The Influence of Fundamental Analysis on Stock Prices (Case Study of UNVR Stock in IDX Period 2015-2020)

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Abstract

This study was conducted to determine the fundamental factors that affect stock prices in PT Unilever for the period 2015-2020. The factors analyzed in this study are price earning ratio (PER), price to book value (PBV) and return on equity (ROE) as the independent variable and the company's stock price as the dependent variable. This research method uses quantitative methods with the type of research is descriptive verification causal. The population in this study data from the financial statements of PT. Unilever and the sample are as many as the financial statements of PT Unilever listed on the IDX per quarter 2015-2020, with the selection of samples using the purposive sampling technique. The data analysis technique used descriptive analysis and multiple regression analysis. Based on the results of the research that partially Price Earning Ratio (PER) and Return On Equity (ROE) have a negative and significant effect on the Unilever company's stock price, while Price to Book Value (PBV) has no effect on the PT Unilever stock price and simultaneously Price Earning Ratio (PER), Price to Book Value (PBV) and Return On Equity (ROE) have an effect on PT Unilever's stock price with a magnitude of 40.7% and the rest is influenced by other variables not examined in this study.

Keywords
Price Earning Ratio, Price to Book Value, Return On Equity, Stock Price

1. Introduction
The capital market can be defined as a place where various parties, especially companies, sell stocks and bonds with the aim that the proceeds from these sales will be used as additional funds or to strengthen the company's capital. The

capital market is a very important institution as an intermediary between investors (investors) and companies that need funds (issuers) (Fahmi, 2017: 54). Capital Market Law No. 8 of 1995 concerning the Capital Market defines the capital market as activities related to public offerings and securities trading, public companies relating to securities issued, as well as institutions and professions related to securities.

Minister of Trade Surachman Tjokrodisurjo stated that Indonesia's economic development is currently developing. Indonesia's economic achievements can be compared with countries such as China, India, Mexico, South Korea, and Turkey. This is Indonesia's economic potential to be promoted as one of the most attractive investment destinations in the world (www.antaranews.com, 2020). Investments in the capital market can be an attractive place for speculators who like capital gains, the capital market can be an interesting place where investors can buy when prices fall and resell when prices rise and the difference seen is the profit that will be calculated (Fahmi , 2017:55).

One way to invest through the capital market is to buy shares listed on the Indonesia Stock Exchange. The price of shares traded on the Stock Exchange is volatile. In the secondary market (Stock Exchange), or in daily trading activities, stock prices fluctuate either in the form of increases or decreases. The formation of stock prices occurs because of the supply and demand for these shares. This supply and demand occurs due to many factors, both specific to the stock (performance of the company and the industry in which the company operates) and macro factors such as interest rates, inflation, exchange rates, and non-economic factors such as social conditions. and politics, and other factors (www.idx.co.id, 2018). There are three values used in determining the value of shares. The first value is the market value (market value). Market value is the value of shares in the stock market where this market value is influenced by investors in the secondary market. The second is the book value (book value). Book value is the value of shares according to the books of the issuer company. The third is intrinsic value, which is the actual value of the stock itself (Jogiyanto, 2016:121).

Stock prices and their movements are important factors in investing in the capital market. Through stock analysis, investors will be able to decide whether the stock price is too high (overprice) or too low (underprice) so that investors will decide to carry out an investment strategy in the future (Pandansari, 2017). Basically there are two approaches in stock analysis, namely the fundamental analysis approach and the technical analysis approach. In this case, Kodrat and Indonanjaya (2018:271) argue that fundamental analysis is much more often used as a tool for stock price assessment. Fundamental analysis uses fundamental data, namely data originating from the company's finances (profits, dividends, sales, and so on) as seen from the company's financial statements. With financial statements, various analyzes can be carried out, one of which is financial ratio analysis. This financial ratio is one of the parameters that can be used to measure the company's performance which can reflect whether the company is experiencing growth or decline in performance. While technical analysis is an instant analysis because it is only based on the movement of stock charts. Widoatmodjo (2019:178) argues that if the company is in good health, then the company is eligible to be used as a place of investment, for example by buying its shares.

In this study, the object under study is Unilever. Where Unilever is a company that is included in the LQ 45 index for 10 consecutive years from four companies operating in the same sector. This means that Unilever has had good corporate performance for several years by maintaining its position in a liquid company and a company stock that is in great demand by investors. In addition, Unilever is a market leader in the cosmetic sector in Indonesia, this is shown by increasing sales of superior products from Unilever in 2017 with a growth rate of (source: economy.okezone.com/, accessed March 1, 2021).

To find out Unilever's stock returns obtained by the holders, it can be seen from the financial performance so that it can explain some of the company's financial strengths and weaknesses. Investors need financial information in order to determine their investment policy. Investors invest in portfolios to get results from investment returns in the form of dividends by looking at stocks that are competent to produce high dividends. The indicator that shows the movement of stock prices is the stock price index, where this index serves as an indicator of market trends. Which means that the movement of the index describes market conditions at a certain time. Investors should consider the company's performance in making investment decisions. Information related to the performance or condition of the company is generally shown in the financial statements.

This study uses the Price Earning Ratio (PER), where PER is a ratio that includes market value that relates the company's price to earnings, cash flow and book value per share. In addition, to see the company's book value, this study will use the Price Book Value (PBV) ratio. PBV is a market value ratio that measures stock performance according to market assessment of its book value, whether the price of the shares traded by the company is above or below the company's book value (Brigham and Houston 2016:151). The company's ability to generate profits in its operational process is one of the performance appraisals of a company. The company's profit can be used as a tool to indicate the company's prospects. This study uses the Return On Equity (ROE) ratio which describes the extent to which the company's ability to generate profits for shareholders (Fahmi, 2017: 138).

1.1 Objectives

The purpose of this research is to answer several questions, as follows:
a. How did the price earning ratio (PER), price to book value (PBV), return on equity (ROE) and stock prices develop at Unilever Companies for the 2015-2020 period?
b. How is the effect of price earning ratio (PER), price to book value (PBV) and return on equity (ROE) partially on stock prices in Unilever Companies for the 2015-2020 period?
c. How is the effect of price earning ratio (PER), price to book value (PBV) and return on equity (ROE) simultaneously on stock prices at Unilever Companies for the 2015-2020 period?

2. Literature Review

According to Fahmi (2015:2) Financial Management can be interpreted as a combination of science and art that discusses, examines, and analyzes how a financial manager uses all company resources to seek funds, manage funds, and share funds with the aim of providing profit or prosperity. for shareholders and business sustainability for

Investment as stated by Bodie et al (2017:2) is "Commitment of current resources in the expectation of deriving greater resources in the future". According to Tandelilin (2017: 2) investment is all kinds related to the activities and management of financial assets, especially securities that can be traded.

According to Tandelilin in Suteja and Gunardi (2016: 7) the capital market is a meeting between parties who have excess funds and those who need funds by trading securities which generally have a lifespan of more than one year, such as stocks and bonds, while the place where the sale occurs is -buying securities is called a stock exchange.

According to Jogiyanto Hartono (2016) shares (stock) are company ownership rights that are sold. If the company only issues one class of shares, these shares are called common stock. In addition, shares can also be interpreted as evidence of equity/fund ownership in a company (Fahmi, 2015:81). Bodie et al (2017:36) stated that shares are "Ownership shares in a publicly held corporation". The shareholder's profits are called dividends. Shareholders have a claim on the company's income and assets. if the company generates profits in running its business, then part or all of the profits can be distributed to the owners, namely shareholders (Tandelilin, 2016: 32).

According to Kodrat and Indonanjaya (2018: 271), there are two kinds of analytical techniques that are widely used to determine the true value of shares, namely:
a. Technical Analysis
Technical analysis or technical analysis is an analysis that uses market data from stocks (charts of stock movements, stock transaction volume, and so on) to determine the value of shares.
b. Fundamental Analysis
This analysis, also known as company analysis, is an analysis to calculate the intrinsic value of a stock using fundamental data, namely data originating from the company's finances so that it can be seen whether the stock price is overvalued or undervalued.
Meanwhile, according to Fahmi (2018: 91), fundamental analysis is a study of the economy, industry and company conditions to calculate the value of the company's shares. On a macro scale, this approach looks at the economic and industrial conditions of the company. On a micro scale, this approach is carried out by analyzing the condition of the company itself.

According to Hutami (2012:109) Fundamental analysis states that every stock has intrinsic value. This analysis tries to calculate the intrinsic value of a stock using fundamental data, namely the Company's Financial Statements, such as profits, dividends, sales, capital structure, risk and so on. This analysis will compare the intrinsic value with its market price to determine whether the market share price reflects its intrinsic value or not.

The market value ratio is a set of ratios that relates a company's stock price to its earnings, cash flow, and book value per share. This ratio provides an indication for management of how investors view the risks and prospects of the company in the future. The market value ratio can be measured using the price earning ratio (PER). PER shows investors' willingness to pay a certain amount for each rupiah of the company's profit (Brigham and Houston, 2017: 150). Price Book Value (PBV) is basically the same as PER. The difference is that if PER focuses on the company's net income, PBV focuses on the company's equity value. PBV is the ratio used to compare the market value (market price) with the book value (Fahmi, 2017: 139).
According to Fahmi (2017: 137), Return on Equity (ROE) is also called return on equity. ROE can also be referred to as the total asset turnover ratio or total asset turnover. This ratio examines the extent to which a company uses its resources to be able to provide a return on equity.

According to Jogiyanto (2017:121), the price of a stock is formed from the market price. The stock will tend to rise, if there is an excess demand for the stock, but on the contrary, the stock will tend to decrease if there is an excess supply of a stock.

Based on the description of the theoretical review above, a framework is formed to describe the independent variables PER (x1), PBV (x2), ROE (x3) on the dependent variable (y) Stock Price. The framework of thought can be seen below:

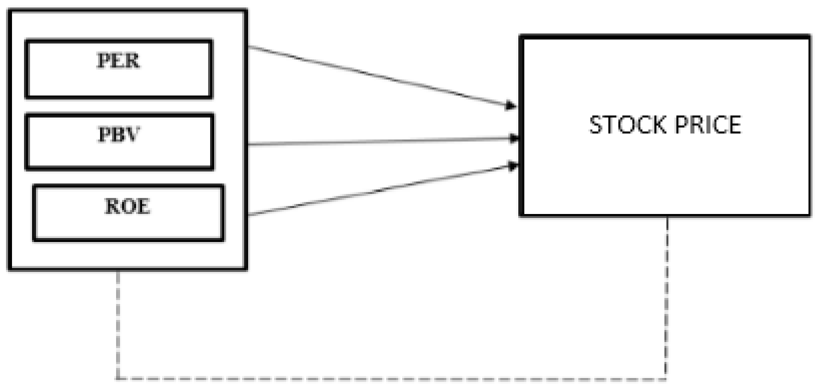

Figure 1. Research Framework

3. Methods

This research is a type of descriptive verification research that is causal because this study aims to analyze the relationship between variables and describe the results of the study. The research method used is a quantitative approach method. The population in this study data from the financial statements of PT. Unilever and the sample are as many as PT Unilever's financial statements listed on the IDX per quarter of 2015-2020, with the selection of samples using purposive sampling technique. The data analysis technique used descriptive analysis and multiple regression analysis.

Hypothesis is a temporary answer to the research problem formulation. Where the formulation of the research problem is stated in the form of a question sentence. It is said to be temporary because the answers given are only based on relevant theories, not yet based on facts obtained through data collection. The hypothesis will be tested using a quantitative approach (Sugiyono 2019: 99). Therefore, the hypothesis in this study is as follows: "There is a significant effect of Price Earning Ratio, Return On Equity and Price book value partially and simultaneously on stock prices at Unilever Companies"

4. Data Collection

Price Earning Ratio at PT Unilever 2015-2020 period

Based on the results of the descriptive analysis, it shows that the average percentage between the selling price per share and the Earning per Share of PT Unilever has changed significantly from year to year. The average PER in 2015 was 102.21, in 2016 it increased to 107.27 and in 2017 it decreased to 100.52. The average PER in 2018 was 97.75, in 2019 it increased to 103.45, this reflects that in 2018 the stock price has a smaller value than its EPS which is made possible by the increase in profits earned by the company. However, in 2020 it decreased to 81.82.

Price to Book Value of PT Unilever 2015-2020 period

Based on the results of descriptive analysis, the average PBV ratio at PT Unilever for the 2015-2020 period fluctuated following the stock price in that year. In 2015 the average PBV was 55.88, then in 2016 it increased to 59.51 and in 2017 it increased again to 66.53. In 2018 it decreased to 52.45 and then in 2019 it increased again to 55.32, but in 2020 it decreased to 44.24.

Return On Equity PT Unilever 2015-2020 period

Based on the results of descriptive analysis, the average ROE in 2015 was 71.02, then in 2016 it increased to 75.68 and in 2017 it increased again to 80.03. In 2018 it decreased to 74.43 and increased in 2019 to 78.03, but decreased again in 2020 to 73.96

Share Price of PT Unilever for the period 2015-2020

Based on the results of descriptive analysis, it can be seen that the average share price fluctuates every year, this is because the current investment conditions are still not stable and the movement of the stock price index is still up and down every year. The average share price in 2015 was IDR 38,538, then increased to IDR 42,838 in 2016 and increased again to IDR 49,250 in 2017. However, in 2018 it decreased to IDR 47,013. In 2019 it decreased again to Rp 45,681 and in 2018 it also decreased again to Rp 7,650.

5. Results and Discussion

TABLE 1. MULTIPLE REGRESSION ANALYSIS RESULTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	325.976	56.726		5.747	0.000
	PER	-0.598	0.256	-0.698	-2.340	0.031
	PBV	-1.424	0.831	-0.335	-1.714	0.104
	ROE	-0.873	0.410	-0.661	-2.126	0.048

a. Dependent Variable: SPRICE

Source : Results of data processed by researchers in 2020

Based on the results of multiple linear regression in table 4.1, the following equation can be formulated:
Share Price = 325,976 – 0.598 X1 – 1.424 X2 – 0.873 X3
From the regression equation above, it can be explained that:
a. = Constant of 325,976 means that if all independent variables (price earning ratio, price to book value, Return On Equity) are considered constant (zero value), then the Stock Price will be worth 325,976.
b. The coefficient of price earning ratio (X1) = -0.598, meaning that if the value of the PER variable increases by 1 unit, the stock price will decrease by 0.598 or 59.8% with the assumption that the other independent variables (price to book value and Return On Equity) are constant.
a. The coefficient of price to book value (X2) = -1.424, meaning that if the value of the PBV variable increases by 1 percent, the stock price will decrease by 1.424 or 1.424% with the assumption that the other independent variables (price earning ratio and Return On Equity) are constant.
b. The coefficient of Return On Equity (X3) = -0.873, meaning that if the value of the ROE variable increases by 1 percent, the stock price will decrease by 0.873 or 87.30% with the assumption that the other independent variables (price earning ratio and price to book value) are constant.

Based on table 4.2, PER which is the result of calculations using the SPSS program, the results of the t value are -2,340 with a probability value of 0.031 which means it is smaller than 0.05. Thus it can be concluded that PER has a significant effect on stock prices. The direction of the negative coefficient explains that an increase in PER will result in a decrease in stock prices. the price to book value (PBV) variable has a t value of -1.714. The direction of the negative coefficient explains that an increase in PBV will result in a decrease in the Stock Price variable. The significance value of the price to book value (PBV) variable is 0.104 > 0.05. Thus, it can be concluded that PBV has no significant effect on stock prices. Return On Equity variable has a t value of -2,126. The direction of the negative coefficient explains that an increase in ROE will result in a decrease in the Stock Price variable. The significance value of the Return On Equity variable is 0.048 < 0.05. Thus it can be concluded that Return On Equity (ROE) has a significant effect on stock prices

TABLE 2. F Test Results
ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	18616.94	3	6205.645	4.124	.022[a]
	Residual	27084.96	18	1504.72		
	Total	45701.9	21			

a. Predictors: (Constant), ROE, PBV, PER
b. Dependent Variable: SPRICE

Source : Results of data processed by researchers in 2020

In Table 4.3 above, the significant test results of the independent variable (X) can significantly affect the dependent variable. From the ANOVA or Fcount test, the Fcount value is 4.124 > Ftable 3.160 and is significant (0.022) < alpha (0.05) which means Price Earning Ratio (PER), Price to Book Value (PBV) and the Return On Equity (ROE) variable. , simultaneously has a significant effect on the Stock Price variable.

TABLE 4.4 Coefficient of Determination Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.638[a]	.407	.309	38.79072

a. Predictors: (Constant), ROE, PBV, PER

b. Dependent Variable: SPRICE

Source : Results of data processed by researchers in 2020

From table 4.4 above, the results of the regression test obtained the coefficient of determination (R Square) of 0.407. These results mean that there is a contribution of 40.70% of the independent variables (Price Earning Ratio, Price To Book Value, Return On Equity) in predicting the stock price that is the target of the research. While the remaining 59.30% (100% -40.70%) is explained by other variables not examined in this study..

6. Conclusion

Based on the results of research and discussions that have been carried out regarding the effect of price earning ratio (PER), price to book value (PBV) and return on equity (ROE) on stock prices at Unilever Companies for the 2015-2020 period, the following conclusions are obtained:

1. The following is a description of the development of price earning ratio (PER), price to book value (PBV) and return on equity (ROE) to share prices at Unilever Companies for the 2015-2020 period.

a. The development of price earning ratio (PER) on stock prices based on the results of the discussion obtained that the PER condition in Unilever companies shows that there is a level of increase and decrease in the PER value. This is caused by changes in the share price of a company if the company's shares manage to score a high enough value, this means that the market really appreciates the shares, which is marked by the large number of requests for these shares. The PER value of PT Unilever which is the sample of observations for 6 years tends to vary. When viewed from the trend of PER 2015-2020 from year to year tends to fluctuate, the period that has the highest percentage of Price Earning Ratio (PER) is in the 1st quarter of 2019 amounting to 213.96 in 2018, while the company that has the lowest PER is in the 4th quarter of 2018 of 38.00.

b. The development of price to book value (PBV) on stock prices based on the results of the discussion obtained that the condition of PBV at Unilever companies shows that there is a level of increase and decrease in the value of PBV. This is because the PBV is strongly influenced by the book value of the stock, if the stock price is higher than the book value, the resulting PBV will be high, and vice versa if the stock price does not have a high enough price compared to the book value, the resulting PBV will be smaller than before. . The average price of PT Unilever's PBV in the 2015-2020 period is 55.65, meaning that this shows the stock market price of 55.65 times its book value.

c. The development of return on equity (ROE) on stock prices is based on the results of the discussion obtained that the condition of PT Unilever's ROE value which is the sample of observations for 6 years tends to vary. When viewed from the 2015-2020 ROE trend from year to year, it tends to fluctuate, the overall average ROE in 2015-

2020 is 75.52. The highest Return On Equity value was in the 4th quarter of 2020 at 145.09, while the lowest Return On Equity value was in the 1st quarter of 2019 at 19.29.

2. Partially Price Earning Ratio (PER) and Return On Equity (ROE) have a negative and significant effect on Unilever's stock price, while Price to Book Value (PBV) has no effect on PT Unilever's stock price.
3. Simultaneously Price Earning Ratio (PER), Price to Book Value (PBV) and Return On Equity (ROE) affect PT Unilever's stock price.%.

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