

THE EFFECT OF FINANCIAL PERFORMANCE ON STOCK PRICE IN PROPERTY AND REAL ESTATE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE 2019-2021 PERIOD

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Abstract

This research was carried out with the aim of finding out how the effect of Return On Assets (ROA), Return On Equity (ROE), Earning Per Share (EPS), and Current Ratio (CR) on stock prices in property and real estate companies listed on the Indonesia Stock Exchange. From the identification of researchers in the field on the factors that influence stock prices using different variables, the authors are interested in examining more deeply the effect of financial performance on stock prices in Property and Real Estate Companies. The type of research being carried out is descriptive quantitative research, the data collected is explained in numbers, numeric, and codes which certainly support and facilitate researchers. Data collection is carried out through data sources, namely secondary data. www.idx.co.id. The sample was selected using the Purposive Sampling method so that 12 Property and Real Estate Companies were selected as research samples. Data collection techniques with documentation. The analysis techniques used are classical assumption tests, multiple linear regression methods, and hypothesis testing. The partial results show that EPS has a significant effect on stock prices, ROA has no significant effect on stock prices, ROE has no significant effect on stock prices, CR has no significant effect on stock prices, and simultaneously that EPS, ROA, ROE, and CR have an effect on stock prices.

Keywords: *Stock Price, Company, Return On Assets (ROA), Return On Equity (ROE), Earning Per Share (EPS), and Current Ratio (CR)*

INTRODUCTION

National economic growth is always inseparable from the influence of capital market developments. The capital market certainly functions as a place to connect parties who have excess funds with those who need funds. From an investor's point of view, financial investment in the capital market is able to facilitate and meet the needs of investors in making investments, both short-term investments and long-term investments. Meanwhile, for companies, the capital market is able to become a means to create sources of funding so that companies can advance their business more rapidly. Financial performance is a picture of a company's financial condition in a certain period regarding aspects of raising funds and channeling funds, which can usually be measured by indicators of capital adequacy, liquidity and profitability.

Stock price is an indicator that shows the performance of a company. In stock trading on the capital market, stock prices usually experience increases and decreases. Investors will definitely choose companies that have good and brilliant financial performance to be used as investment options. The information needed by investors is obtained through an assessment of the development of the company's stock and financial statements along with their analysis. Property and real estate companies are institutions that carry out business in the areas of land, buildings, facilities and infrastructure which are used as assets. Property and real estate companies will usually develop their complete facilities and infrastructure. So that the company's property has value and will be marketed in the capital market. For issuers, property and real estate companies have high buying and selling prices if they are strategically located. The value of shares in Property and Real Estate Companies is not always high, because financial reporting changes every year.

The Indonesian stock exchange is a conventional market that provides facilities for buying and selling activities carried out by the stock exchange for the convenience of its members. capital. The

Indonesian stock exchange is often referred to as the IDX, which is where the stock exchange operates in Indonesia for the convenience of transactions for capital market players. The function of the Indonesian capital market itself is to obtain capital that will be used in business development from a micro-economic perspective on issuers. Meanwhile, from a macroeconomic perspective, the Indonesian stock exchange has a major influence on the country's economy.

From the background explanation above, the author raises the title "The Influence of Financial Performance on Stock Prices in Property and Real Estate Companies Listed on the Indonesia Stock Exchange for the 2019-2021 Period." The formulation of the problem raised is: (1) What is the effect of ROA (Return On Assets) , to the price of shares in Property and Real Estate Companies listed on the Indonesian stock exchange? (2) What is the effect of ROE (Return On Equity) on share prices in Property and Real Estate Companies listed on the Indonesian stock exchange? (3) What is the effect of EPS (Erning Per Share) on stock prices in Property and Real Estate Companies listed on the Indonesian stock exchange? (4) What is the effect of CR (Current Ratio) on share prices in Property and Real Estate Companies listed on the Indonesian stock exchange? The purpose of this research:

RESEARCH METHODS

In this research used is quantitative research with descriptive research form. The purpose of this research is to find out the effect of financial performance on stock prices in the property and real estate sector listed on the IDX by using populations and samples, collecting data using research instruments, analyzing quantitative-descriptive data with the aim of testing established hypotheses. Quantitative research is research that is structured and quantifies data to be generalized and this research is deductive in nature. The data source used is secondary data, namely the financial reports of Property and Real Estate Companies listed on the Indonesia Stock Exchange for the 2019-2021 period accessed through the official website of the Indonesia Stock Exchange. The population of this research is the Property and Real Estate sector companies. The research data sample uses the Purposive Sampling method, which is a sample drawn through consideration with the highest stock criteria in Indonesia during the 2019-2021 period in a number of 12 Property and Real Estate Companies. Methods of data collection is done by the method of documentation. With data analysis (1) Classical Assumption Test, (2) Multiple Linear Regression Analysis, (3) Hypothesis Test.

RESULTS AND DISCUSSION

Below is an explanation of the test results of the variables; ROA, ROE, EPS and CR (Ratio On Assets, Return On Equity, Earning Per Share, and Current Ratio) to the share prices of Property and Real Estate Companies listed on the Indonesia Stock Exchange:

Table 1. Test Results -t

		Coefficients ^a		t	Sig.	Collinearity Statistics	
Model		Unstandardized Coefficients	Standardized Coefficients			Tolerance	VIF
		B	Std. Error	Beta			
1	(Constant)	371.282	96.670		3.841	.001	
	ROA (X1)	-544.583	7.220.756	-.016	-.075	.940	.060
	ROE (X2)	-1.508.576	3.937.445	-.076	-.383	.704	.072
	EPS (X3)	8.992	.635	.998	14.170	.000	.571
	CR (X4)	-12.968	25.845	-.028	-.502	.619	.919

a. Dependent Variable: Harga Saham (Y)

Source: Data processed with SPSS 28, 2023

Effect of Return On Assets (ROA) on Stock Prices

The test results show that ROA (Return On Assets) has no effect on stock prices. In the t-test in table 1, it shows that the tcount value is $-0.075 < t_{table} 1.69092$ with a significant value of $0.940 > 0.05$, it can be concluded that the ROA variable has no significant effect on stock prices.

Effect of Return On Equity (ROE) on stock prices

The effect of ROE (Return On Equity) on stock prices in Property and Real Estate Companies listed on the Indonesian stock exchange. The test results show that $t_{count} -0.383 < t_{table} 1.69092$ with a significant value of $-0.704 > 0.05$, it can be concluded that the ROE variable has no significant effect on stock prices.

Effect of Earning Per Share (EPS) on Stock Prices

From the test results show that the t-test in table 1, obtained $t_{count} 14.170 < t_{table} 1.69092$ with a significant value of $0.00 < 0.05$, it can be concluded that the EPS variable has a significant effect on stock prices.

Effect of Current Ratio (CR) on Stock Prices

From the t-test table the effect of CR (Current Ratio) on stock prices in Property and Real Estate Companies listed on the Indonesia Stock Exchange. obtained $t_{count} -0.502 < t_{table} 1.69092$ with a significant value of $0.619 > 0.05$ meaning that the CR variable has no effect significant to stock prices.

Table 2. Test Result – f (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.125.440.502	4	9.531.360.126	80.379	.000 ^b
	Residual	3.676.004.656	31	118.580.795		
	Total	41.801.445.158	35			

a. Dependent Variable: Harga Saham (Y)

b. Predictors: (Constant), CR (X4), ROE (X2), EPS (X3), ROA (X1)

Source: Data processed with SPSS 28, 2023

The Effect of ROA, ROE, EPS, and CR Simultaneously on Stock Prices

From the results of the –F test, it shows that all the independent variables have a joint effect on the dependent variable in table 2, if the significance value is < 0.05 , it means that the independent variable X (Ratio On Assets, Return On Equity, Earning Per Share, and Current Ratio) simultaneously affect the dependent variable Y (stock price). In can $F_{count} 80.379 > F_{table} 2.679$ then ROA, ROE, EPS and CR simultaneously affect stock prices. Then the conclusion of the F test is based on the F test table and the F test requirements according to Imam Ghozali are if the sig. < 0.05 then X1, X2, X3, and X4 simultaneously or jointly affect the stock price (Y).

Table 3. Determination Test (R2)

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.955 ^a	.912	.901	344.356	1.759

a. Predictors: (Constant), CR (X4), ROE (X2), EPS (X3), ROA (X1)

b. Dependent Variable: Harga Saham (Y)

Source: Data processed with SPSS 28, 2023

Based on the calculation above, it appears that the coefficient of determination (R2) between the variables (Ratio On Assets, Return On Equity, Earning Per Share, and Current Ratio) with stock prices is 0.912 or $0.912 \times 100\% = 91.2\%$. This means that it can be interpreted that 91.2% of the variation in the value of the stock price variable (Y) can be explained and has a contribution to influence by the variables X1, X2, X3 and X4. So it can be said that the independent variable and the dependent variable have a very close relationship. 8.8% is influenced by other factors such as Dividend Per Share, Price Earning Ratio, Net Profit Margin and others, where these other factors are not from the factors studied.

CONCLUSION

Based on the results of the analysis and discussion that the authors described earlier, it can be concluded several things, including the following: *First*, The test results show that ROA (Return On Assets) has no significant effect on stock prices. It can be seen in the t-test in table 4.4, showing that the obtained tcount value is $-0.075 < t_{table} 1.69092$ with a significant value of $0.940 > 0.05$, it can be concluded that the ROA variable has no significant effect on the stock price of Property and Real Estate Companies on the Indonesia Stock Exchange. *Second*, The test results show that from the t-test table it is obtained tcount $-0.383 < t_{table} 1.69092$ with a significant value of $-0.704 > 0.05$, it can be concluded that the ROE variable has no significant effect on the stock prices of Property and Real Estate companies on the Indonesia Stock Exchange. *Third*, The test results show that the t-test in table 4.4, obtained tcount $14.170 < t_{table} 1.69092$ with a significant value of $0.00 < 0.05$, it can be concluded that the EPS variable has a significant effect on the stock prices of Property and Real Estate Companies on the Indonesia Stock Exchange. *Fourth*, The test results show that the t-test in table 4.4T-test obtained tcount $-0.502 < t_{table} 1.69092$ with a significant value of $0.619 > 0.05$, it can be concluded that the CR variable has no significant effect on the stock price of Property and Real Estate Companies on the Stock Exchange Indonesian Securities.

The effect of ROA, ROE, EPS, and CR simultaneously on stock prices in property and real estate companies listed on the Indonesian stock exchange in table 4.10, if the significance value is < 0.05 , it means that the independent variable X (Ratio On Assets, Return On Equity, Earnings Per Share, and Current Ratio) simultaneously affect the dependent variable Y (stock price). So the conclusion of the F test is based on the F test table and the F test requirements according to Imam Ghozali is if the sig. < 0.05 then X1, X2, X3, and X4 simultaneously or jointly affect the stock price (Y).

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