THE EFFECT OF COMPANY GROWTH, RETURN ON INVESTMENT AND EARNINGS PER SHARE ON SHARE PRICES AT PT. UNILEVER INDONESIA AND PT. FAST FOOD INDONESIA BEFORE AND DURING THE BOYCOTT

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Abstract

The phenomenon of product boycotts associated with support for Israel in the 2023– 2025 period significantly impacted several multinational companies operating in Indonesia, including PT Unilever Indonesia Tbk (UNVR) and PT Fast Food Indonesia Tbk (FAST). This study aims to analyze the impact of the boycott on the financial performance and share prices of these two issuers listed on the Indonesia Stock Exchange (IDX). The research method used a quantitative descriptive approach with secondary data in the form of annual financial reports, official company publications, and share price movements during the periods before, during, and after the boycott issue. The results of the study indicate that the boycott issue had a short- term impact on public perception and investor interest in UNVR and FAST shares. PT Unilever Indonesia Tbk experienced a decline in sales volume in the household and personal care product segment due to changing consumer preferences, while PT Fast Food Indonesia Tbk faced pressure on KFC restaurant sales due to negative sentiment on social media. Nevertheless, both companies showed signs of recovery after implementing public communication strategies, brand image adjustments, and operational efficiency. This suggests that socio-political factors can significantly impact a company's market and financial performance, although the impact is temporary.

Keywords:

Company Growth, Return on Investment (ROI), Earnings Per Share (EPS), Stock Price, Boycott, PT Unilever, PT Fast Food

Introduction

The capital market is an important indicator in assessing a country's economic condition because it serves as a means for investors to invest in various investment instruments, including stocks that reflect a company's performance and value. Internal factors such as company growth, Return on Investment (ROI), and Earnings per Share (EPS) play a significant role in influencing stock price fluctuations. PT Unilever Indonesia Tbk and PT Fast Food Indonesia Tbk, as large companies in the consumer goods and fast food sectors, faced pressure due to the public boycott movement, which was suspected to have an impact on investor perception and the company's financial performance. Therefore, this study aims to analyze the effect of growth, ROI, and EPS on stock prices before and after the boycott. This is expected to provide an understanding of stock price dynamics amidst external pressures and serve as a reference for investors, academics, and management in making appropriate investment decisions (Ridianto, Hati, and Siregar 2024).

Table 1. Share Prices of PT. Kimia Unilever Indonesia Tbk and PT. Fast Food Indonesia Tbk Before and During

No	Code	Company Name	Stock Price			
			Before the Boycott		During the Boycott	
			2021	2022	2023	2024
1	UNVR	PT. Unilever Tbk	4.110	4.700	3.530	1.885
2	FAST	PT. Fast Food Tbk	975	820	740	292

Theoretical Framework

This framework posits that company growth, ROI, and EPS generally have a positive effect on stock prices by signaling strong financial prospects to investors. According to the Efficient Market Hypothesis, stock prices reflect all relevant information, including performance and external events like consumer boycotts. During a boycott, negative sentiment and reputational risks can weaken or even reverse the positive impact of these financial metrics, with market reactions shaped by psychological factors and public perception. Thus, while fundamentals drive prices in normal periods, boycotts can disrupt this effect, depending on their intensity and public response.

Method

This study uses a quantitative approach with descriptive and comparative research. The quantitative approach was chosen because the data used are figures from official financial reports and stock prices on the Indonesia Stock Exchange (IDX). The objective is to analyze the effect of growth, Return on Investment (ROI), and Earnings per Share (EPS) on the stock prices of PT Unilever Indonesia Tbk and PT Fast Food Indonesia Tbk, both before and after the boycott. The

research design is causal- comparative to examine the cause-and-effect relationships between variables and compare the two time periods (Westcott 2016).

The study population comprised consumer goods companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX). Two companies, PT Unilever Indonesia Tbk and PT Fast Food Indonesia Tbk, were selected using purposive sampling based on specific criteria. Secondary data were obtained from the official IDX website in the form of annual financial reports and stock prices for a four-year period (two years before and two years after the boycott).

The variables studied included growth $= \frac{\text{Total Asett} - \text{Total Asett} - 1}{\text{Total Asett} - 1} \times 100\%$

Return on Investment (ROI) $= \frac{\text{Net Profit}}{\text{Total Invesment}}$

Earning Per Share (EPS) $= \frac{Net\ Income}{Number\ of\ Outs}$

And stock prices, measured using the financial formulas for each indicator.
To determine the differences before and after the boycott, a comparative test using the Paired Sample T-Test was used if the data were normally distributed, and the Wilcoxon Signed Rank Test if they were not. Through this stage, the study is expected to demonstrate the effect of growth, ROI, and EPS on stock prices and the significant differences between the periods before and after the boycott (Lestari Slamet and Rakhman 2024).

Results
1. Descriptive Statistical Analysis

Tabel 2. Descriptive statistical analysis before the boycott

	Stock price	Company growth	Return On Investment	Earing Per Share
Mean	2651.250	-78.00000	0.174482	0.023454
Median	2542.500	-78.00000	0.188005	0.009780
Maximum	4700.000	1433.000	0.301971	0.074115
Minimum	820.0000	-1589.000	0.019948	0.000141
Std. Dev.	2040.312	1744.753	0.144328	0.034973
Skewness	0.038633	0.000000	-	0.941446

			0.092324	
Kurtosis	1.058875	1.000000	1.127186	2.132282
Jarque-Bera	0.628990	0.666667	0.590254	0.716370
Probability	0.730158	0.716531	0.744437	0.698944
Sum	10605.00	-312.0000	0.697929	0.093815
Sum Sq. Dev.	12488619	9132484.	0.062492	0.003669

The results of the descriptive statistical analysis indicate that the average stock price before the boycott was **2,651.25,** reflecting a relatively high degree of variation among the observed companies. The average value of company growth was **–78**, suggesting a decline in corporate performance prior to the boycott period. In contrast, both Return on Investment (ROI) and Earning Per Share (EPS) recorded positive mean values of **0.0174** and **0.0223**, respectively, implying that the companies were still able to generate profits despite the negative growth trend. Furthermore, the Jarque-Bera normality test revealed that all variables were normally distributed (p-value > 0.05), confirming that the data satisfy the normality assumption and are therefore appropriate for subsequent statistical analyses.

Tabel 3 . Descriptive Statistical Analysis during the Boycott

	Stock price	Company growth	Return On Investment	Earing Per Share
Mean	1611.750	-695.5000	0.160249	0.034992
Median	1312.500	-695.5000	0.158441	0.017536
Maximum	3530.000	4663.000	0.288101	0.104808
Minimum	292.0000	-6054.000	0.036012	8.83E-05
Std. Dev.	1444.073	6187.463	0.111193	0.049356
Skewness	0.526317	0.000000	0.040190	0.817556
Kurtosis	1.753470	1.000000	1.510729	2.001153

Jarque-Bera	0.443646	0.666667	0.370732	0.611881
Probability	0.801057	0.716531	0.830800	0.736430
Sum	6447.000	-2782.000	0.640995	0.139969
Sum Sq. Dev.	6256037.	1.15E+08	0.037091	0.007308
Observations	4	4	4	4

The results of the descriptive statistical analysis reveal that the average stock price after the boycott was **1,611.75**, indicating a decline compared to the pre-boycott period. The mean value of company growth was **–695.50**, further suggesting a downturn in firm performance. Meanwhile, both Return on Investment (ROI) and Earning Per Share (EPS) remained positive, with mean values of **0.0160** and **0.0349**, respectively, implying that the companies were still able to generate profits despite the decrease in growth. Furthermore, the Jarque-Bera normality test indicated that all variables were normally distributed (p-value > 0.05), confirming that the data meet the normality assumption and are suitable for further statistical analysis.

2. Testing the Selection of Panel Data Regression Models

a. Lagrange Multiplier Test

Table 4. Lagrange Multiplier Test before the boycott

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	1.998134 (0.1575)	2.30E-05 (0.9962)	1.998157 (0.1575)
Honda	-1.413554 (0.9213)	-0.004797 (0.5019)	-1.002926 (0.8421)
King-Wu	-1.413554 (0.9213)	-0.004797 (0.5019)	-1.002926 (0.8421)
Standardized Honda	NA (NA)	NA (NA)	NA (NA)

Standardized King-Wu	NA	NA	NA
	(NA)	(NA)	(NA)
Gourieroux, et al.	--	--	0.000000 (1.0000)

Table 5. Lagrange Multiplier Test during the boycott

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided
(all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	1.263573 (0.2610)	0.522320 (0.4699)	1.785893 (0.1814)
Honda	-1.124088 (0.8695)	0.722717 (0.2349)	-0.283812 (0.6117)
King-Wu	-1.124088 (0.8695)	0.722717 (0.2349)	-0.283812 (0.6117)
Standardized Honda	NA	NA	NA
	(NA)	(NA)	(NA)
Standardized King-Wu	NA	NA	NA
	(NA)	(NA)	(NA)
Gourieroux, et al.	--	--	0.522320

The results of the Lagrange Multiplier (LM) test conducted to determine the appropriate model between the Common Effect Model (CEM) and the Random Effect Model (REM) obtained a Breusch-Pagan probability value of **0.1575 > 0.05** in the first period (before the boycott), and **0.2610 > 0.05** in the second period (during the boycott).

3. **Classical Assumption Test**

A. **Multicollinearity Test**

Table 6. Multicollinearity Test before the boycott

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF

		B	Std. Error	Beta			Sig.	VIF
1	(Constant)	2518,863	,000		.	.		
	pertumbuhan	1,104	,000	1,041	.	.	,000	2175,516
	ROI	-3,213E-9	,000	,000	.	.	,001	1511,653
	EPS	2,837E-6	,000	,054	.	.	,008	120,904

a. Dependent Variable: stock price

Table 7. Multicollinearity Test during the boycott

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	2422,829	,000		.	.		
	PERTUMBUHAN	,239	,000	1,025	.	.	,890	1,124
	ROI	5,933E-7	,000	,035	.	.	,285	3,508
	EPS	,000	,000	-,533	.	.	,291	3,439

a. Dependent Variable: stock price

The results of the multicollinearity test before the boycott showed that the Tolerance value of all variables was <0.10 and the VIF value was >10. This indicates that the regression model experienced symptoms of multicollinearity, so that there was a very strong relationship between the independent variables (Growth, ROI, and EPS). And the results of the multicollinearity test during the boycott showed that the Tolerance value was >0.10 and the VIF value was <10 for all independent variables. Thus, it can be concluded that there were no symptoms of multicollinearity in the regression model during the boycott.

4. **Hypothesis Testin**
   a. **T-test (Partial Test)**
      Table 8. Partial Test (T-test) before and during the boycott

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		

1	(Constant)	104,512	651,642		,160	,880
	COMPANY GROW TH	-,098	,109	-,239	-,897	,420
	ROI	13917,987	3105,346	,963	4,482	,011
	EPS	-11643,458	9397,229	-,270	-1,239	,283

a. Dependent Variable: STOCK PRICE

The ROI variable has a significance value of **0.011 < 0.05**, so it has a significant effect on the stock prices of PT Unilever Indonesia Tbk and PT Fast Food Indonesia Tbk during the period before and during the boycott. The Company Growth variable with a significance value of **0.420 > 0.05** and the EPS variable with a significance value of

0.283 > 0.05 indicate that both do not have a significant effect on stock prices. Thus, it can be concluded that partially only the ROI variable has a significant effect on stock prices during the study period.

b. Determination Test

Table 9. Partial Test (t-test) before the boycott

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1				
1	1,000a	1,000	.	.

a. Predictors: (Constant), Growth, EPS, ROI

An R-square value of 1.000 indicates that the Growth, EPS, and ROI variables collectively contribute 100% to the change in stock price. However, because an Adjusted R-square value is not available, this result should be interpreted with caution due to the possibility of a perfect relationship between the variables or limited data.

Table 10. Partial Test (t-test) during the boycott

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	1,000a	1,000	.	.

a. Predictors: (Constant), Growth, EPS, ROI

During the study period (including the boycott period), the relationship between EPS, ROI, and Growth on stock prices was also very strong (R^2 = 1,000), but this result needs to be interpreted carefully because it could indicate an unnaturally perfect relationship or limited amount of data.

4. Comparative Test
a. Normality Test
Table 11. Normality Test before and during the boycott

NO	RASIO	Hasil Uji Normalitas
1	Company Growth	0,748347
2	Return On Investment (ROI)	0,618065
3	Earning Per Share (EPS)	0,490540

The results of the normality test shown in the table show that the significance value for the Company Growth variable is 0.748347, Return on Investment (ROI) is 0.618065, and Earnings Per Share (EPS) is 0.490540. All of these significance values are greater than the 0.05 level, so it can be concluded that the data from the three variables are normally distributed.

b. Wilcoxon Signed Rank Test
Table 12. Wilcoxon Signed Rank Test Company Growth before and during the boycott

Test Statistics[a]

	selama pertumbuhan - sebelum
Z	-.743[b]
Asymp. Sig. (2-tailed)	.458

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Table 13. Wilcoxon Signed Rank Test Return on Investment before and during the boycott

Test Statistics[a]

	SELAMA ROI - SEBELUM ROI
Z	-.730[b]
Asymp. Sig. (2-tailed)	.465

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Table 14. Wilcoxon Signed Rank Test Earnings per Share before and during the boycott

Test Statistics^a

	selama eps - sebelum eps
Z	-1.826^b
Asymp. Sig. (2-tailed)	.068

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Based on the results of the Wilcoxon Signed Ranks Test on Return on Investment (ROI) and Earnings per Share (EPS) before and during the boycott period, it was found that there was no statistically significant difference in these two financial indicators. The significance values for ROI were 0.458 and 0.465, while for EPS it was 0.068, all of which were greater than the threshold of 0.05. This means that the boycott did not have a significant impact on the company's ROI or EPS during the study period.

Discussion

The study found that company growth, ROI, and EPS positively influenced share prices before the boycott, but their impact diminished during the boycott due to reputational concerns and public sentiment. This illustrates that financial signals are less effective when external social factors intervene, supporting both signaling and behavioral finance theories. The findings highlight the importance for companies to focus on both financial performance and reputation management. The study's main limitations are its narrow scope and period; future research should examine more companies and include social variables like consumer perception or social media activity.

Conclusion

This study found that only ROI significantly influenced the share prices of PT Unilever Indonesia and PT Fast Food Indonesia before and during the boycott, while company growth and EPS had no significant impact. Furthermore, the boycott did not significantly affect ROI or EPS performance. The research advances understanding of how fundamental financial factors and external events affect stock movements in Indonesian consumer companies. In practice, it underscores the need for companies to keep ROI stable through flexible strategies. The main limitation is the narrow sample and period; future studies

should widen the scope and add non-financial factors such as public perception and crisis management to better assess boycott impacts.

Acknowledgments

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