ICFBE 2024

The 8th International Conference on Family Business and Entrepreneurship

Financial Performance, Abnormal Return, And External Factor On The Share Price Of Service Companies Before And After The Acquisition At IDX

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ABSTRACT

The COVID-19 pandemic is a new challenge for all levels of society worldwide, especially for business owners whose businesses are affected by government policies to suppress the spread of COVID-19. Therefore, expanding is one of the company's strategies for maintaining its business amid these critical conditions. In this study, there are two objectives where the first topic aims to find out whether there is a difference in financial performance and abnormal returns before and after the company acquires, and the second objective is to find out whether there is an effect of financial performance, inflation, and interest rates on the company's stock price. The results of this study on the first topic show that CR, ROA, ROE, TATO, DER, and Abnormal Return do not have significant differences before and after the company acquires. The results of the study on the second topic show that CR, ROA, ROE, and inflation have a significant positive effect on changes in the company's stock price. In contrast, TATO, DER, and interest rates significantly negatively affect changes in the company's stock price.

Keywords: *COVID-19, Financial Performance, Inflation, Interest Rate,*

1. Introduction

The COVID-19 pandemic is a new challenge for all levels of society throughout the world; this is because COVID-19 is a new type of virus that can cause infectious disease and death. Therefore, many governments worldwide have issued new policies that aim to break the chain of the spread of the coronavirus, which is spreading every day and infecting society on a massive scale. A new form of policy from several governments worldwide is implementing mandatory COVID-19 vaccination for all levels of society and self-isolation for all people who have not or have been infected with the coronavirus. The policy of self-isolation, or in Indonesia what we call large-scale social distance (PSBB), certainly impacts social change and economic decline in society (Khoiri & Isnaini, 2022). The effect of social change and economic decline in society is caused by a recession, which forces consumers to save money and reduce spending (Genoveva et al., 2021). Before COVID-19 spread throughout Indonesia in 2018, economic growth was recorded at 5.17%, which then experienced a slight decline to 5.02% in 2019 and then experienced a significant decrease to reach -2.07% in 2020 (Bps.go.id, 2021). This long-term, sustainable impact is not only felt by the community but also by business owners. Therefore, many companies are experiencing a decline in their company value. In running its business, the company also considers survival strategies even in crucial conditions. Therefore, every decision a company makes will determine its future fate, so companies must think carefully about their decisions to maximize profits and maintain their business. One decision that companies can make to keep their business is to expand.

Expansion is a strategic endeavor undertaken by a firm to foster growth and ensure its continued presence in the market. In general, expansion activities are divided into internal and external categories. Internal expansion can involve adding new products and services and seeking new target markets. Meanwhile, external expansion is carried out by merging businesses or taking over existing companies (Husna & Irawati, 2024). In the process of merger and acquisition activities, there are several considerations that

companies need to pay attention to, such as the selection of the company to be taken over, the company's financial condition, and the risks after the company carries out merger and acquisition activities for the company to be taken over. The decision of a firm to engage in mergers and acquisitions substantially influences the state and performance of the company. This is because mergers and acquisitions have risks, especially in financial performance. For example, a company pays attention to risk factors such as inflation and rising interest rates. Therefore, in this case, both the state of the company and the company's financial performance will be enhanced, so the profits generated will also be better, thus strengthening the company's financial position. On the other hand, there will be a decline if you ignore risk factors before carrying out merger and acquisition activities. To evaluate and mitigate risks associated with company mergers and acquisitions, it is advisable to examine the financial performance in terms of liquidity, as indicated by the current ratio, profitability ratios such as return on assets and return on equity, activity ratio represented by total assets turnover, solvency ratio indicated by debt to equity ratio, and market performance gauged by abnormal return, inflation rate, and interest rates determined by the Central Bank of Indonesia, Bank Indonesia. The researchers in this study were interested in analyzing whether there were differences in the company's financial performance and abnormal returns before and after the acquisition and whether there was an influence of the company's financial performance and external factors on the company's share price.

2. Literature Review

2.1 Definition of Acquisition

In Latin, "Acquisition," or what we usually call acquisition, often known as the process of assuming ownership or control, involves obtaining a company's assets. In contrast to a merger where one of the company entities will be absorbed or merged, the company that will be taken over will still have a separate legal entity in an acquisition. This is stated in government regulation No. 27 of 1998, which States that the takeover of a limited company defines that an acquisition is a legal act legally carried out by an individual legal entity to take over all or most of the shares of the company entity to be acquired and result in the transfer control over the corporate entity. In running a business, mergers and acquisitions are fundamental aspects of corporate strategy, and they have various reasons, motives, and goals (Hsu et al., 2017). According to Moin (2004), economics is the most substantial reason companies carry out M&A. Companies that carry out M&A hope that the results of the business combination have a value greater than the total independent value of the merging companies. Meanwhile, Gupta et al. (2021) stated that companies carry out M&A because the aim is to increase synergy and effectiveness and exploit mispricing in the capital market. 13 Based on this background, M&A will make it easier for companies to face competition and challenges from other companies in the same and different industrial sectors. However, behind all these conveniences, after M&A, the company will be faced with increasing cash flow due to the presence of external products. M&A can also minimize business failure due to the ease with which the company can find funds after mergers and acquisitions because the market share has doubled (Normalita, 2018).

2.2 Previous Research

The liquidity ratio is an essential variable because of its ability to assess the overall financial condition of a company when facing its direct obligations. In mergers and acquisitions, the liquidity ratio variable can also help assess the potential liquidity risk arising from merger and acquisition activities. Therefore, it is vital to ensure that the company acquired or merged has sufficient liquidity to maintain the continuity of its operations. Therefore, the current ratio is usually used as a benchmark for a company's liquidity ratio. Research conducted by Ramadhani & Yudiantoro (2024) using the Wilcoxon Signed Ranked Test showed that the Current Ratio did not show any significant difference. This finding aligns with research conducted by Tamahiwu et al. (2023), which showed that CR did not show a significant difference in the research period used, namely two years before and two years after M&A. In addition, several studies examine the effect of the current ratio on the company's stock price. According to the results of research conducted by Suhar et al. (2023), the current ratio has a significant positive effect on stock prices. Meanwhile, according

to Khasanah et al. (2021), the results of a study conducted on 48 companies as research samples showed that the Current Ratio has an uncertain effect on stock prices.

Company profitability analysis is one of the essential aspects of viewing a company's financial performance. ROA and ROE are the primary metrics to assess a company's profitability (Gea & Johan, 2021). ROA is a metric that can be used to analyze the financial performance of multinational companies, especially regarding profitability and investment potential (Purwanto & Ivania Larasati, 2022). Meanwhile, ROE measures the rate of return obtained by the company's shareholders from their investments. Based on previous research by Husna and Irawati (2024), telecommunications companies showed that ROA and ROE had significant differences before and after M&A. Meanwhile, research by Ramadhani and Yudiantoro (2024) found that ROA and ROE did not show significant differences. On the other hand, several studies examine the effect of ROA and ROE on a company's stock price. According to Khasanah et al. (2021), a clear correlation exists between ROA and ROE on stock prices.

Kumalasari (2019) defines the activity ratio as a metric that comprehensively assesses how efficiently and successfully a company utilizes and maintains its assets. In this study, researchers use total asset turnover as a benchmark for all asset turnover. In addition, overall, TATO can help in assessing business performance. Companies with high TATO tend to be more efficient in generating revenue. Therefore, total asset turnover is often used to measure the activity ratio in financial performance (Veronika et al., 2022). In a study conducted by Husna & Irawati (2024), the results of their study using the Wilcoxon Signed Rank test showed that the TATO ratio had a difference in financial performance before and after M&A. while in a study conducted by Ramadhani & Yudiantoro (2024) with the Wilcoxon Signed Rank test showed that the two-year study period before and two years after M&A did not show any significant difference. This is reinforced by research conducted by Tamahiwu et al. (2023), who used the Wilcoxon Test to show no significant difference between before and after M&A. In addition, several previous studies discuss the effect of TATO on the company's stock price. According to Khasanah et al. (2021), the study shows that Total Assets Turnover does not affect stock prices. Meanwhile, another study conducted by Wardana & Fikri (2019) showed a positive but insignificant effect on the company's stock price.

Rahayu (2019), The solvency ratio provides an overview of the company's capacity to meet its long-term commitments. Assuming the company's ability to meet its long-term obligations on time indicates that the company has good solvency. Therefore, the debt-to-equity ratio will be a benchmark to provide an overview of the company's ability to pay off its debts to third parties with the capital it has. If the DER value is smaller, the risk of bad debts is smaller. The results of the study showed a significant difference in previous research conducted by Ramadhani & Yudiantoro (2024) with a research period of two years before and two years after the merger and acquisition. Meanwhile, research conducted by Tamahiwu et al. (2023) during the same period showed that DER did not show a significant difference. In addition, several previous studies have also discussed the effect of DER on a company's stock price. Research conducted by Khasanah et al. (2021) has a definite influence on stock prices.

Investors hope to get a high return when investing their funds, especially those who invest their funds in the capital market. Before allocating investment funds, investors must know precisely what they are investing in. In the Capital Market, an investor must know how to calculate the return on his shares. For this reason, many previous researchers have discussed differences in abnormal returns in companies that carry out the acquisition. One of the studies that discusses abnormal returns is Mellynia (2023), and the research findings indicate disparities in anomalous returns before and after M&A.

Inflation is the persistent increase in the overall prices of goods and services over a specific period. The persistent escalation in the pricing of products and services is not an inexplicable issue but rather a consequence of certain causes, especially the decline in the currency's value due to increased money circulation, which impacts the prices of goods and becomes high. In one of the previous studies by Rachmawati (2018), the research shows that inflation has a negative and significant effect on share prices.

According to Tandelilin (2017), an increase in interest rates can affect share prices, attracting capital investment funds to savings and deposits from investors who previously allocated their funds to company

shares. The interest rate is a monetary phenomenon determined based on demand and supply. Therefore, the research conducted by Rachmawati (2018) indicates that interest rates exert a detrimental impact on share prices. Meanwhile, previous research by Aminuddin and Retnani (2020) shows that interest rates do not influence company share prices. This aligns with research by Pradhana Farrell and Fatimah (2023), where the research results show no influence of interest rates on share prices.

3. Research Method

In this research, the researchers chose to use quantitative research methods. Quantitative research methods rely on positivism and are employed to study populations or samples. These approaches involve gathering data through research measuring tools and analyzing quantitative or statistical data to validate pre-established assumptions. Biologists, psychiatrists, biochemists, sociologists, economists, and marketers often use quantitative research in the social and scientific sciences. This study focuses on companies that make acquisitions and are listed on the Indonesia Stock Exchange (IDX). There are 20 companies recorded as making acquisitions in 2020 - 2022, of which ten companies meet the criteria as research samples. The criteria in question are as follows:

1. Have precise acquisition activity dates during the COVID-19 pandemic
2. Has been part of the roster of companies traded on the Indonesian stock exchange
3. Company engaged in the service sector

The variables examined in this research are financial performance, company market performance, inflation, and interest rates. In measuring financial performance and market performance, ratios such as:

Current Ratio is one of the liquidity ratios used to measure a company's ability to meet its short-term obligations. This ratio provides an overview of how well the company's current assets can cover current liabilities. In addition, there are several important functions of the current ratio in financial analysis, including a decision-making tool where Management can use the current ratio to make strategic decisions related to asset and liability management. This is because the current ratio can indicate larger financial problems, such as difficulties in managing cash flow.

Return on Assets (ROA) is a financial ratio that shows how efficiently a company uses its assets to generate profits. It helps measure management's ability to maximize profits from total assets owned and provides insight into how efficiently a company manages its assets. Therefore, a good ROA can indicate that the company is healthy and can attract investors because it shows its ability to generate profits.

Return on Equity (ROE) is a financial ratio that measures how efficiently a company generates profit from each unit of invested shareholder capital. High ROE indicates that the company is effectively using equity to generate profits. Investors usually desire a high ROE because it indicates good profit potential and a low ROE indicates that the company may not be using its equity efficiently. This could signal that the company needs to improve operations or may face problems hampering profit growth.

Total Asset Turnover (TATO) is a ratio that measures a company's efficiency in using its total assets to generate revenue. TATO shows how much revenue is generated from each unit of assets the company owns. By understanding TATO, investors and management can better understand the company's operational performance and asset utilization strategy.

The debt-to-equity ratio (DER) measures the proportion of a company's debt to shareholders' equity. This ratio provides an overview of the company's capital structure and how much it relies on debt to finance its operations compared to the capital invested by shareholders. Therefore, management can use DER to formulate better financing strategies, determining when to take on new debt and how much it should be.

Abnormal Return is the difference between the actual return earned on an investment and the expected return based on a relevant market model or benchmark. It is often used to evaluate the performance of an

asset or portfolio beyond that predicted by the measured risk. In other words, Abnormal return helps investors assess how well an investment is performing relative to risk expectations.

Inflation is a general increase in the prices of goods and services in an economy over a while. Inflation reduces the purchasing power of money, meaning that with the same amount of money, a person can buy fewer goods or services over time. There are three causes of inflation namely Demand Inflation, which occurs when the demand for goods and services exceeds supply. The second is Cost Inflation, which is caused by increased production costs, such as rising prices of raw materials or wages; the last is Expected Inflation, which occurs when inflation is expected and anticipated by consumers and producers so they adjust prices and wages.

Interest rate is the fee a borrower pays to a lender for using money over a specified period, usually expressed as a percentage of the loan amount. It can also be defined as the return savers or investors receive on the funds they deposit in a bank or financial institution.

Data collection design is the systematic method of gathering and evaluating data from multiple sources to identify and address a specific problem within a research study. Two separate classifications of data were collected: primary data and secondary data. The researcher will use secondary data from official websites, including the Indonesian Stock Exchange and Yahoo Finance, as sample sources. The data used are financial reports, interest rates, and inflation rates taken from 2 years before and after the acquisition.

This research discusses two topics: a comparative study and an analysis of the influence of financial performance and external factors on company share prices. Therefore, parametric and non-parametric tests will be conducted in the first topic based on the findings of prior data normality testing utilizing the Kolmogorov-Smirnov test. Meanwhile, the second topic uses a regression model that contains more than one independent variable. This type of model is known as descriptive statistical analysis, panel data regression, classical assumptions, and multiple regression.

4. Results and Discussion

4.1 Descriptive Statistics

Descriptive statistics is a collection of facts that characterize or sketch the studied subject. It provides broad information on the research variables, such as their lowest, maximum, mean, and standard deviation.
Based on the descriptive statistical analysis results in Table 4.1, most of the data is homogeneous and has a low variability level, making it possible to carry out comparative analysis more accurately. The heterogeneous data that has a high variability level only TATO and A/R

Table 4.1. Descriptive Statistics of Independent and Dependent Variables

Name of Variable	Minimum	Maximum	Mean	Standard Deviation
CR Before	0.336	5.492	2.129	1.694
CR After	0.370	5.266	2.074	1.760
ROA Before	-0.046	0.155	0.034	0.061
ROA After	0.0003	0.137	0.054	0.047
ROE Before	-0.197	0.224	0.071	0.124
ROE After	0.0004	0.185	0.105	0.057
TATO Before	0.040	2.580	0.866	0.944
TATO After	0.079	2.198	0.802	0.857
DER Before	0.173	4.932	1.825	1.791
DER After	0.129	3.158	1.403	1.232
AR Before	-12.86%	62.96%	13.66%	21.63%
AR After	-10.73%	29.58%	6.15%	12.98%
Inflation Before	1.8%	3.11%	2.57%	0.48%
Inflation After	1.8%	3.95%	2.8%	0.91%
Interest Rate Before	3.89%	5.39%	4.82%	0.56%
Interest Rate After	3.61%	4.91%	4.06%	0.39%

Source: Proceed data by Statistical Software

4.2 Comparative Studies

Paired sample T-test analysis is a statistical process used to compare the mean values of two dependent variables. According to the normality test results, data for the current ratio, return on assets, return on equity, and abnormal return follow a normal distribution. To perform a comparison analysis of these activities, the next step is to execute a paired sample T-test. Below are the outcomes of the analysis conducted using paired sample T-test:

Table 4.2 Paired Sample T-test Result

Variable	Asymp. Sig(2-tailed)	α
Current ratio	0.841	0.05
Return on assets	0.174	0.05
Return on equity	0.225	0.05
Abnormal return	0.453	0.05

Source: Proceed data by Statistical Software

Based on the results of the paired sample T-test in Table 4.2, the current ratio variable has a significance value of 0.841 > α (0.05), the return on assets variable has a significance value of 0.174 > α (0.05), the return on equity variable has a significance value 0.225 > α (0.05), and the abnormal return variable has a significance value of 0.453 > α (0.05) where these variables have a greater significance value. It is large, so the decision can be taken that these variables do not have sufficient evidence to reject H0, which means there is no significant difference between the partners in the CR, ROA, ROE, and AR variables before and after the acquisition activity.

The Wilcoxon Signed Rank Test is a non-parametric statistical test employed to assess disparities between two groups or paired data, even when the data does not follow a normal distribution. The normality test results show that the total assets turnover and debt-equity ratio do not follow a normal distribution. Therefore, the subsequent data analysis procedure employed is the Wilcoxon test. Below are the outcomes of the Wilcoxon test conducted on non-normally distributed data:

Table 4.3 Wilcoxon Signed Rank Test

Variable	Asymp. Sig(2-tailed)	α
Total Assets Turnover	0.203	0.05
Debt Equity Ratio	0.114	0.05

Source: Proceed data by Statistical Software

Based on Table 4.3, the Wilcoxon test results show that the total assets turnover (0.203) and debt-equity ratio (0.114) have a significance value of more than 0.05. This indicates that the decision based on the Wilcoxon test results means that all the variables used in the test do not significantly differ before and after the acquisition activity.

4.3 Influence Analysis

In this study, the researchers used a statistical analysis method in the form of panel data regression, where this method has three model characteristics, namely the Common Effect Model (CEM), the Fix Effect Model (FEM), and the Random Effect Model (REM). To select a suitable model for this study, there are several stages, namely:

1. F Statistical Test (Chow Test)

In the Chow test, as shown in Table 4.4, the models to be tested are the Fixed Effect Model and the Common Effect Model. The F statistical value is calculated with degrees of freedom for the numerator and

denominator. If the computed F value exceeds the crucial F value, the fixed effect approach is the appropriate model for doing panel data regression. Alternatively, if the calculated F value is lower than the critical F value, the common effect model is deemed the most optimal.

Table 4.4 Chow Test Result

Effect Test	Statistic	d.f	Prob.
Cross-section F	25.6249	(9,63)	0.0000
Cross-section Chi-Square	123.1332	9	0.0000

Source: Proceed data by Econometric Software

2. Hausman Test

Hausman developed a test to ascertain whether fixed or random effect approaches should be used instead of a common effect. The Hausman test follows a Chi-Squared distribution, with the degrees of freedom equal to the number of independent variables. If the Hausman statistic exceeds the critical value of Chi-Squares, the null hypothesis is rejected, showing that the Fixed Effect model is the proper choice for panel data regression. Alternatively, assume that the Hausman statistic is less than the critical value of Chi-Squares. Therefore, the null hypothesis is supported, suggesting that the Random Effect model is suitable for panel data regression.

Table 4.5 Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	7.2038	7	0.4080

Source: Proceed data by Econometric Software

3. Lagrange Multiplier Test

The Lagrange multiplier test determines whether the random effect model is superior to the common effect model. The LM test employs the Chi-Squared distribution with degrees of freedom (df) equal to the number of independent variables. If the anticipated LM value is greater than the critical value of Chi-Squares, therefore, if the null hypothesis is disproven, it signifies that the random effect model is appropriate for panel data regression, and if the null hypothesis is considered valid, suggesting that the appropriate model for panel data regression is the common effect model.

Table 4.6 Lagrange Multiplier Test Result

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	99.1994	0.9502	100.1497
	(0.0000)	(0.3297)	(0.0000)

Source: Proceed data by Econometric Software

Based on the results of the stages above, the random effect model is the regression model estimation suitable for this study.

4. Normality Test

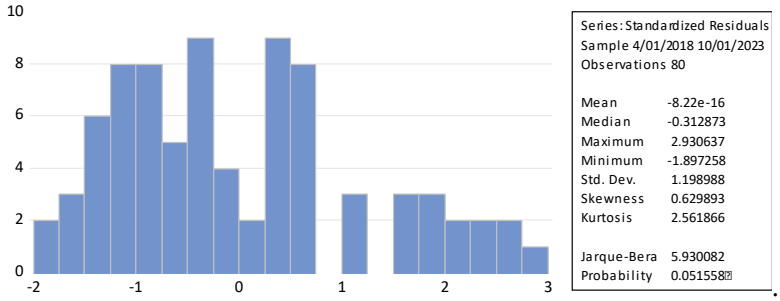

Figure 4.1 Normality Test Result

Source: Proceed data by Econometric Software

Figure 4.1 shows the test results to determine the normalcy level. The calculation of the Jarque-Bera is

0.051558, which is more significant than the threshold of significance of 0.05. There is evidence that the data is evenly distributed and meets the requirements of the normality test.

5. Multiple Regression Analysis

Multiple linear regression analysis is a statistical method for creating models that effectively represent the relationship between dependent and independent variables. This approach necessitates the inclusion of many independent variables with values larger than one.

The findings of the multiple regression analysis, as revealed in Table 4.6, provide valuable insights that can be used to estimate the mean value of the dependent variable in this sample while considering the influence of other factors on the independent variables. According to Ghozali (2016), the coefficient of determination, also called R^2, is a measure that determines how well a model can explain the variance in the measured variables.

Table. 4.7 Multiple Regression Analysis Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	7.0570	0.4444	15.8781	0.0000
CR	0.1021	0.0513	1.9880	0.0506
ROA	1.0510	1.3764	0.7635	0.4476
ROE	0.8305	0.5141	1.6154	0.1106
TATO	-0.0706	0.0817	-0.8642	0.3903
DER	-0.2248	0.0528	-4.2517	0.0001
INFLATION	1.8114	3.5092	0.3366	0.7373
INTEREST RATE	-8.1015	4.6759	-1.7325	0.0875
Effect Specification				
			S.D.	Rho
Cross-section random			1.1953	0.9420
Idio syncretic random			0.2966	0.0580
Weighted Statistics				
R-squared	0.4947	Mean dependent var		0.5804
Adjusted R-squared	0.4456	S.D. dependent var		0.3989
S.E. of regression	0.2970	Sum squared resid		6.3532
F-statistic	10.0729	Durbin-Watson stat		1.1530
Prob(F-statistic)	0.0000			

Source: Proceed data by Econometric Software

6. The Coefficient of Determinant (R^2)

The coefficient of determination, often known as R^2 , R-squared is the measure of the extent to which the independent variable(s) can reliably predict the variance in the dependent variable. The R squared value usually ranges between 0 and 1 (0 R 1). If the R squared value is 1, the regression prediction is correct for the data. The test results in Table 4.7 calculated using EViews 12 show that the R^2 test result is 0.445655 or the equivalent of 44.56%. However, if the researcher wants more accurate and balanced coefficient determination results, it is best to use the modified R^2 result. From the adjusted R^2 results of 0.445655, it can be concluded that 44.56% of share price fluctuations can be linked to the independent variables (CR, ROA, ROE, TATO, DER, Inflation, Interest rate) simultaneously. Thus, it may be inferred that the independent variables account for 44.56% of the variation in the dependent variable. The remaining 55.44% is attributed to other variables not considered in the regression analysis.

7. Simultaneously Test (F-Test)

According to the test results in Table 4.7, the Prob (F-Statistics) value is determined to be 0.000000. This indicates that the result is less than the significance level (<0.05). CR, ROA, ROE, TATO, DER, Inflation, and Interest Rate significantly affect the company's share price.

8. Partial Test (T-test)
Based on Table 4.7, This is a partial test that examines the impact of each independent variable on the dependent variable:
1. Table 4.7 shows that the current ratio variable probability of 0.050 is similar to 0.05. Additionally, the t-statistic is 1.9880. This indicates that the current ratio partially significantly influences the changes in share price
2. Table 4.7 shows that the probability of the return on assets variable is 0.4476, which is greater than 0.05. Additionally, the t-statistic is 0.7635. Consequently, the impact of return on assets on share prices is not substantial.
3. Table 4.7shows that the probability of the return on equity variable is 0.1106, which is greater than 0.05. Additionally, the t-statistic is 1.6154. Return on equity partially does not significantly influence changes in share prices
4. From the data presented in Table 4.7, it can be concluded that the probability associated with the total assets turnover variable is 0.3903, greater than the significance level of 0.05. Additionally, the t-statistic for this variable is -0.8642. Total assets turnover partially has an insignificant impact on share prices.
5. Table 4.6 shows that the probability of the debt-to-equity ratio variable is 0.0001, which is less than 0.05. Additionally, the t-statistic is -4.2517. The debt-to-equity ratio has a substantial impact on share prices.
6. According to the data presented in Table 4.7, the probability of the inflation variable is 0.7373, greater than 0.05. Additionally, the t-statistic is -0.3366. This indicates that inflation partially does not influence significantly share price
7. Table 4.7 reveals that the probability of the interest rate variable is 0.0875, greater than 0.05. Additionally, the t-statistic is -1.7325. This indicates that the interest rate partially does not significantly influence share price.

5. Conclusions

During this research, 13 different variables were used, six of which were used to carry out other tests on company activities, and seven independent variables were used to test the influence of financial performance and external factors on company stock prices. The following are the results of the research after parametric and non-parametric analysis.
1. The current ratio does not differ before and after the acquisition but significantly influences on the share price.
2. Return on assets, return on equity, and Total assets turnover do not have a difference before and after the acquisition, but both do not significantly influence on the share price
3. Debt to equity does not have a difference before and after the acquisition but significantly influences on the share price
5. Abnormal return does not have a difference before and after the acquisition
6. External factors: Inflation and Interest rates do not significantly influence on the share price.
7. Financial Performance (CR, ROA, ROE, TATO, DER) and External factors (Inflation and Interest rate) simultaneously influence on changes in company share prices

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