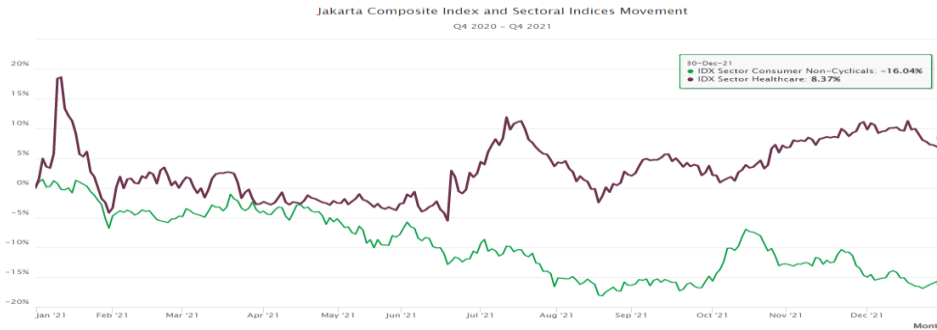

Source: idx.co.id

Figure 1. Graph of Consumption and Chemical Industry Stock Prices during the Covid-19 Pandemic

The stock price on the exchange is not always fixed. Sometimes, it rises and decreases, depending on the strength of demand and supply (Choiriyah et al., 2020). It can be seen in the graph that the stock price changes every time. Shares are securities that reflect the ownership of a company Bodie et al. (2019), while the share price is the money or value invested in obtaining evidence of equity participation or ownership of a company. Stock price fluctuations allow investors to face financial risks such as *capital loss*, not getting dividends, liquidation, etc. The phenomenon related to the rise and fall of stock prices is interesting to study because many factors can affect changes in stock prices in the capital market, both internally and externally (Merta & Suderana, 2020; Martoyo et al., 2021). In this study, the researcher aims to determine the effect of Sales Growth, *Earning Per Share, Total Asset Turn Over, Return On Equity,* and *Debt To Equity* on Stock Prices. The following is related data on a sample of Industrial Companies in the Consumption and Chemical Sector:
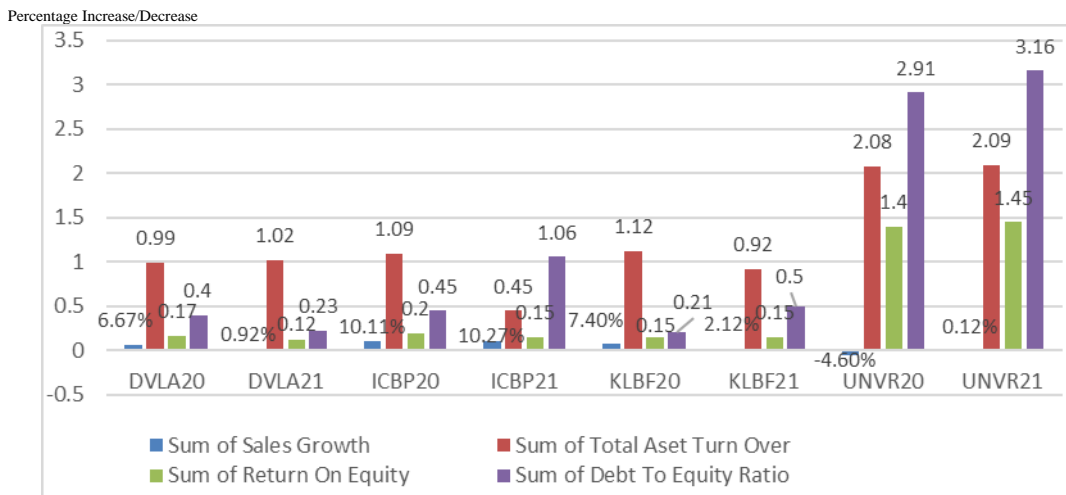
Source: Company Financial Report

Figure 2. Sales Growth, Total Asset Turn Over, Return On Equity, and Debt To Equity in the sample of Industrial Companies in the Consumption and Chemical Sector
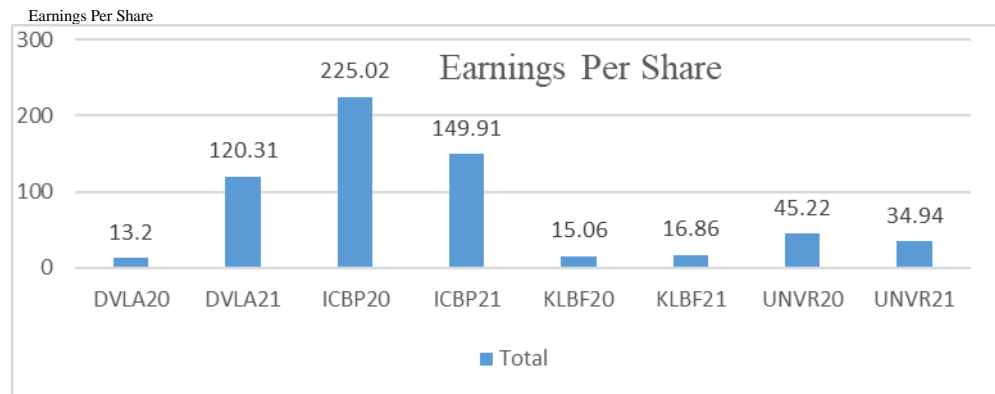
Earnings Per Share

Source: Company Financial Report
Figure 3. Earnings Per Share on a sample of Industrial Companies in the Consumption and Chemical Sector

With the data on the varied financial conditions of the companies, the stock prices of the sample companies during the Covid-19 pandemic had significant changes, as follows:

Source: google.com/finance
Figure 4. Stock Prices 2020-2021 DVLA, ICBP, KLBF, UNVR

Significant changes in the Company's stock price allegedly occurred due to the condition of the Company experiencing increased or decreased sales growth, increased or decreased profit on capital, the Company's efficiency in managing assets, and increasing funding to the Company through debt during this pandemic (Khan & Smith, 2020; Nicola et al., 2020). Therefore, the researcher aims to determine the effect of Sales Growth, Earning Per Share, Total Asset Turn Over, Return On Equity, and Debt To Equity. Ratio to Stock Prices during the Covid-19 pandemic (Bahadir et al., 2009; Kohtamäki et al., 2013).

Research Methods

The population for this study is companies listed on the Indonesia Stock Exchange. Fifty-five companies in the Consumption and Chemical industries are used as samples for this research. This study aims to determine the effect of Sales Growth, Earning Per Share, Total Asset Turn Over, Return On Equity, and Debt To Equity Ratio on Stock Prices during the Covid-19 pandemic using hypothesis testing. The data analysis technique used to answer the problem formulation and test the hypothesis above is the Panel Data Analysis technique. Panel data is a combination of *time series* data and *cross-section data* (Sekaran & Bougie, 2017). Based on the variables to be studied, and the regression equation can be made as follows:

$$HS = \alpha + \beta_1 PPenj + \beta_2 EPS + \beta_3 TATO + \beta_4 ROE + \beta_5 DER_+ \varepsilon$$

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Information:
HS = stock price
α = Konstanta
β_1- β_4 = Regression coefficient
PPenj = Sales Growth
EPS = *Earnings Per Share*
TATO = *Total Assets Turn Over*
ROE = *Return On Equity*
DER = *Debt to Equity Ratio*
ε = Error

Results and Discussion

Table 1
t statistic test results

		Coefficients [a]				
		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	-52,644	35,985		-1.463	.147
	Benj	-.709	.703	-.096	-1.008	.316
	EPS	-.007	.022	-.033	-.341	.734
	TATTOO	.634	.295	.217	2,148	.034
	ROE	-1.310	.694	-.202	-1.889	.062
	DER	.385	.240	.162	1,605	.112

Based on the results of the t- statistical test presented in Table 1. Above, it can be seen that:

1. The sales Growth Variable has a significant value of 0.316, which is greater than the limit of a significant value of 0.05. This means Partial Sales Growth no affect the stock price. So the first hypothesis, H1: Sales growth has a positive and significant effect on stock prices "rejected."
2. Variable Earnings Per Share has a significant value of 0.734, which is greater than the limit of a significant value of 0.05. This means that partially Earning Per Share does not affect the Share Price. Thus, the second hypothesis, H2: Earning Per Share, has a positive and significant effect on the "rejected" stock price.
3. Variable Total Asset Turn Over has a significant value of 0.034, which is smaller than the significant limit of 0.05. This means that partially Total Assets Turn Over affects the Stock Price. Thus, the third hypothesis, H3: Total Asset Turn Over, has a positive and significant effect on the "accepted" stock price.
4. The Return On Equity variable has a significant value of 0.062, greater than the significant value limit of 0.05. This means that partial Return On Equity does not affect stock prices. Thus, the fourth hypothesis, H4: Return on Equity, has a positive and significant effect on the "rejected" stock price.
5. The Debt to Equity Ratio variable has a significant value of 0.112, which is greater than the significant limit of 0.05. This means that the Debt to Equity Ratio partially does not affect the stock price. Thus, the fifth hypothesis, H5: Debt to Equity Ratio, has a positive and significant effect on the "rejected" stock price.

Table 2
F Statistical Test Results

		ANOVA [a]			
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	196778.297	5	39355,659	1,813	.117 [b]
Residual	2257794368	104	21709,561		

Total	2454572.665	109

The statistical test is presented in Table 2. The above shows that the significant value of 0.117 is greater than the limit of the significant value of 0.05. This means simultaneously or together, Sales Growth, Earning Per Share, Total Asset Turn Over, Return On Equity, and Debt To Equity Ratio do not affect the Share Price. The results showed that the Total Assets Turn Over positive and significant effect on stock prices, while Sales Growth, Earning Per Share, Return On Equity, and Debt to Equity have no positive and significant effect on Share Price. This shows that Total Asset Turn Over has information because it influences stock prices (Hovakimian et al., 2004; Bayless & Chaplinsky, 1991). This happens because investors make the Company's ability to use its Total Assets to earn revenue as a signal from the Company or information that becomes the basis for making decisions to invest in the Company so that the share price is influenced by information on Total Asset Turn Over. Amid uncertainty due to the Covid 19 Pandemic, the Company is required to be more effective and efficient in using its Total Assets to earn revenue or maintain the Company's going concern. Therefore, information on Total Assets and Income obtained by the Company during the Covid-19 Pandemic concerns investors. As an additional analysis, after removing outlier data, it can be concluded that Sales Growth, Earning Per Share, Total Asset Turn Over, Return On Equity, and Debt To Equity Ratio do not affect stock prices. A company during the Covid-19 Pandemic (Eilon, 1978; Lee et al., 2015).

Conclusion

Based on the results of the data analysis that has been carried out, several conclusions can be drawn, namely:

1. Total Asset Turn Over positively affects a company's stock price during the Covid-19 pandemic.
2. Sales Growth, Earning Per Share, Total Asset Turn Over, Return On Equity, and Debt To Equity Ratio have no positive and significant effect on a company's stock price during the Covid-19 Pandemic.
3. After removing outlier data, it can be concluded that Sales Growth, Earning Per Share, Total Asset Turn Over, Return On Equity, and Debt To Equity Ratio do not affect stock prices. A company during the Covid-19 Pandemic.

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