

The Effect of Financial and Macroeconomic Performance on Stock Value in Companies in the Restaurant, Hotel and Tourism Sub-Sector Companies Listed on the IDX During the Covid-19 Pandemic

Rizky Amalia¹, Vina Arnita²

^{1,2}Accounting Study Program, Universitas Pembangunan Panca Budi, Indonesia
Correspondence Author: rizky4lyf@gmail.com

ABSTRACT

This research aimed to determine the influence of return on equity, earnings per share, debt to equity ratio, inflation, exchange rate, and interest rate both partially and simultaneously on stock value in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the Indonesia Stock Exchange during the Covid-19 Pandemic. The population of this research consisted of 35 companies, with a sample of 26 companies. The analysis technique used panel data regression with the Eviews 9.0 application. The regression model used was the Random Effect Model (REM). The data used were from the first to the fourth quarter of 2020 to 2021 and the first quarter of 2022. The results of the research showed that only the earnings per share variable had a partially positive and significant effect on the stock value of the Restaurant, Hotel, and Tourism Sub-Sector Companies listed on the Indonesia Stock Exchange during the Covid-19 Pandemic. Meanwhile, the variables of return on equity, debt to equity ratio, inflation, exchange rate, and interest rate did not have a significant effect. Simultaneously, all variables of return on equity, earnings per share, debt to equity ratio, inflation, exchange rate, and interest rate had a positive and significant effect on stock prices. The variables of return on equity, earnings per share, debt to equity ratio, inflation, exchange rate, and interest rate contributed only 8.97% to the formation of stock prices and had a weak relationship with stock prices.

Keywords: *Return on Equity, Earnings per Share, Debt to Equity Ratio, Inflation, Exchange Rate, Interest Rate, Stock Price.*

1. Introduction

The World Health Organization (WHO) has declared *coronavirus disease* (COVID-19) a pandemic in March 2020. Indonesia itself first confirmed a COVID-19 case on March 2, 2020. The massive spread of COVID-19 has made the increase in positive cases of this virus so fast. Various efforts have been made by the government to reduce the wider spread of COVID-19. These efforts are outlined in the social distancing policy that has been carried out since early March 2020. This policy has caused disruption to the value chain of the business world, so that many businesses in various sectors have stopped operating, both temporarily and permanently. This disruption is estimated to result in global economic growth declining by 4.5% to 6%.

One of the sectors in the economy that has experienced economic pressure due to the COVID-19 pandemic is the Restaurant, Hotel and Tourism Sub-Sector. Especially for the Restaurant, Hotel and Tourism Sub-Sector Companies listed on the Indonesia Stock Exchange which has been predicted to be the second largest source of foreign exchange contribution for Indonesia. In early 2020, this sector experienced a slowdown due to Covid-19 and *social distancing policies* carried out by the government in an effort to reduce the spread of Covid-

19. The policy of prohibiting inter-regional mobility, including tourist activities, has resulted in a very significant decrease in the number of visits to tourist attractions.

One of the tourism sector companies, PT Jakarta International Hotel & Development Tbk. (JIHD), recorded a decrease in operating profit of IDR 224.24 billion or 235% in 2019 which reached IDR 95.33 billion. Another company, namely PT Saraswati Griya Lestari Tbk. (HOTL), recorded a decrease in operating profit of IDR 36.20 billion in 2020 from 2019 which reached IDR 2.67 billion. For companies that *Go Public* Of course, we must pay attention to many other factors in determining the development of a company, and one of them is the capital market. In this capital market, the value of a company's shares is a symbol of the company's prosperity. Shareholders always pay attention to stock price movements, every time there is an increase in the stock price it means that it becomes a potential profit and vice versa if the stock price drops into a potential loss. This is what must be considered if the shares are sold or bought. The following is a table of stock value developments in 5 (five) companies in the Restaurant, Hotel and Tourism Sub-Sector on the Indonesia Stock Exchange.

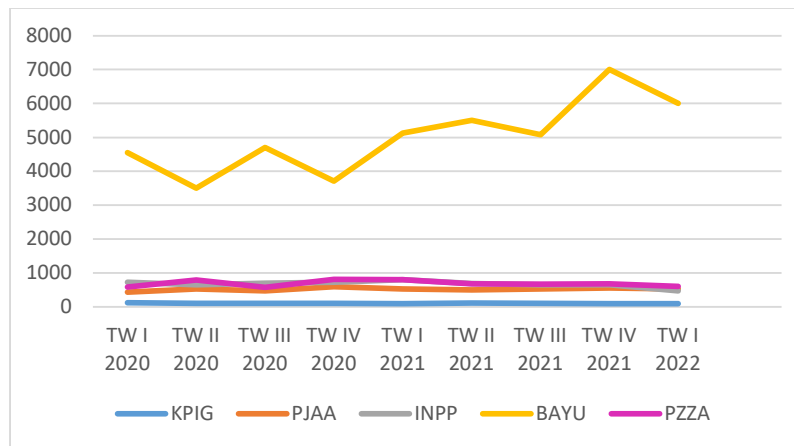


Figure 1. Development of Stock Value of 5 Sub-Sector Companies Restaurants, Hotels and Tourism on the Indonesia Stock Exchange

Source : www.idx.co.id (Data Processed by the Author, 2023)

Based on the data in Figure 1, it shows that the value of shares of companies in the Restaurant, Hotel and Tourism Sub-Sector on the Indonesia Stock Exchange every year has changed during the period from the first quarter of 2020 to the first quarter of 2022. Companies with codes KPIG, PJAA, INPP, PTSP and PZZA experienced fluctuations in increase and decrease during the first quarter of 2020 to the first quarter of 2022.

The Covid-19 pandemic has made the Restaurant, Hotel and Tourism Sub-Sector on the Indonesia Stock Exchange unstable and it is necessary to analyze what factors affect the stock value of companies in the Restaurant, Hotel and Tourism Sub-Sector companies since the announcement of the first Covid-19 case in Indonesia. The company's value analysis uses the rupiah exchange rate, inflation and interest rates as well as an analysis of the company's own financial performance factors. The Covid-19 pandemic has made the Restaurant, Hotel and Tourism Sub-Sector on the Indonesia Stock Exchange unstable and it is necessary to analyze what factors affect the stock value of companies in the Restaurant, Hotel and Tourism Sub-Sector companies since the announcement of the first Covid-19 case in Indonesia. The company's value analysis uses the rupiah exchange rate, inflation and interest rates as well as an analysis of the company's own financial performance factors. The financial ratios used to measure financial performance in this study are *Return On Equity* (ROE), *Earning per Share* (EPS) and *Debt to Equity Ratio* (DER).

Table 1. Financial Ratios of 5 Companies Restaurant, Hotel and Tourism Sub-Sectors on the Indonesia Stock Exchange

No.	Company Name	Year	ROE (X1)	EPS (X2)	DER (X3)
1	PT. MNC Land Tbk. (KPIG)	TW I 2020	-0,66%	-1,86%	0,27%
		TW II 2020	0,79%	2,25%	0,27%
		TW III 2020	1,09%	3,08%	0,27%
		TW IV 2020	1,35%	3,85%	0,27%
		TW I 2021	-0,49%	-1,40%	0,27%
		TW II 2021	0,71%	2,13%	0,27%
		TW III 2021	0,42%	1,26%	0,27%
		TW IV 2021	0,81%	2,43%	0,27%
2	PT. Pembangunan Ancol Tbk. (PJAA) Jaya	TW I 2020	-1,96%	-25,93%	0,95%
		TW II 2020	-14,77%	-182,97%	1,26%
		TW III 2020	-17,91%	-210,11%	1,24%
		TW IV 2020	-22,56%	-245,52%	1,31%
		TW I 2021	-13,56%	-142,72%	1,66%
		TW II 2021	-11,53%	-118,58%	1,50%
		TW III 2021	-16,61%	-160,68%	1,55%
		TW IV 2021	-18,63%	-171,89%	1,99%
3	PT. Indonesian Paradise Property Tbk. (INPP)	TW I 2020	1,47%	0,83%	0,25%
		TW II 2020	2,04%	11,62%	0,29%
		TW III 2020	1,17%	6,60%	0,27%
		TW IV 2020	-8,30%	-42,80%	0,33%
		TW I 2021	-0,72%	-3,66%	0,33%
		TW II 2021	-0,20%	-1,04%	0,36%
		TW III 2021	-0,85%	-4,32%	0,50%
		TW IV 2021	-0,09%	-0,46%	0,53%
4	PT. Bayu BuanaTbk. (BAYU)	TW I 2020	2,33%	28,77%	0,72%
		TW II 2020	-3,47%	-39,88%	0,82%
		TW III 2020	-4,24%	-48,72%	0,77%
		TW IV 2020	0,43%	4,77%	0,75%
		TW I 2021	-6,49%	-76,24%	0,70%
		TW II 2021	-5,27%	-62,49%	0,69%
		TW III 2021	-5,55%	-58,71%	0,73%
		TW IV 2021	0,11%	1,46%	0,62%
5	PT. Sarimelati Kencana Tbk. (PZZA)	TW I 2022	0,98%	12,08%	0,74%
		TW I 2020	1,79%	8,00%	0,76%
		TW II 2020	1,67%	6,93%	0,88%
		TW III 2020	-0,93%	-3,81%	0,83%
		TW IV 2020	-8,13%	-30,95%	0,94%
		TW I 2021	1,67%	6,45%	0,81%
		TW II 2021	5,61%	20,86%	0,85%
TW III 2021	1,61%	5,87%	0,92%		

No.	Company Name	Year	ROE (X1)	EPS (X2)	DER (X3)
		TW IV 2021	5,21%	20,11%	0,90%
		TW I 2022	0,80%	3,10%	0,92%

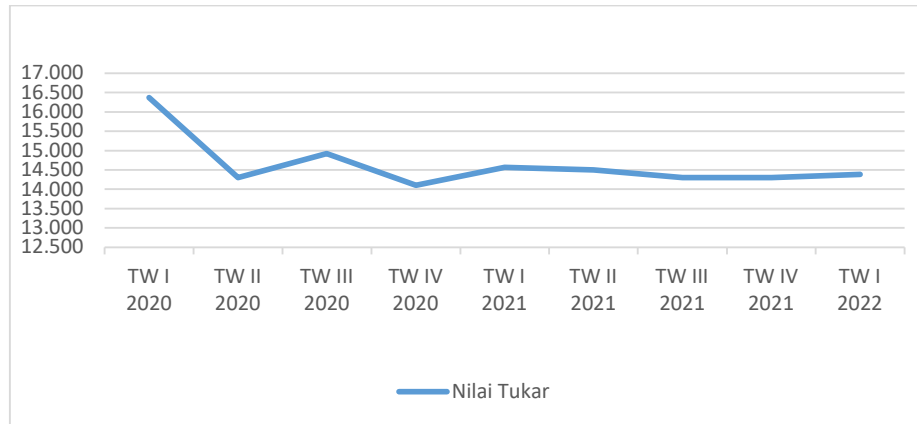


Figure 2. Rupiah Exchange Rate Data for the Period of the First Quarter of 2020 – First Quarter of 2022 (in rupiah)

Source : www.bi.go.id (Data Processed by the Author, 2023)

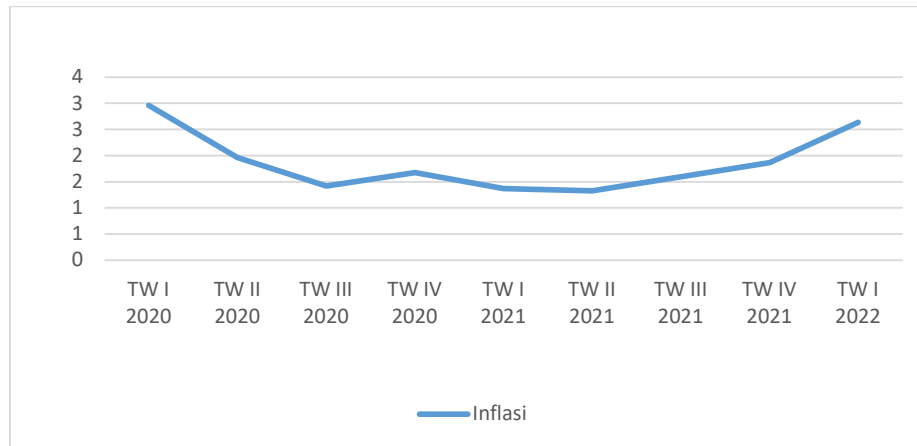


Figure 3. Inflation Development Data in Indonesia Period Quarter I Year 2020 – Quarter I Year 2022 (in rupiah)

Source : www.bi.go.id (Data Processed by the Author, 2023)

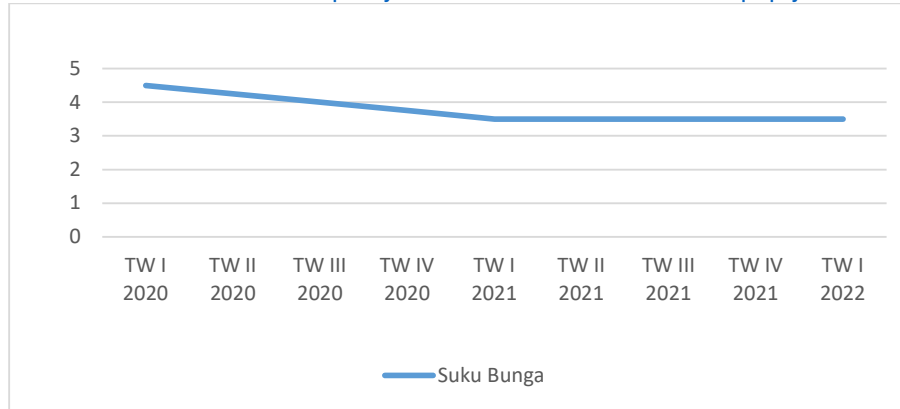


Figure 4. Development of Bank Indonesia's Benchmark Interest Rate Period Quarter I Year 2020 – Quarter I Year 2022 (in rupiah)

Source: www.bi.go.id (Data Processed by the Author, 2023)

Based on the description of the phenomenon above, the researcher is interested in conducting a study entitled "The Influence of Financial and Macroeconomic Performance on Stock Value in Companies in the Restaurant, Hotel and Tourism Sub-Sector Companies Listed on the IDX During the Covid-19 Pandemic".

2. Theoretical Basis

A. Financial Performance

According to (Sucipto, 2018), financial performance is the determination of certain measures that can measure the success of an organization or company in generating profits. Financial performance measurement is used by companies to make improvements on their operational activities in order to compete with other companies. Financial performance can be measured using a common method, namely ratio analysis.

1. Return on Equity (ROE)

According to (Kasmir, 2019) *Return on Equity* or the profitability of own capital is a ratio to measure net profit after tax with own capital. This ratio shows the efficiency of using own capital. The higher this ratio, the better. This means that the position of the company owner is getting stronger, and vice versa.

2. Earning Per Share (EPS)

According to (Darmadji & Faksruddin, 2012) explained that *Earning per Share* (EPS) is a type of financial ratio where this ratio shows the share of profit for each outstanding share. Based on the above understanding, it can be concluded that Earning per Share (EPS) is a ratio to measure the revenue received from each share. If the ratio obtained is low, it means that the company does not produce good performance by paying attention to revenue. Low revenue due to non-current or high-cost sales.

3. Debt to Equity Ratio (DER)

According to (Sukamulja, 2017), the Debt to Equity Ratio is a measure of the percentage of liabilities in a company's capital structure. This ratio is important to measure the company's business ratio that is increasing with the increase in the number of liabilities. The higher the value of a company's Debt to Equity Ratio (DER), it indicates that the company is using debt for business capital. Likewise, the smaller the value of the Debt to Equity Ratio (DER), the smaller the company's use of debt.

B. Macroeconomics

Economics is a part of economics that specializes in studying the working mechanism of the economy as a whole. Macroeconomics focuses on economic policies and behaviors that can influence investment and consumption levels, a country's trade and payment balance, fiscal and monetary policies, the amount of money in circulation, interest rates and the amount of government debt as well as important factors that can affect changes in prices and wages. (Samsul, 2015) Macroeconomic factors that affect stock performance are: general interest rates, inflation, taxation, government policies, foreign exchange rates, foreign interest rates, international economy, and economic cycles.

1. Inflation

According to (Tandelilin, 2017), inflation is a tendency to increase overall product prices. An increase in the price of just one or two goods cannot be called inflation unless the increase extends or results in an increase in other goods. Inflation will cause an increase in corporate interest rates, which will ultimately also cause corporate debt to third parties in the form of interest expenses to increase.

2. Exchange rate

According to (Nofiatin, 2013), the exchange rate or exchange rate can be said to be the amount of local currency needed to make purchases in foreign exchange units. From the explanation above, it can be concluded that the exchange rate is said to be the price at one type of exchange rate that is valued with another exchange rate and shows how much rupiah is the value needed to get 1 USD.

3. Interest

According to (Fitriani & Darmawi, 2022), interest rates are the price that must be paid by borrowers to obtain funds from lenders for a certain period of time. Therefore, interest rates are the annual interest payments of a loan, in the form of a percentage of the loan obtained from the amount of interest received each year divided by the amount of the loan.

C. Share Value

According to (Darmadji & Faksruddin, 2012) defines stock price as the price that occurs on the stock exchange at a certain time. It can be concluded that the stock price is the price that has been set to a company for other parties who want to have share ownership rights, where the value always changes at any time and the value of the stock price is influenced by the demand and supply that occurs between the seller and the buyer of the stock.

D. Covid-19 Pandemic

The Corona Virus or better known as Covid-19 is a group of viruses that can cause disease in animals and humans. This virus is known to cause infections in the human respiratory tract, ranging from coughs, colds to more serious respiratory infections and is known to have a high rate of transmission and spread. This virus was first discovered precisely in the city of Wuhan, China and quickly spread to several countries in the world including Indonesia. It started with a case of *pneumonia* in Wuhan, China. *Pneumonia* itself is a wet lung disease that results in inflammation of the air sacs in one or both lungs. Covid-19 was found to infect wild animals that are suspected to be bats and snakes that have been transmitted to humans, then the spread is transmitted from humans who have been infected with Covid-19 to humans, infected through saliva and close contact with those infected with Covid-19 (WHO, 2020).

4. Research Methods

This study uses a quantitative method and was conducted on 26 company samples from 35 companies in the Restaurant, Hotel and Tourism Sub-Sector listed on the Indonesia Stock Exchange during the Covid-19 pandemic from the first quarter of 2020 to the first quarter of

2022. This study uses secondary data obtained from the official *website* of the Indonesia Stock Exchange, annual reports from the official websites of each company, Bank Indonesia and Yahoo Finance with analysis techniques or panel data regression methods carried out using the Eviews 9.0 application.

Panel data regression is a special analysis method for *time series* data or time periodic data that is used to find the magnitude of the influence of variable x on y both simultaneously and partially and how it is affected. The data regeresi panel has three models, namely *the Common Effect Model (CEM)*, *the Fixed Effect Model (FEM)*, and *the Random Effect Model (REM)*.

5. Results And Discussion

RESULT

A. Panel Regression Model Selection

The results of the Chow test on the *Fixed Effect Model (FEM)*, the Hausman test on the *Random Effect Model (REM)*, and the Lagrange Multiplier test on the *Common Effect Model (CEM)* can be seen in the following table:

Table 2. Results of the Chow Test, Hausman Test, and Lagrange Multiplier Test

Chow Test			
Effects Test	Statistics	D.F.	Prob.
Cross-section F	77.700260	(25,202)	0.0000
Cross-section Chi-square	552.800906	25	0.0000
Hausman Test			
Test Summary	Chi-Sq. Statistics	Chi-Sq. D.F.	Prob.
Cross-section random	0.000000	6	1.0000
Lagrange Multiplier Test			
	Cross-section	Time	Both
Breusch-Pagan	513.2778	4.387352	517.6651
	(0.0000)	(0.0362)	(0.0000)

The results of the Chow test show a *Probability Cross-section Chi-square* value of 0.0000 which means $H_1 (< 0.05)$, then the model chosen is *the Fixed Effect Model (FEM)*.

The results of the Hausman test showed a *Probability Cross-section random* value of 1.0000 which means $H_0 (> 0.05)$, so the model chosen was the *Random Effect Model (REM)*.

The results of *the Lagrange Multiplier* test show a *Breusch-Pagan Cross-section Probability* of 0.0000 which means $H_1 (< 0.05)$, then the model chosen is the *Random Effect Model (REM)*.

Based on the results of the Chow test, Hausman test, and *Lagrange Multiplier* test, 2 out of 3 tests recommend the most appropriate model is *the Random Effect Model (REM)*, so in this study the model chosen is *the Random Effect Model (REM)*.

B. Panel Data Regression Analysis

Table 2. Panel Regression Analysis with *Random Effect Model (REM)*

Variable	Coefficient	Std. Error
C	661,7656	702,0495

Variable	Coefficient	Std. Error
X1 ROE	1,825399	1,175574
X2 EPS	2,775982	0,774758
X3 DER	-9,370345	15,74184
X4 INF	24,49311	47,81897
X5 NT	-0,022520	0,061213
X6 SB	103,0382	94,02722

The regression results of the panel with *the Random Effect Model* (REM) show that:

1. *Return on equity* has a positive influence with a *coefficient* value of 1.825399 (positive value).
2. *Earnings per share* has a positive influence with a *coefficient* value of 2.775982 (positive value).
3. Debt to equity ratio has a negative influence with a *coefficient* value of -9.370345 (negative value).
4. Inflation has a positive influence with a *coefficient* value of 24.49311 (positive value).
5. The exchange rate has a negative influence with a *coefficient* value of -0.022520 (negative value).
6. Interest rates have a positive influence with a *coefficient* value of 103.0382 (positive value).

C. Hypothesis Test

1. Test t (partial)

Table 3. Test Results t (Partial)

Variable	t-Statistic	Prob.
C	0,942620	0,3469
X1 ROE	1,552773	0,1219
X2 EPS	3,583032	0,0004
X3 DER	-0,595251	0,5523
X4 INF	0,512205	0,6090
X5 NT	-0,367889	0,7133
X6 SB	1,095834	0,2743

With a data sample of 234 data (26 companies x 9 data) and the number of variables as many as 7 variables, the value of $df = n - k = 234 - 7 = 227$ so that the *t*-table value is 1,970.

The results of the *t*-test (partial) show that only *the earnings per share* variable has a *probability value* of < 0.05 , which is 0.0004 while other variables have a *probability* value of > 0.05 . In addition, only *the earnings per share* variable has a *t*-statistical value $>$ *t*-table, which is $3.583032 > 1.970$ while other variables have *t*-statistical values $<$ *t*-table.

Therefore, only partially earnings per share have a significant influence on the value of shares in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic.

2. Test F (Simultaneous)

Table 4. Test Result F (Simultaneous)

Weighted Statistics			
F-statistic	3,730367	Durbin-Watson stat	0,911897

Prob(F-statistic)	0,001471
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With a data sample of 234 data (26 companies x 9 data) and 6 independent variables and 1 bound variable, the value of $df_1 = 6$ and $df_2 = n - k = 234 - 7 = 227$ so that the value of F_{table} is 2.139.

The results of the F (Simultaneous) test showed a Prob(F-statistic) value of < 0.05 , which was 0.001471 and had an F-statistic value $> F_{table}$, which was $3.730367 > 2.139$. Therefore, it can be concluded that *return on equity*, *earnings per share*, *debt to equity ratio*, inflation, exchange rate, and interest rates simultaneously have a positive and significant effect on the value of shares in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic.

D. Determination Test

Table 5. Determination Test Results

Weighted Statistics			
R-squared	0,089751	Mean dependent var	75,94810
Adjusted R-squared	0,065691	S.D. dependent var	342,1983

The results of the determination test showed an R-squared value of 0.089751 which indicated that *return on equity*, *earnings per share*, *debt to equity ratio*, inflation, exchange rate, and interest rate only contributed 8.97% in the formation of stock value in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic while the remaining 91.03% was caused by other factors that were not studied in the research model Ini.

The resulting R value is 0.299 (the root of R-squared) which indicates that the relationship between *return on equity*, *earnings per share*, *debt to equity ratio*, inflation, exchange rate, and interest rates to the value of shares in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic is not close because the R value is in the range of 0.200 – 0.399.

7. DISCUSSION

A. The Effect of Return on Equity on Stock Value

The results of the study show that *return on equity* partially has a positive but not significant effect on the value of shares in Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study contradict the H1 hypothesis so that the H1 hypothesis is rejected, not proven to be true, and unacceptable. The results of this study contradict the results of research conducted by Andriani et al (2023) and Udharie et al (2024) which show that *return on equity* partially has a significant effect on the value of shares. However, the results of this study are in line with research conducted by Aprilliani et al (2024) which shows that *return on equity* has no effect on stock value.

Return on Equity (ROE) measures a company's ability to generate profits from shareholder equity, reflecting management's efficiency in managing capital. During the Covid-19 pandemic, the restaurant, hotel, and tourism sectors on the IDX experienced a drastic decline in demand and revenue due to travel restrictions and lockdowns. Although some companies have managed to maintain or increase ROE by implementing cost efficiencies, restructuring, or service innovation, their positive impact on stock value remains limited.

The main reason for this positive but insignificant influence is high economic uncertainty and a gloomy industry outlook during the pandemic. Investors tend to be more cautious and focus on factors such as liquidity, financial resilience, and long-term survival strategies rather than just looking at short-term profitability. Negative market sentiment and concerns about the sector's recovery have caused stock values to not fully reflect improvements in ROE, making their impact on stock prices less significant.

B. Effect of *Earnings per Share* on Stock Value

The results of the study show that *earnings per share* partially have a positive and significant effect on the value of shares in Companies in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study are in line with the H2 hypothesis so that the H2 hypothesis is proven to be correct and acceptable. The results of this study are in line with the results of research conducted by Mayasari et al (2024) and Jeynes et al (2024) which show that *earnings per share* partially have a significant effect on the value of shares.

Earnings per Share (EPS) is an important indicator that shows the net profit generated per share that gives an idea of a company's profitability. During the Covid-19 pandemic, the restaurant, hotel, and tourism sectors on the IDX experienced major challenges, but some companies managed to maintain or even increase EPS through efficiency measures, service diversification, and business adaptation.

The positive and significant influence of EPS on the value of stocks in this sector during the pandemic can be explained through several factors. First, a high EPS indicates the company's ability to remain profitable despite difficult economic conditions, giving investors confidence regarding resilience and effective management. Second, companies with stable or increased EPS are often considered more attractive to investors, as they are looking for investment opportunities that can provide better returns in the future. Third, an increase in EPS can boost market optimism and improve investor sentiment, which is much needed during times of crisis. This led to an increase in demand for the company's shares, so that the value of its shares increased significantly. Thus, EPS became the main indicator that positively affected investor perception and stock value during the pandemic.

C. Effect of *Debt to Equity Ratio* on Stock Value

The results of the study show that the *debt to equity ratio* partially has a negative but not significant effect on the stock value of companies in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study contradict the H3 hypothesis so that the H3 hypothesis is rejected, not proven to be true, and unacceptable. The results of this study are contrary to the results of research conducted by Jeynes et al (2024) and Veronica et al (2024) which show that the *debt to equity ratio* partially has a significant effect on the value of shares. However, the results of this study are in line with research conducted by Andriani et al (2023) which shows that the *debt to equity ratio* has no effect on the value of shares.

Debt to Equity Ratio (DER) is a ratio that measures the proportion of a company's debt to shareholder equity, reflecting the company's capital structure and financial risk. During the Covid-19 pandemic, the restaurant, hotel, and tourism sectors on the IDX faced a sharp decline in revenue, making debt management even more important.

The negative but insignificant influence of DER on stock values in this sector during the pandemic can be explained as follows: First, a high DER ratio indicates that the company has a large debt burden relative to its equity, increasing the risk of bankruptcy especially in an unstable economic situation. However, its negative impact on the value of stocks may not be

significant as investors focus more on short-term liquidity and the company's survival measures during the crisis. Second, during the pandemic, governments and financial institutions provided various assistance and debt restructuring, reducing investors' concerns about short-term debt risks. Third, the sector as a whole is considered to have post-pandemic recovery potential, so investors may be more tolerant of high DER ratios during this period. Therefore, while a high DER has the potential to have a negative impact, its effect on the value of the stock is not significant due to these mitigating factors.

D. Effect of Inflation on Stock Value

The results of the study show that inflation partially has a positive but not significant effect on the stock value of companies in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study contradict the H4 hypothesis so that the H4 hypothesis is rejected, not proven to be true, and unacceptable. The results of this study are contrary to the results of research conducted by Zenabia & Pratiwi (2024) and Hasnawi et al (2023) which show that inflation partially has a significant effect on stock values. However, the results of this study are in line with research conducted by Rahmadani et al (2023) which shows that inflation partially has no effect on stock values.

Inflation measures the increase in the price of goods and services over time, which can affect operational costs and consumer purchasing power. During the Covid-19 pandemic, the restaurant, hotel, and tourism sectors on the IDX experienced a significant decline in demand. However, inflation can have a positive but not significant effect on the value of stocks in this sector. The positive influence occurs because moderate inflation can indicate economic growth and increase people's purchasing power. As the economy begins to recover, demand for restaurant, hotel, and tourism services also increases, boosting corporate revenues in the sector. In addition, companies can adjust prices to offset rising costs, thus maintaining profit margins.

However, the impact was not significant because during the pandemic, high economic uncertainty and mobility restrictions still limited business and travel activities. Investors are more focused on the long-term recovery and resilience of companies, so moderate inflation is not strong enough to significantly increase stock values in this still challenging situation.

E. Effect of Exchange Rate on Stock Value

The results of the study show that the exchange rate partially has a negative but not significant effect on the value of shares in Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study contradict the H5 hypothesis so that the H5 hypothesis is rejected, not proven to be true, and unacceptable. The results of this study contradict the results of research conducted by Ginting (2024) and Fellicia et al (2023) which show that the exchange rate partially has a significant effect on the value of stocks. However, the results of this study are in line with research conducted by Agustin et al (2023) which shows that the exchange rate partially has no effect on the value of stocks.

The rupiah exchange rate against the USD had a negative effect on the stock value of companies in the restaurant, hotel, and tourism sub-sectors on the IDX during the Covid-19 pandemic because exchange rate fluctuations affected operational costs, especially those that depend on imports. When the rupiah weakens against the USD, the cost of importing raw materials and equipment increases, which can reduce the company's profit margins.

However, this negative influence is not significant due to several mitigating factors. First, many companies in this sector rely on local resources, so the direct impact of exchange rate fluctuations on their operating costs is limited. Second, during the pandemic, domestic and international demand declined drastically, making exchange rate fluctuations a secondary

factor compared to the overall decline in demand. Third, investors focus more on factors such as the company's viability, operational efficiency, and long-term recovery prospects rather than just looking at exchange rates. Therefore, although the weakening of the rupiah against the USD has a negative impact, its effect on the value of stocks is not significant due to these factors.

F. Effect of Interest Rates on Stock Value

The results of the study show that interest rates partially have a positive but not significant effect on the stock value of companies in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study contradict the H6 hypothesis so that the H6 hypothesis is rejected, not proven to be true, and unacceptable. The results of this study contradict the results of research conducted by Nurisnaini et al (2023) and Sulo et al (2024) which show that interest rates partially have a significant effect on stock values. However, the results of this study are in line with research conducted by Agustin et al (2023) which shows that interest rates partially have no effect on stock values.

Interest rates have a positive but insignificant influence on the stock value of companies in the restaurant, hotel, and tourism sub-sectors on the IDX during the Covid-19 pandemic. The interest rate cuts during the pandemic are designed to boost economic recovery by making borrowing costs cheaper, which should help companies manage debt and fund their operations more efficiently. The positive influence is seen as lower interest rates can reduce the debt interest burden and increase companies' cash flow, allowing them to survive better during times of crisis. Additionally, low interest rates can encourage consumers to increase spending, which benefits the restaurant, hotel, and tourism sectors.

However, this influence was not significant because during the pandemic, the main factors affecting the performance of the sector were travel restrictions, declining demand, and high economic uncertainty. Although low interest rates provide little relief, the structural and operational challenges facing the sector make the positive impact of interest rates on stock values less significant. Investors are more focused on demand recovery and long-term operational adaptation than short-term interest rate changes.

G. Effect of Return on Equity, Earnings per Share, Debt to Equity Ratio, Inflation, Exchange Rate, and Interest Rate on Stock Value

The results of the study show that *return on equity*, *earnings per share*, *debt to equity ratio*, inflation, exchange rate, and interest rates simultaneously have a positive and significant effect on the value of shares in Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic. The results of this study are in line with the H7 hypothesis so that the H7 hypothesis is proven to be correct and acceptable.

Simultaneously, *Return on Equity* (ROE), *Earnings per Share* (EPS), *Debt to Equity Ratio* (DER), inflation, exchange rates, and interest rates were able to have a positive and significant effect on the stock value of companies in the restaurant, hotel, and tourism sub-sectors listed on the IDX during the Covid-19 pandemic. The combination of these factors provides a comprehensive picture of a company's performance and financial prospects, which is more powerful than a partial analysis.

Earnings per Share (EPS) indicates profitability per share, being an attractive factor for investors because it provides a direct indication of the potential profit of their investment. During the pandemic, companies that managed to maintain or increase EPS demonstrated the ability to survive and adapt, increasing investor confidence.

Return on Equity (ROE) measures the efficiency of management in using shareholder capital to generate profits. While individually ROE may not be significant, in the context of the whole, it adds to investors' confidence in management's ability to optimize existing capital.

The Debt to Equity Ratio (DER) indicates a company's financial structure, reflecting how much the company relies on debt for its operations. While the high DER could be cause for concern, in combination with other factors such as low interest rates, investors can see it as a strategy to take advantage of cheap borrowing costs during the pandemic.

Inflation and exchange rates affect operating costs and revenue. Moderate inflation can indicate economic growth, while exchange rate stability reduces the uncertainty of import costs. Low interest rates, on the other hand, reduce debt costs and increase the company's cash flow, providing room for companies to operate more flexibly.

Simultaneously, these factors create an environment that supports recovery and growth. Investors see a combination of profitability (EPS), efficiency (ROE), debt management (DER), and economic conditions (inflation, exchange rate, interest rates) as signs that the company is able to survive and adapt in times of crisis. Therefore, although only partially significant EPS, together, they strengthen investor confidence and significantly increase the value of the stock.

6. CONCLUSION

Of the 6 independent variables used, partially only *earnings per share* have a positive and significant effect on the value of shares in the Restaurant, Hotel, and Tourism Sub-Sector Companies Listed on the IDX during the Covid-19 Pandemic, while the variables *return on equity*, *debt to equity ratio*, Inflation, exchange rates, and interest rates have no significant effect. Companies and investors are advised to focus on improving and in-depth analysis of *Earnings Per Share* (EPS), given that this variable has been proven to significantly affect the value of shares. Optimizing the company's profitability can increase investor confidence and support stock value growth during and after the pandemic.

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