



Influence of Financial Performance to Stock prices during the Covid-19 Pandemic with GDP and Inflation as a Control Variable (Case Study of Health Subsector Companies)

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Abstract

In research This will prove influence performance finance to price share with GDP and Inflation as a control variable. In terms of This want to test is inflation that occurred in ASEAN countries which occurred during Covid -19 can influence performance of Health subsector companies. The ratio will be used for measure performance company namely Current Ratio, DER, DAR, TATO and ROA. The population in this study are health subsector companies listed on the stock exchange the effect of each ASEAN country from the 2019-2022. Data analysis samples will be carried through multiple linear regression analysis to answer question study. The research results show that ROA and GDP influence the share prices of ASEAN companies in the health sector. Meanwhile, Current ratio, DER, DAR, TATO, inflation have no effect on share prices of ASEAN companies in the health sector. Data used is secondary data obtained from data base Osiris

Keywords: *Stock Price; Current Ratio; DER; ROA; GDP, Inflation; TATO*

Introduction

December 2019 The first case of Covid-19 was discovered in Wuhan, China. Case the Keep going spread to countries in Asia to continent Europe (Oncu, 2021) (Beh & Lin, 2021). On the moon March 2020, WHO announced Covid-19 as pandemic (Alisyah & Susilowati, 2022). Then in April 2020, WHO asked ASEAN countries to reduce spread Covid-19 cases (Foo, Chin, Tan, & Phuah, 2020). Every government in ASEAN countries are trying for make the right policy in reduce the spread of the virus, will but policy the can cause activity economy hampered (Limbong, 2022).

Research conducted Anafia & Ulpha (2021) that There is a number of sector with more impact light from crisis the Covid-19 pandemic, that is sector later health followed with agriculture, forestry, and fisheries. Sector pharmacy and health is sector main role in the recovery process from Covid-19 pandemic. Product from company field Health and pharmacy are really needed by the community so that considered capable maintain company (Sari & Suharti, 2021). During the pandemic, sector health own role main help government.

Likewise helps public in stop spread of the virus and the healing process patient. Sector health required capable produce and distribute product for fulfil market demand (Zulfikri, Lesmana, & Djuanada, 2021). Indonesia is wrong one ASEAN country revealed that based on report performance ministry industry 2020, sector health and pharmacy from 2018 to 2020 experienced enhancement in the country's GDP contribution is 1.62%, 1.68% and 1.92%. Based on percentage the can is known that sector health experience enhancement sale. With increase sale This is can influence price share. During the pandemic, assessment shares in the sector health and pharmacy experience improvement, p the because there is abnormal profits during the pandemic, so investors assess that company the can give profit form dividends and increases price share to investors (Oncu, 2021).

One of aspect of being consideration they are profitability or profits obtained company. Financial performance become tool measuring success company in manage assets and utilize existing opportunities. Liquidity the company also became consider company in evaluate success company. Progress company Can have reflected from price the shares, if price share the more it goes up then expected that company the more developing and investing the more interested for invest in the company them. Based on exposure phenomenon the researcher interested for analyze performance company through ratio finance especially in sectors health during the Covid-19 pandemic. In research This will prove influence performance finance to price share with GDP and Inflation as a control variable. In terms of This want to test is inflation that occurred in ASEAN countries which occurred during Covid -19 can influence performance company pharmacy. The ratio will be used for measure performance company namely Current Ratio, DER, DAR, ATO and ROA.

Literature Review

Signal Theory

Signal theory first developed by Spence (1973) who explains that effort giving information for represent relevant and accurate circumstances about condition company to party external. Through information that has been published by the company, party external like potential investors, holder's shares, and creditors will use information the as base in make decision investment. Decisions made by parties external can different, they are will adapt decision based on respective understanding gained from information.

Party management tend own more information accurate about condition finance and non-financial company (Ross, 1977). When the company own good performance, management will encouraged for give information positive to party external can through corporate media and reports finance. Management actions the done for value share company can increase. When price share company produce positive *return*, then party external will invest return or give capital loan to company (Kristanto & Yanto, 2022; Rababah, et al., 2020). Information of a nature negative will have viewed by investors and creditors as exists constraint or problem finances on the company, which then make company difficult get funding new. Zulfikri, Lesmana, & Djuanda (2021) stated that theory signal emphasizes importance information to party external. Asymmetry information can happen when there is difference information between party management and parties external. This matter because party management own tendency for hide part information. Through exists asymmetry information, party's management will do action opportunistic to use reach objective personal. With So, company must publish report finance as accurate information.

Company Financial Performance

Company performance is something capable indicator describe ability company in use source the power you have in a way good and right. ROA results as tool measurement performance high company give information that party management capable manage asset as source Power company with efficient.

With Thus, investors will consider and put attention to the company the through information health reflected company from performance finance.

Ratio Finance

Ratio Liquidity. Ratio liquidity is A ratio that assesses ability something company in fulfil obligation period in short according to the maturity date. Willingness assets fluent company is very important Because condition the economy is not stable can increase risk fail payments and receivables not collectible that can be reduce company cash. His height liquidity something company indicated performance good company Because there are sufficient funds for finance activity operations and activities investment company. Liquidity is the company's ability to meet term obligations in short, through a number of current assets owned by the company. Decline The economy can result in many bad debts reducing cash company. Company Which No own risk fail pay signify performance company Which Enough Healthy. The more tall liquidity company, so the more Lots fund available for company For pay dividend, finance operation And the investment, so that perception investors on performance company will increase.

Ratio Solvency. Ratio solvency is debt ratio showing how much The amount of company capital financed by internal capital and external capital in the form of debt. Ratio solvency will measure ability company in pay off all over obligations, fine period short nor period long. Information finance This necessary and becoming material consideration for creditor as party giver loan. Ratio value high solvency indicated source funding dominating external composition capital structure used as funding operation company. Ratio solvency is ratio debt Which show structure capital companies which include internal capital in the form of equity and capital from sources external form debt. Information from ratio This will very required And become attention to creditors as lenders. Huge *leverage* indicated composition structure capital Which dominated by source external funding.

Ratio Activity. Ratio activity is ratio For measure ability company in maximizing asset Which owned (Mahubessy & Darwaman, 2022). Measurement turnover of using activities *Total Assets Turnovers* (TAT) shows the level of effectiveness in using assets owned to optimize profits through increased sales activity. The sales level is reflected in A large TAT value indicates that the sales value is high and increase chance company For own profit Which big also.

Ratio Profitability. Profitability is ability something company in produce profit during period certain levels sales, assets and share capital certain. Profitability company can have assessed through various method depends on profits and assets or capital that will compared One with others. ROA is one in measure performance company. Company performance is the company's ability to describe its extent which a company has implemented using rules implementation finance in a way Good And Correct. Measurement performance company use tool measuring ROA (*Return on Assets*) Which give information company in the use of its resources. High ROA results signify that management company can manage asset company efficiently so that investors will be interested in the company's performance the.

Development Hypothesis

In research This will analyze performance finance to price share with GDP and Inflation as a control variable. As for the dependent variable in study This price shares and independent variables namely CR, DER, DAR, TATO and ROA with using the control variables GDP and Inflation.

Conceptual Framework

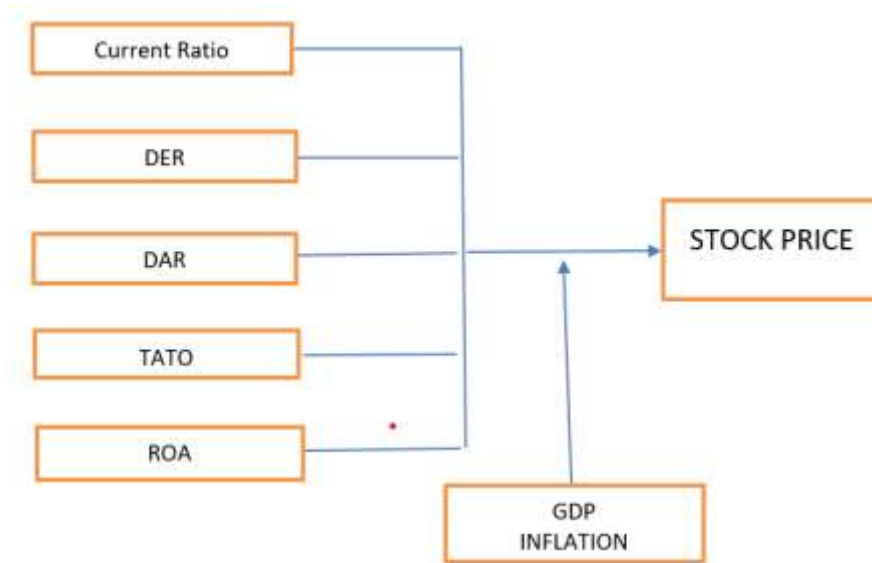


Figure 1. Conceptual Framework

Research Methodology

Data used is secondary data obtained from data base Osiris. The population in this study are companies listed on the stock exchange the effect of each ASEAN country from the 2019-2022. Statistics descriptive done For give description from sample Which used in study. Giving description data sample can seen through average value, standard deviation, variance, maximum and minimum values. Data analysis samples will be carried through multiple linear regression analysis to answer question study.

Results and Discussion

The research uses data from health companies listed on the stock exchange each ASEAN country from the period 2018 -2022 . The secondary data obtained from the Osiris *database*. Sample selection criteria are summarized and presented on Table 1 as follows:

Table 1. Data Election Sample Study

Criteria	Amount Company
Company health ASEAN which registered in exchange effect from 2018 -2022	58
Company with data No complete	(26)
Amount sample company Which used	32
Year observation	5
Amount observation (32 company x 5 year)	160

Source: Results exercise data (2023)

Statistics Descriptive

Descriptive statistics were carried out to explain the samples used in study. The following are the results of descriptive statistical testing:

Table 2. Statistics Descriptive

Variable	Amount	Mean	Standard Deviation
SHARE	160	1161.3000	2448.24291
ROA	160	364.1313	796.87808
CR	160	256.7250	832.84487
DER	160	68,9000	137.94102
DAR	160	22.3625	16.87411
TATTOO	160	52.3563	33.23205
GDP	160	39181.7066	36497.17142
INFLATION	160	1.2325	4.14334

Source: Results exercise data (2023)

Test Hypothesis

A t test was performed for now influence from independent variables Partial on the dependent variable. The test results have less significant values from < 0.05 It means variable independent in a way Partial influential to variable dependent.

Table 3. Test results t

Variable	Coefficient	t	Significant
C	1830,639	3,439	,001
ROA	,624	2,519	.013
CR	,040	,167	,868
DER	-.393	-.227	,821
DAR	-6,687	-.486	,628
TOTA	-2,462	-.400	,690
GDP	-.013	-2,464	,015
INFLATION	-69,193	-1,504	.135

Source: Results exercise data (2023)

Based on the results presented in the table above, the conclusions are obtained on regression model is as follows:

1. ROA ratio has a significant value of $0.013 < 0.05$. These results own meaning that ratio ROA in a way Partial influential positive to price share company ASEAN in health sector.
2. Current Ratio own mark significant as big as $0.868 > 0.05$. Results the own meaning that current ratio No influential to price sahan company ASEAN in sector health.
3. DER ratio has a significant value of $0.821 > 0.05$. These results own meaning that ratio DER No influential to price share company ASEAN in the health sector.
4. DAR ratio has a significant value of $0.628 > 0.05$. These results own meaning that ratio DAR in a way Partial no influential regarding price share company ASEAN in health sector.

5. TATTOO Ratio own mark significant as big as $0.690 > 0.05$. Results theown meaning that current ratio No influential to price sahan company ASEAN in sector health.
6. GDP ratio has a significant value of $0.015 < 0.05$. These results own meaning that ratio GDP influential to price share company ASEAN in the health sector.
7. INFLATION ratio has a significant value of $0.135 > 0.05$. These results own meaning that ratio Imflation No influential to price share company ASEAN in the health sector .

This test is carried out to test whether the independent variable is capable predict or explain dependent. If mark significant not enough from $0.05 (<0.05)$ means variable independent in a way simultaneous influential to variable dependent.

Table 4 . Test results F

<i>Prob(F-statistics)</i>	0.012
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Source: Results exercise data (2023)

Based on the table above, the conclusion obtained is the value of *Prob(F- statistics)* namely 0.012 less than 0.05, then the independent variable simultaneously influences the dependent variable , meaning , variable dependent capable explained by variable independent in model regression.

Testing coefficient determination (R^2) own objective For measure how much bigability variable independent in explain its influence to dependent variable. A coefficient value that is close to one indicates thatthen the independent variable can explain the dependent variable, vice versa value Which approaching numbers zero only has that influence small.

Table 5. Results Test Coefficient Determination

<i>Adjusted R-Square</i>	0.068
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Source: Results exercise data (2023)

output results above obtained an *Adjusted R-squared value* of 0.068 , meaning model capable explain diversity as big as 6.8% whereas the rest influenced by other factors unexplainable by models.

From the results of the regression test on each independent variable on the dependent variable is known results that The ROA ratio has a significant value of $0.013 < 0.05$. These results own meaning that ratio ROA in a way Partial influential positive toprice share company ASEAN in health sector. The influence exerted is positive influence, in other words what when happen increase in ROA then the same thing will be happen to price share. The Return On Assets value increases means company capable use asset in a way productive so that can produce big profits. The larger Return On Assets, then show performance in the company will the more Good Because level increasing returns big so investors are interested For buy shares that will influence price share. Research result This in line with research conducted by Bahri (2018) stated that Return On Assets has an effect positive to price share. This result supported by Permatasari et al. (2019), Untari et al. (2020), Anwar and Soedjatmiko (2020), Sari (2021) and Pane et al. (2021).

Current Ratio own mark significant as big as $0.868 > 0.05$. Results theown meaning that current ratio No influential to price sahan company ASEAN in sector health . Study This prove that High current ratio No signify company own ability for finance need operational through management finance Which Good though in middle condition crisis Which can threaten the sustainability of the company, there are other factors that because it price share can have changed. This matter describe that company

Not yet Can use excess asset it goes smoothly For where to invest ? investment the Can add something profit and if company No Can use excess asset smoothly of course investors will see that company currently experience loss, then request price shares in the company the will reduced and of course matter This No will influential to price share . Research result This supported study from (Suryasari, Ni Ketut Nadila; Artini , 2016) which produces conclusion that CR does not influential to price share .

DER ratio has a significant value of $0.821 > 0.05$. These results own meaning that ratio DER No influential to price share company ASEAN in the health sector. In matter this is DER no become factor main in influence price share. Because DER is less attention of internal investors take decision investment. Then, result lack of investor confidence for embed capital in the company that, so request share company the will experience decline.

DAR ratio has a significant value of $0.628 > 0.05$. These results own meaning that ratio DAR in a way Partial No influential to price share company ASEAN in health sector. Debt to Assets Ratio is size used in analyze report finance for show big guarantees available for creditors. According to Sartono (2010:121) increasingly high Debt Ratio then the more big risks faced, and investors will request level increasing profits tall. However, in study This showing that ROA ratio does not own influence to price share. High ratio No show proportion of own capital for finance assets. matter This will responded negative by investors in the capital market.

TATTOO ratio has mark significant as big as $0.690 > 0.05$. Results the own meaning that current ratio No influential to price sahan company ASEAN in sector health. Total asset turnover be measured of sales volume, which means ability all over assets in create sale Not yet Of course increase profit matter This influence part profit For pay debt company. Although there has been an increase in sales, however ratio activity that is measured using TAT O does not have a significant impact on company sales (Fajriyanti & Wiyarni, 2022; Karamindou, 2022). Matter This happen Because company No evaluate efficiency source Power Which owned For produce sale. Company more focused on innovation For produce And providing products that prioritize quality that can improve health public, so that invest fund Which

GDP ratio has a significant value of $0.015 > 0.05$. These results own meaning that ratio GDP influential to price share company ASEAN in the health sector. Increase in GDP can increase income per capita every individual so that pattern investment in the capital market is affected by the existence of increase in GDP. The more tall income per capita society, in fact the more decrease investment from public. This is because an increase in GDP is good indicator from enhancement standard life resident a country as a whole. When standard life public increased, however public tend No spend money on product investment.

INFLATION ratio has a significant value of $0.135 > 0.05$. These results own meaning that ratio inflation No influential to price share company ASEAN in the health sector. Power buy public will down so that profit the company will too decrease. The decline profit company make investors reluctant for invest so that price share company become down which then also causes Composite Stock Price Index weakened. Inflation is a negative signal for investors in the capital market, because inflation increase income and costs company. If the increase cost production more high or not anticipated by the company so can lower profitability company.

Conclusion

The analysis results study This can be knotted that ROA ratio has a significant value of $0.013 < 0.05$. These results own meaning that ratio ROA in a way Partial influential positive to price share company ASEAN in health sector. Current Ratio own mark significant as big as $0.868 > 0.05$. Results the own meaning that current ratio No influential to price sahan company ASEAN in sector health.

DER ratio has a significant value of $0.821 > 0.05$. These results own meaning that ratio DER No influential to price share company ASEAN in the health sector. DAR ratio has a significant value of $0.628 > 0.05$. These results own meaning that ratio DAR in a way Partial No influential to price share company ASEAN in health sector. TATTOO Ratio own mark significant as big as $0.690 > 0.05$. Results theown meaning that current ratio No influential to price sahan company ASEAN in sector health. GDP ratio has a significant value of $0.015 < 0.05$. These results own meaning that ratio GDP influential to price share company ASEAN in the health sector. INFLATION ratio has a significant value of $0.135 > 0.05$. These results own meaning that ratio GDP No influential to price share company ASEAN in the health sector.

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