INFLUENCE OF CS, LEVERAGE, EVA, ROI, AND EPS ON STOCK RETURNS IN THE FOOD AND BEVERAGE INDUSTRY

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Abstract

Background : This study aims to analyze the effect of firm size, leverage, economic value added, return on investment, and earnings per share on stock returns. The data used is secondary data in the form of financial reports of manufacturing companies in the food and beverage sector that are listed on the Indonesia Stock Exchange (IDX) from 2017-2020. **Method :** The sample was selected using a purposive sampling method, namely sampling based on predetermined criteria and population characteristics in order to generate data. To analyze the data, this study used multiple linear regression and then tested the hypothesis with the t-test (partially) and the F-test (simultaneously) with a significance level of 0.05. **Result:** The results of this study indicate that simultaneously Company Size, Leverage, Economic Value Added (EVA), Return On Investment (ROI), and Earning Per Share (EPS) have an effect on Stock Return. However, partially the size of the company has an effect on your stock return in the company, while Leverage, Economic Value Added (EVA), Return On Investment (ROI), and Earning Per Share (EPS) have no effect on your stock return on food and beverage companies on the Stock Exchange. Indonesia (IDX) for the period 2017-2020. **Conclusion :** 6) All independent variables, namely company size, leverage, EVA, ROI, EPS, are able to influence stock returns simultaneously or can be seen from the Adjusted R-Square of 13.5%, the remaining 86.5% is explained by variables or factors other..

Keywords: Company Size, Leverage, Economic Value Added, Return On Investment, Earning Per Share, and Stock Return
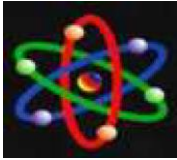
INTRODUCTION

The capital market is seen as one of the barometers in the economic condition of a country because it has a very important role in economic activities. The capital market has a relationship between fund owners (investors) and fund users (issuers). Investors use the capital market for their portfolio investment purposes with the aim of collecting income. The development of the capital market shows that there is openness among the owners of the company to expand for the sake of the survival and development of the company[1].

In investing, financial information is needed by investors to achieve the results they want. One of the information is about the company's performance which can be seen from the financial statements. Investors definitely want profits in the form of dividends and capital gains in investing in stocks, but stock investments also contain risks and returns that have a positive relationship, where the higher the return, the higher the risk generated, and vice versa. Investors need to do a performance analysis of the company first to determine their investment policies because stock returns are difficult to predict so that they can make investment decisions according to the desired return and the level of risk that can be tolerated. Therefore, investors need various types of information so that investors can assess the company's performance which is needed for making investment decisions[2][3].

The interest of investors and potential investors can be seen from the results of the company's performance assessment, by looking at the company's published financial statements. This assessment aims to determine the expected level of profit in the future[4][5]. Assessment of the company's financial performance can be done by using a measuring tool, namely financial ratio analysis. Financial ratio analysis is based on financial statement data and the company's past conditions so that it can assess the company's performance. The company's financial performance is seen from the company's ability to generate profits, fulfill obligations (liquidity), and the company's returns to investors. Investors invest their funds in the capital market not only to get profits in the short term but also in the long term[6].

One area of investment that is of great interest to both foreign and domestic investors in the Indonesian capital market is investing in shares. The factors that determine changes in stock prices, namely internal factors and external factors. Internal factors are factors that come from within the company, both financial performance and management performance, as well as the financial condition and prospects of the company[7].

To get a return on investment in the capital market is not so easy, because the risk is equivalent to the profit (return) that will be obtained. This is because the profits obtained from the investment will be directly proportional to the risks that will be accepted[8].

In the era of globalization, food and beverage companies in Indonesia are trying to produce high quality goods at low costs in order to increase competitiveness in the domestic market as well as in the global market. Most of the companies rely on capital from investors in their production activities, so it is very
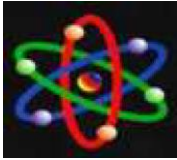
important for companies to maintain healthy liquidity[9]. Companies need sufficient funds to survive and compete. One way that companies use to meet their funding needs is by attracting investors through their shares in the capital market[10].

The food and beverage company was chosen as the object of this research because it is a company that is growing rapidly at this time. In addition, the food and beverage company is one of the companies that plays an important role in the needs of the community. With the high interest in consumer needs, the greater the competition in the business world. Even though the current economic condition in Indonesia is not very good, the market demand for food and beverages does not have the slightest effect[11][12][13].

RESEARCH METHODOLOGY

The object of this research is a Food and Beverage Company listed on the Indonesia Stock Exchange (IDX). In this study, the data used are the financial statements of manufacturing companies that have been published on the website www.idx.co.id.

This research is a quantitative research. Quantitative research is research that uses numbers, starting from data collection, data processing, to obtaining research results. This research approach is deductive and descriptive.

The population used in this study are Food and Beverage Manufacturing Companies listed on the Indonesia Stock Exchange from 2017 to 2020. The population in this study amounted to 24 companies. The sampling technique in this study used a purposive sampling method, namely the sample was taken based on the

criteria and characteristics of the population that had been determined in order to produce data.

The criteria used to select your sample are as follows:
1. Food and Beverage sector companies that have gone public and are still listed as issuers on the Indonesia Stock Exchange.
2. Companies that make audited financial reports for the year ending December 31, 2017-2020.
3. Companies with incomplete financial reports from 2017-2020.

In this study, the data collection technique used was documentation technique, which was to collect financial report data sources related to food and beverage sector companies which were downloaded through the website www.idx.co.id.

RESULT AND DISCUSSION

In this study, there were 48 data, namely 12 companies multiplied by 4 years of the research period. The following table shows the results of data processing that describes the minimum value, maximum value, average value and standard deviation in the study.

N	Minimum	Maximum	Mean	Std. Deviation
Company Size	14.41	30.62	23.3297	5.77162
Leverage	.16	10.28	1.0148	1.54106
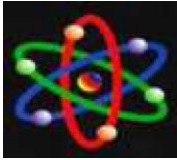
EVA	-1242990 00000.00	303989 000000. 00	2516228 2996.08 19	93091795 138.8560 4
ROI	-2.64	.61	.0715	.41893
EPS	.00	362.12	43.2917	80.17746
Return Share	-.91	3.09	.1378	.59689
Valid N (listwise)				

Table 1. Descriptive Statistical Results

Variable Company Size (X1) has a minimum value of 14.41% found at PT FKS Food Sejahtera Tbk in 2018 and a maximum value of 30.62% found at PT Mayora Indah Tbk in 2020. The average value (mean) is 23, 3297% with a standard deviation (standard deviation) of 5,77162%. The Leverage variable (X2) has a minimum value of 0.16% found at PT Ultra Jaya Milk Industry & Trading Company Tbk in 2018-2019 and a maximum value of 10.28% is found at PT Multi Bintangu Indonesia Tbk in 2020. The average value (mean) of 1.0148% with a standard deviation (standard deviation) of 1.54106%. The Economic Value Added (X3) variable has a minimum value of -124.299% found at PT Wilmar Cahaya Indonesia Tbk in 2017 and a maximum value of 303.989% found at PT Mayor Indah Tbk in 2019. The average value (mean) is 25.16228% with a standard deviation (standard deviation) of 93.091795%.

The Return On Investment (X4) variable has a minimum value of -2.64%

found at PT FKS Food Sejahtera Tbk in 2017 and a maximum value of 0.61% found at PT FKS Food Sejahtera Tbk in 2019. The average value (mean) of 0.0715% with a standard deviation of 0.41893%. The Earning Per Share (X5) variable has a minimum value of 0.00% found in PT Ultra Jaya Milk Industry & Trading Company Tbk in 2017-2020, PT FKS Food Sejahtera Tbk in 2018 and a maximum value of 362.12% is found in PT Wilmar Cahaya Indonesia Tbk in 2019. The average value (mean) is 43.2917% with a standard deviation (standard deviation) of 80.17746%. The Stock Return variable (Y) has a minimum value of -0.91% for PT FKS Food Sejahtera Tbk in 2018 & 2019 and a maximum value of 3.09% for PT FKS Food Sejahtera Tbk in 2017 & 2018. The average value (mean)) of 0.1378% with a standard deviation of 0.59689%.

		Unstandardized Residual
N		48
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.56532179
Most Extreme Differences	Absolut	.185
	Positive	.185
	Negative	-.128
Test Statistic		.185
Asymp. Sig. (2-tailed)		.000[c]

Table 2. One-Sampleu Kolmogorov-Smirnov Test

Based on table above, the Asymp Sig data is not normally distributed because the significant value is
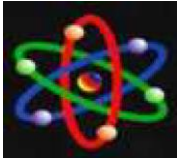
0.000<0.05. So we tried to do treatment by transforming the data into LN form.

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Ukuran Perusahaan	.659	1.517
	Leverage	.910	1.099
	EVA	.870	1.150
	ROI	.987	1.013
	EPS	.760	1.317

Table 3. Multicollinearity Test Coefficientsa

Based on table above it can be concluded that there is no multicollinearity in the research data because the tolerance value for each of the five variables meets the requirements of 0.1 and the VIF value of Firm Size is 1.517; the VIF value of Leverage is 1.099; the VIF value of Economic Value Added (EVA) is 1.150; VIF value of The Return On Investment (ROI) is 1.013 and the VIF value of Earning Per Share (EPS) is 1.317. It is known that the VIF value u 10, then it can be concluded that there is no multicollinearity.

Figure 1. Scatterplot

There is no clear pattern and the dots spread above and below the number 0 on the Y axis, so there is no heteroscedasticity. Multiple linear regression analysis is used if the number of independent variables is at least 2 independent variables. The use of multiple linear regression analysis is intended to determine the effect of the independent variable commonly referred to as X on the dependent variable commonly referred to as Y.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.669	.805	-.478	.830	.411
Ukuran Perusahaan	-.099	.035	-.094 .103	-2.859	.007
Leverage	-.073	.110	-.086 -.044	-.664	.511
EVA	1.329E-12	.000		.711	.481
ROI	-.244	.390		-.627	.534
EPS	-.001	.002		-.286	.777

Table 4. Multiple Linear Regression Analysis

Based on the table above, the following multiple linear regression equation is obtained:

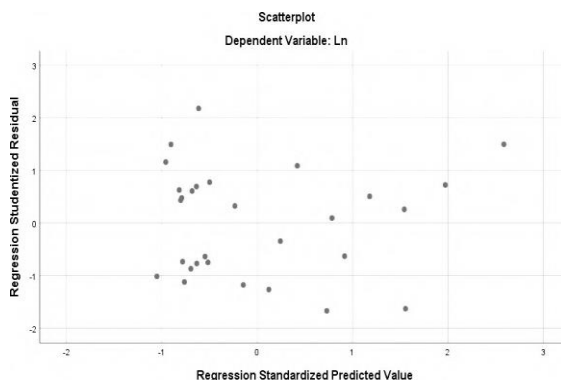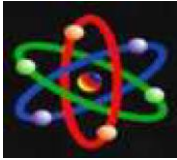**Y 0.669 - 0.099 Firm Size - 0.073 Leverage + 1.329 EVA - 0.244 ROIu -u 0.001 EPS**

Based on these equations can be interpreted as follows:

1. It is known that the value of the constant is 0.669. This value can be interpreted if company size, leverage, EVA, ROI, EPS have no effect on stock returns, then the value of the dependent variable stock return is 0.669.
2. The regression coefficient value of the firm size variable is -0.099. This means that when the size of the company increases by 1 unit, then your stock return tends to decrease by -0.099.
3. The regression coefficient value of the leverage variable is -0.073. This means that leverage increases by 1 unit, then your stock return tends to decrease by -0.073.
4. The regression coefficient value of the EVA variable is 1.329. This means that when EVA increases by 1 unit, then stock returns will increase by 1.329.
5. The regression coefficient value of ROI is -0.244. This means that when the ROI increases by 1 unit, the stock return will tend to decrease by -0.244.
6. The regression coefficient value of EPS is -0.001. This means that when EPS increases by 1 unit, then stock returns will tend to decrease by -0.001.

CONCLUSIONS AND SUGGESTIONS

Based on the results of the study, it can be concluded that:

1. Partially, the size of the company affects the return of your shares in food and beverage companies on the Indonesia Stock Exchange for the 2017-2020 period.
2. Partially, leverage has no significant effect on stock returns in food and beverage companies on the Indonesia Stock Exchange for the 2017-2020 period.
3. Partially Economic Value Added (EVA) has no significant effect on stock returns in food and beverage companies on the Indonesia Stock Exchange for the 2017-2020 period.
4. Partially Return On Investment (ROI) has no effect on stock returns of food and beverage companies on the Indonesia Stock Exchange for the 2017-2020 period.
5. Partially, Earnings Per Share (EPS) has no effect on your stock returns in food and beverage companies on the Indonesia Stock Exchange for the 2017-2020 period.
6. All independent variables, namely company size, leverage, EVA, ROI, EPS, are able to influence stock returns simultaneously or can be seen from the Adjusted R-Square of 13.5%, the remaining 86.5% is explained by variables or factors other.

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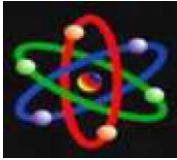
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