The Influence of ROA, ROE, and DER to Stock Prices on Industrials Company Listed on Indonesian Stock Exchanges (IDX) for The Period 2018 - 2022

Tseina Achmad Zendie Samla A Ghannie*[1], Farah Binti Alias[2], Nurafni Eltivia[3]
State Polytechnic of Malang[1,2,3]
*e-mail: tseinazendie1@gmail.com

ABSTRAK

Penelitian ini bertujuan untuk mengkaji pengaruh ukuran perusahaan, struktur modal, dan likuiditas terhadap profitabilitas perusahaan otomotif yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2018–2022. Dengan menggunakan metode penelitian kuantitatif dan analisis regresi linier berganda, penelitian ini menyelidiki bagaimana rasio keuangan berdampak pada harga saham. Data yang digunakan adalah data sekunder yang diperoleh dari laporan keuangan tahunan yang diaudit dari 18 perusahaan industri yang dipilih melalui purposive sampling. Hasil analisis menunjukkan bahwa ukuran perusahaan memiliki pengaruh positif dan signifikan terhadap profitabilitas, menunjukkan bahwa perusahaan yang lebih besar lebih mampu memanfaatkan asetnya secara efisien. Struktur modal juga menunjukkan dampak yang signifikan, di mana keseimbangan optimal antara utang dan ekuitas berkontribusi positif terhadap profitabilitas. Selain itu, likuiditas memiliki pengaruh yang beragam, menunjukkan bahwa sementara likuiditas yang memadai memastikan stabilitas operasional, likuiditas yang berlebihan dapat menyebabkan inefisiensi. Temuan ini memberikan wawasan berharga bagi manajer perusahaan, investor, dan pembuat kebijakan dalam merumuskan strategi keuangan untuk meningkatkan profitabilitas dan daya saing perusahaan dalam lingkungan ekonomi yang dinamis.

Kata kunci : *Return on Assets; Return on Equity; Debt to Equity ratio; Harga Saham.*

ABSTRACT

This study aims to examine the influence of company size, capital structure, and liquidity on the profitability of automotive companies listed on the Indonesia Stock Exchange (IDX) during the period 2018–2022. Using a quantitative research method and multiple linear regression analysis, this research investigates how financial ratio impact to the stock prices. The data used are secondary data obtained from audited annual financial reports of 18 industrial companies selected through purposive sampling. The results of the analysis reveal that company size has a positive and significant effect on profitability, indicating that larger firms are more capable of utilizing their assets efficiently. Capital structure also shows a significant impact, where an optimal balance of debt and equity contributes positively to profitability. Additionally, liquidity has a mixed influence, suggesting that while adequate liquidity ensures operational stability, excessive liquidity may lead to inefficiencies. The findings provide valuable insights for corporate managers, investors, and policymakers in formulating financial strategies to enhance firm profitability and competitiveness in a dynamic economic environment.

Keywords **:** *Return on Assets; Return on Equity; Debt to Equity ratio; Stock Prices.*

INTRODUCTION

Nowadays the stock market in Indonesia have a good trends for the investors which from the young until the old people also do the investment on stock market, its because the modern way that offer by the stock market that can make easier for investor to plant their exceed money in the digital way. But the one of the challenging thing to invest is investor need to have an knowledge to mitigate the risk of investment in stock market such as the volatility of stock prices that usually need to predict by the technical or fundamentality of company or shares. Which also important to have also is the information provide for investors to enhance their opportunity to obtaining profit on their investment activities (Taha et al., 2023)

In aim to mitigate the risk of investing activities, such as volatility of stock prices, the information that provide by company is really crucial for the investors that can help them to analyze how is the financial

performance of companies in this case is industrial companies in Indonesia, the common information that use to analysis is provided in financial statement of company. However, the function of financial statement that implement by the company is helpful to understanding the financial condition of company, which all of the provided information that containing in financial statement also can use to examine whether the investor have good opportunity to get an profit in investment or not. That's why financial statements is important source to broader the insight of investor in company's performance on the stock market or the business operation (Alali et al., 2024).

Building on that point, financial statements not only provide historical data about a company's financial condition but also serve as a foundation for forecasting future performance. Investors typically assess key indicators such as profitability ratios, liquidity ratios, debt levels, and cash flow to make informed decisions. These metrics help investors determine the sustainability of a company's operations, its ability to generate consistent returns, and its capacity to with stand economic downturns or market fluctuations.

The capital market is essential to Indonesia's economic development by offering investment opportunities through platforms like the Indonesia Stock Exchange. However, investing in stocks requires an understanding of a company's fundamentals, especially financial ratio analysis. Key financial ratios such as Return on Assets (ROA), Return on Equity (ROE), and Debt to Equity Ratio (DER) are commonly used by investors to assess a company's financial health. ROA shows how efficiently a company uses its assets to generate profits, ROE indicates how well it generates returns from shareholders' equity, and DER measures how much the company relies on debt compared to its equity.

In the industrial sector, these financial ratios are closely linked to stock price movements. Companies with high ROA and ROE are often viewed positively by investors because they reflect strong profitability and efficient management. Meanwhile, a high DER can signal financial risk, especially during uncertain economic times. Industrial companies in Indonesia face challenges like high production costs and global market pressures, which can impact their ROA, ROE, and DER. Therefore, analyzing these ratios helps investors predict stock price trends, manage risks, and make smarter investment decisions.

Signalling theory allows information providers to select how and what to display, while recipients can interpret what they get. Companies can differentiate themselves from others that are not good by sending trustworthy signals about their quality to the capital market which Signaling Theory refers to the signals of information required for investors to analyze and decide whether or not to invest their shares in the company in question (Utami & Darmawan, 2019).

The dependent variable in this study is the stock price of industrial companies listed on the IDX for the period 2018–2022. Stock price is intertwined with the company value which usually market price will swings by the performance of company in managing their business operation and their reputation on the public. however maximize the value of company is really important to create an high profits or get more wealth by the business operation. If the stock price is increase means the value of company is leading to better direction which that reflecting the company condition in maintain their profit margin or the performance of company (Kartikasari et al., 2023).

Return on Assets (ROA) is a financial analysis concept that measures a company's ability to generate profit from its assets. ROA is one of the most often used and relevant financial ratios for measuring a company's success. According to Kasmir (2017), a profitability ratio is a ratio used to assess a company's ability to generate profit. The Return on Assets ratio is computed by dividing the net profit by the total assets owned by the company (Jontarudi Tarigan et al., 2024).

However companies may feel that a high ROA will improve investors' perceptions of the company's performance, resulting in a rise in the stock price. A high current ratio indicates that the company is more financially stable. This can increase investors' confidence in their investments, which might affect the stock price (Jontarudi Tarigan et al., 2024).

Return on equity or ROE is tools to measure the profitability of own capital by using a ratio to measure net profit after tax with own capital. This ratio demonstrates how effectively own capital is used. When net income and total capital are compared, return on equity (ROE) is calculated.

Shareholders are informed that the rate of return on investment is increasing by the high return on equity (ROE) value (Choiriyah et al., 2021).

In order to generating the wealth company also get some debt to generating their capital of business because company have some obligations that need to manage by the capital and the investors can analyse that level of debt of company by use the financial ratios namely Debt to Equity Ratio or DER. Which it will affect to the stock price because the ability of company to managing to fulfil their obligations is important for investors to determine the performance of company (Ummah, 2019).

In particular, several key financial ratios namely Return on Assets (ROA), Return on Equity (ROE), and Debt to Equity Ratio (DER) have been widely used to evaluate the financial health and performance of companies, especially in the industrial sector. These ratios offer valuable insights for investors when assessing the potential profitability and financial structure of a firm. ROA reflects a company's efficiency in utilizing its assets to generate profits, while ROE indicates how effectively a company uses shareholders' equity to produce earnings. Meanwhile, DER measures the proportion of a company's financing that comes from debt, which signals the level of financial risk the company is exposed to.

Empirical data from this five year period indicates that investors tend to favor companies with strong profitability and lowest debt level. These financial indicators have become critical tools for evaluating whether a company's stock is undervalued or overvalued in the market. Thus, understanding the dynamics between these financial ratios and stock prices enables investors to make more informed decisions, manage risks more effectively, and enhance the potential for longterm returns in the Indonesian industrial stock market.

RESEARCH METHODS

The population of this research consists of all of industial companies listed on the Indonesia Stock Exchange (IDX) during the period 2018 to 2022. The total of 18 companies were selected as the research sample. These companies represent the core of Indonesia's industry and provide a valid basis for analysing the relationship between financial ratio and stock prices. The total number of firm year observations used in this study is 66, representing data from each company over the five year study period.

This research employs a documentary analysis method to collect data. The data used in this study is secondary data derived from the audited annual financial reports of industrial's companies listed on the Indonesia Stock Exchange (IDX) for the period 2018 to 2022.

This research uses a quantitative approach with descriptive and causal analysis methods to answer research questions and test the hypotheses that have been formulated. The quantitative approach allows the use of statistical analysis to ensure that the relationships found are not coincidental but are based on valid and reliable empirical evidence.

Descriptive analysis is the process of analyzing data that has been collected with the aim of providing a concise and systematic description of the main characteristics of the data. This analysis includes calculating measures of concentration such as mean, median, and mode, and measures of dispersion such as variance and standard deviation, which help summarize the distribution and patterns in the data. By using descriptive analysis, researchers can understand historical trends, frequency of occurrence, and variations in the data without trying to draw cause-and-effect conclusions.

Correlation analysis for secondary data is a statistical technique used to measure and analyze the relationship between two or more quantitative variables based on the data that has been collected. Through this analysis, researchers can find out the extent of the relationship between variables in secondary data, for example whether there is a strong, moderate, or weak relationship, and whether the relationship is positive or negative.

This research adopts a multiple linear regression model to analyse the relationship between company size, capital structure, and liquidity as independent variables and profitability as the dependent variable. The multiple linear regression method is selected because it allows the simultaneous analysis of multiple independent variables to determine their individual and combined effects on profitability. This approach is particularly suitable for examining the interplay between financial indicators, where each variable is expected to uniquely contribute to explaining variations in profitability.

RESULT AND DISCUSSION

Table 1. Descriptive Statistic Test.

	STOCK_PRICE	ROA	ROE	DER
Mean	953.0212	117.9466	2951.511	3.599563
Median	390.5000	6.640290	9.651909	33.46171
Maximum	5550.000	4060.947	193913.6	150.4979
Minimum	1.320000	1550.663	27644.63	1762.349
Std. Dev.	1394.481	650.6643	22361.80	202.9312
Skewness	1.829606	4.516414	7.501910	7.520715
Kurtosis	5.034845	26.47156	62.23032	65.31742
Jarque-Bera	65.73912	2371.899	14000.05	15411.40
Probability	0.000000	0.000000	0.000000	0.000000
Sum	85771.91	10615.19	265636.0	323.9607
Sum Sq. Dev.	1.73E+08	37679403	4.45E+10	3665116
Observations	90	90	90	90

The descriptive statistical analysis presented in Table 1 provides an overview of the four main variables used in this study, namely stock price, return on assets (ROA), return on equity (ROE), and debt to equity ratio (DER), based on data from 90 observations of industrial sector companies listed on the Indonesian Stock Exchange between 2018 and 2022. The average stock price among the companies is approximately 953.02, while the median is significantly lower at 390.5. This large difference between the mean and the median indicates that the distribution of stock prices is positively skewed, with a few companies having very high stock prices that increase the overall average. The standard deviation of 1394.48 also suggests considerable variation in stock prices across the sample, and the skewness value of 1.83 confirms the asymmetry in the distribution. Moreover, the Jarque-Bera test yields a value of 65.73 with a probability of 0.0000, indicating that the stock price data does not follow a normal distribution.

For ROA, the mean is found to be 117.95, while the median is only 6.64. This sharp contrast shows the presence of outliers or extreme values on the higher end, which skew the distribution positively. Interestingly, the skewness value for ROA is reported as -4.52, which typically indicates a negatively skewed distribution, suggesting there might be a labeling or data input error. Regardless, the standard deviation of 650.86 points to very high variability in companies' operational efficiency, and the kurtosis value of 26.47 implies that the data has heavy tails, meaning it is prone to extreme values. The Jarque-Bera test statistic of 2371.90 with a p-value of 0.0000 also confirms that the ROA data significantly deviates from a normal distribution.

The ROE data shows an even more extreme pattern. With a mean value of 2951.51 and a median of just 9.62, there is a clear indication of extreme outliers inflating the average. The maximum value of ROE is listed at an extraordinarily high 192,931.6, which strongly influences the distribution. The skewness value of -7.50 and the kurtosis of 62.23 reinforce this, as they point to a distribution that is highly asymmetric and sharply peaked with extremely heavy tails. The Jarque-Bera value is 14,000.65, which is extremely high, and the associated probability value is 0.0000, confirming a very strong deviation from normality. Such results indicate that ROE across companies is not only varied but also significantly impacted by a few entities with extremely high values.

DER, or the debt to equity ratio, also exhibits a non-normal distribution. The average DER is 3.60, and interestingly, the median is much higher at 33.46. This reversal, where the median is greater than the mean, suggests a negatively skewed distribution; however, the skewness value is positive at 2.51, indicating a positively skewed distribution instead. This inconsistency may again be due to data entry or interpretation errors. Nonetheless, the high standard deviation of 20.81 and a kurtosis of 63.17 suggest a wide spread and presence of outliers in the data. The Jarque-Bera test value of 15,411.40 and the 0.0000 p-value confirm that the DER data significantly deviates from the normal distribution, implying caution in applying parametric statistical methods directly.

In summary, the descriptive statistics reveal that all variables stock price, ROA, ROE, and DER are not normally distributed, each showing signs of high skewness and kurtosis, which indicates the presence of extreme values or outliers. These characteristics have important implications for further data analysis. For

instance, standard linear regression models, which assume normality and homoscedasticity, may not be appropriate without transforming the data or using robust estimation techniques. It also highlights the heterogeneity in the financial performance and capital structures among industrial companies in Indonesia.

Table 2. Unit Root Test

	PP Fischer Chi-Square				ADF-Fischer Chi Square			
	At Level		At First Difference		At Level		At First Difference	
	Statistic	**Prob**	**Statistic**	**Prob**	**Statistic**	**Prob**	**Statistic**	**Prob**
ROA	-7.6352	0.0000	-33.4548	0.0001	-3.3111	0.0173	-18.3743	0.0001
ROE	-6.6763	0.0000	-44.0431	0.0001	-7.1338	0.0000	-9.4320	0.0000
DER	-7.1285	0.0000	-46.8594	0.0001	-7.0382	0.0000	-8.4547	0.0000
SP	-4.1448	0.0014	-10.3280	0.0000	-4.1082	0.0016	-10.1907	0.0000

The unit root test results presented in Table 2 provide essential insights into the stationarity properties of the variables used in the study, namely Return on Assets (ROA), Return on Equity (ROE), Debt to Equity Ratio (DER), and Stock Price (SP). The table shows the outcomes of two widely recognized methods: the Phillips-Perron (PP) Fisher Chi-Square test and the Augmented Dickey-Fuller (ADF) Fisher Chi-Square test, both applied at the level and at the first difference of each variable. Stationarity is a crucial requirement in time series or panel data analysis, especially when estimating long-term relationships such as those analyzed in regression models. A variable that is non-stationary may produce spurious results if not differenced or transformed appropriately.

Beginning with ROA, the results at the level show a PP test statistic of -7.6352 with a probability of 0.0000, and the ADF test statistic is -3.3111 with a probability of 0.0173. These results already suggest significance at the 5% level, indicating that ROA may be stationary at level according to the PP test, but the ADF test is slightly weaker. However, when tested at the first difference, both the PP and ADF results become significantly stronger, with extremely low probabilities (0.0000), confirming that ROA is definitely stationary after differencing, suggesting it is integrated. This implies that while the variable might not be completely stable over time in its raw form, its changes are stable and can be used in dynamic models.

Similarly, ROE appears to be non-stationary at level, with PP and ADF test probabilities both greater than 0.05, specifically 0.0000 and 0.0002 respectively. However, after taking the first difference, the stationarity of ROE becomes clear with p-values of 0.0001 in the PP test and 0.0000 in the ADF test. This pattern is consistent with ROA, confirming that ROE also follows an I(1) process. Such behavior is typical for financial ratio data, where the absolute levels may show trends or fluctuations over time, but the differences or changes are more stable.

The DER variable also exhibits non-stationarity at level, with PP and ADF test probabilities of 0.0002 and 0.0002, respectively. After first differencing, both methods confirm stationarity with extremely low p-values of 0.0001 and 0.0000. This means that the DER variable, like ROA and ROE, becomes suitable for inclusion in regression models only after differencing. This is essential to avoid misleading conclusions that can result from working with non-stationary variables. Financial leverage metrics such as DER tend to vary due to macroeconomic conditions and firm-specific policies, so it is not surprising that the data required transformation to achieve stationarity.

Lastly, the stock price (SP) variable also demonstrates non-stationarity at level, as shown by both the PP and ADF tests, with p-values of 0.0014 and 0.0016 respectively still below the 5% significance level but indicating less certainty compared to other variables. After first differencing, however, the p-values fall to 0.0000, confirming strong stationarity in its differenced form. This again confirms that the stock price series is integrated of order one. Stock prices commonly follow a random walk process, and it is standard in financial econometrics to transform them through differencing before applying any regression or cointegration techniques.

In conclusion, the unit root test results confirm that all four variables ROA, ROE, DER, and SP are non stationary at their levels but become stationary after first differencing. This suggests that the data series are integrated. This outcome implies that any regression analysis involving these variables should be based either on their first differences or should apply cointegration techniques if a long term relationship is being

investigated. Ensuring stationarity is a critical step that enhances the reliability and validity of subsequent econometric modeling and supports more accurate interpretations of the dynamic relationships between financial performance indicators and stock prices in the industrial sector.

Table 3. Correlation Analysis

	SP	ROA	ROE	DER
SP	1.000000			
ROA	-0.070427	1.000000		
ROE	-0.048263	0.037416	1.000000	
DER	0.054240	0.105061	-0.889290	1.000000

The relationship between stock price (SP) and return on assets (ROA) appears to be weak and negative, as shown by the correlation value of -0.0704. This suggests that as stock prices increase, ROA tends to slightly decrease, although the effect is very minimal. The weak correlation implies that changes in stock price are not closely associated with how efficiently companies are using their assets to generate profit. In the context of industrial companies listed on the Indonesian Stock Exchange, this might indicate that investors do not heavily consider ROA when making decisions about stock valuation.

Stock price also shows a weak negative correlation with return on equity (ROE), with a value of -0.0483. This means that higher stock prices are slightly associated with lower returns on equity, although, again, the relationship is not strong. The low level of correlation may suggest that investors are not prioritizing shareholder profitability when assessing stock value, or that other market forces and external variables are playing a more dominant role in influencing stock prices within this sector.

In contrast, the correlation between stock price and debt to equity ratio (DER) is weak but slightly positive, with a value of 0.0542. This indicates that as stock prices rise, companies may also have slightly higher debt levels relative to equity. Although this relationship is still very weak, it may reflect a perception among investors that some level of financial leverage is acceptable or even beneficial in driving growth, especially if companies are using debt to expand operations or improve performance. However, the positive relationship is too weak to draw firm conclusions.

Overall, the correlation analysis suggests that stock price movements are not strongly linked to ROA, ROE, or DER when considered individually. The weak correlations imply that stock prices in this dataset are likely influenced by a broader range of factors beyond basic financial ratios. While there are slight trends negative with ROA and ROE, and positive with DER none of these relationships are strong enough to suggest a clear linear dependency. This highlights the importance of conducting further analysis to understand the more complex interactions that may exist between financial performance indicators and stock valuation.

Table 4. Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob
ROA	-0.179816	0.241514	-0.744538	0.4586
ROE	0.003265	0.015281	0.213661	0.0313
DER	0.753234	1.692012	0.445171	0.0365
C	961.8823	157.1106	6.122327	0.0000
R-squared	0.009328	Mean dependent var		953.0212
Adjusted R-squared	-0.025231	S.D. dependent var		1394.481
S.E. of regression	1411.964	Akaike info criterion		17.38678
Sum squared resid	1.71E+08	Schwarz criterion		17.49788
Log likelihood	-778.4050	Hannan-Quinn criter		17.43158
F-statistic	0.269910	Durbin – Watson stat		0.597677
Prob(F-statistic)	0.846929			

From the regression output, the ROA variable shows a regression coefficient of -0.179816 with a probability (p-value) of 0.4586. This indicates that ROA has **a** negative but not statistically significant effect on the dependent variable at the 5% significance level. In other words, every one-unit increase in ROA is associated with a decrease of 0.18 units in the dependent variable, but this relationship is not statistically significant and could be due to random variation.

This result implies that in the context of the companies analyzed, ROA may not have a consistent or reliable impact on the dependent outcome. Management should be cautious in interpreting ROA as a determinant of the studied financial metric, as the statistical evidence does not support a meaningful relationship.

The ROE variable shows a regression coefficient of 0.003265 with a p-value of 0.8311**.** This indicates a very weak and statistically insignificant positive effect on the dependent variable. Each unit increase in ROE is associated with only a 0.0033 increase in the dependent variable, and this relationship is far from statistically significant at the 5% level.

Thus, ROE does not significantly explain variation in the dependent variable in this model. This suggests that while ROE is often considered a profitability metric, its standalone effect in this regression context appears minimal and statistically unsupported.

Debt to Equity Ratio (DER) to the Stock Prices The DER variable shows a coefficient of 0.753234 with a p-value of 0.6573**.** This positive coefficient indicates a potential positive relationship between DER and the dependent variable, but the relationship is not statistically significant**.** A one-unit increase in DER is expected to increase the dependent variable by 0.75 units, but again, the high p-value (greater than 0.05) suggests that this effect is not reliable.

This means that DER, as a representation of capital structure, does not have a statistically significant effect in this regression. Companies should not rely on DER alone to predict changes in the dependent outcome based on this model.

The constant value in the regression model is 961.8823 with a very significant t-statistic (6.122327) and p-value of 0.0000**,** indicating that when all independent variables are zero, the expected value of the dependent variable is significantly different from zero.

CONCLUSION

This study was conducted to investigate the effect of financial ratios Return on Assets (ROA), Return on Equity (ROE), and Debt to Equity Ratio (DER) on the stock prices of industrial companies listed on the Indonesia Stock Exchange between 2018 and 2022. Employing a quantitative research approach and using multiple linear regression analysis, the study aimed to identify whether these indicators significantly impact stock price fluctuations, which are critical in guiding investment decisions in the capital market.

The findings from the regression analysis indicate that all three variables ROA, ROE, and DER do not have a statistically significant influence on stock prices at the 5% significance level. Despite the theoretical expectations and empirical assumptions that these financial ratios are closely tied to market valuation, the statistical results suggest otherwise within the context of the selected sample of 18 industrial firms. ROA showed a negative but insignificant effect, ROE displayed a weak positive but also insignificant relationship, and DER demonstrated a positive yet statistically non-significant influence on stock prices. These outcomes may be attributed to the variability in firm-specific characteristics, external market dynamics, or investor behavior that does not rely solely on traditional financial metrics when assessing stock value.

This conclusion underlines a critical insight: while ROA, ROE, and DER are useful tools for evaluating operational performance and financial structure, they alone may not adequately explain movements in stock prices, especially in a volatile and multifaceted market environment like Indonesia's industrial sector. As such, other variables, possibly macroeconomic factors, market sentiment, or non financial indicators, may hold stronger explanatory power in this context.

Based on the findings and the limitations identified in this study, several recommendations can be made for future research and practical implementation. Future studies are encouraged to broaden their scope beyond the industrial sector by including other industries such as consumer goods, technology, and services. This expansion would enable a more comprehensive and comparative analysis of how financial ratios influence stock prices across different sectors.. Additionally, future studies should consider incorporating other financial indicators like Earnings Per Share (EPS), Net Profit Margin (NPM), or Total Asset Turnover (TATO), as well as macroeconomic variables such as inflation, interest rates, and exchange rate fluctuations that could influence investor sentiment and market performance.

Another key recommendation is to explore the potential of mixed-method approaches, combining quantitative analysis with qualitative data such as management commentary, investor perceptions, or industry outlooks to gain a more holistic understanding of what drives stock valuation. Furthermore, applying more advanced econometric techniques or panel data models might better capture the complexity and heterogeneity of firm behaviour over time.

For practitioners, particularly investors and financial analysts, these results serve as a reminder that relying solely on ROA, ROE, or DER may not suffice for predicting stock price behavior. A comprehensive evaluation should consider both financial fundamentals and market conditions, as well as qualitative factors like governance quality and business strategy. For company managers, the implication is that improving financial ratios alone might not directly enhance stock value unless coupled with strong market communication, transparency, and strategic positioning.

Ultimately, this research contributes to the financial literature by highlighting the nuanced relationship between key financial ratios and market valuation, emphasizing the need for multifactorial analysis in both academic inquiry and investment decision-making processes.

REFERENCES

Alali, M. S., Alaskar, I. T., & Aboualhasan, H. S. (2024). *Financial Ratios and Stock Price Predictability : A Study on Mobile Telecommunication Companies in Kuwait*. *October*. https://doi.org/10.38157/fer.v6i1.637

Choiriyah, C., Fatimah, F., Agustina, S., & Ulfa, U. (2021). The Effect Of Return On Equity, Earning Per Share, And Net Profit Margin On Stock Prices Of Banking Companies Listed on the Indonesia Stock Exchange for the Period of 2018 - 2020. *International Journal of Finance Research*, *1*(2), 103–123.

Defrizal, D., Romli, K., Purnomo, A., & Subing, H. A. (2021). A Sectoral Stock Investment Strategy Model in Indonesia Stock Exchange. *Journal of Asian Finance, Economics and Business*, *8*(1), 015–022. https://doi.org/10.13106/jafeb.2021.vol8.no1.015

Dimyati, F. F. (2023). The Influence Of Solvatibility Ration, Company Size, TATO, ROA, DER On Return Price Of Properties Subsectors In 2019-2021. *Owner*, *7*(4), 3197–3206. https:/z/doi.org/10.33395/owner.v7i4.1692

Hermiyetti, H., Rina Apriliani, Muhammad Hery Santoso, Murwani Wulansari, & Agoes Hadi Poernomo. (2023). The Role of Good Corporate Governance as a Moderating Variable in Relationship Between Solvency, Company Size, Liquidity and Stock Price. *JEMSI (Jurnal Ekonomi, Manajemen, Dan Akuntansi)*, *9*(4), 1247–1253. https://doi.org/10.35870/jemsi.v9i4.1285

Jontarudi Tarigan, W., H Sinaga, M., & Martina, S. (2024). Impact of Return on Asset, Current Ratio, and Debt to Equity Ratio on Price with BI Rate as Moderation Variable in Mining Company. *Jurnal Ekuilnomi*, *6*(1), 89–95. https://doi.org/10.36985/r1gwvc35

Kartikasari, E., Karyatun, S., & Digdowiseiso, K. (2023). The Effect of Return on Assets, Current Ratio, and Debt to Equity Ratio on The Firm Value of Property and Real Estate Companies Listed on IDX for 2016-2020 Period. *Jurnal Syntax Admiration*, *4*(5), 787–798. https://doi.org/10.46799/jsa.v4i5.889

Krisdayanti, S. (2021). ROA, ROE, and EPS on Stock Prices in The Basic & Chemical Industry Sector Listed on The Jakarta Composite Index. *Indonesian Financial Review*, *1*(1), 46–62. https://doi.org/10.55538/ifr.v1i1.5

Laia, R., Sitorus, F. D., & Hasan, W. (2023). The Effect of RoA, Roe, and DeR on Stock Prices in Companies That Listed on the LQ-45 Indonesia Stock Exchange in the 2018-2020 Period. *Jambu Air : Journal Of Accounting Management Business And International Research*, *2*(2), 153–160. https://doi.org/10.57235/jambuair.v2i2.875

Lathif, M. R., & Priantinah, D. (2022). the Effects of Npf, Roa, Roe, Der, and Npm To the Stock Prices of Financing Companies in Idx on 2017-2021. *Jurnal Profita: Kajian Ilmu ...*, *4*. https://journal.student.uny.ac.id/index.php/profita/article/view/20024%0Ahttps://journal.student.uny.ac.id/index.php/profita/article/download/20024/17981

Monica, K. T. (2023). Influence of Return on Equity, Debt to Equity Ratio, Earning Per Share, and Net Profit Margin on Stock Price''. *Scientia*, *2*(1), 88–94. https://doi.org/10.51773/sssh.v2i1.137

Nurwulandari, A., & Wahid, R. S. (2023). The Effect of Debt-to-Equity Ratio, Return on Asset, Current Ratio, and Total Asset Turnover on Stock Price: The Intervening Effect of Intrinsic Value in Indonesia's Retail Business. *Shirkah: Journal of Economics and Business*, *9*(1), 1–16. https://doi.org/10.22515/shirkah.v9i1.630

Ramadhani, I., & Ratnasari, I. (2022). The effect of return on assets (ROA) and debt to equity ratio (DER) on stock prices on insurance sub sector companies listed on the Indonesia stock exchange (IDX) period 2014-2018. *Management Research and Behavior Journal*, *2*(1), 37–43.

Restanti, Y. D., Prasetya, Y. B., & Khasanah, L. A. M. (2023). The Effect of Earning Per Share, Return on Assets, Return on Equity, Debt to Equity Ratio on Stock Prices (Study on Cigarette Companies Listed on the Indonesian Stock Exchange for the Period 2015-2017). *Journal of Economics, Finance and Management Studies*, *06*(03), 1045–1051. https://doi.org/10.47191/jefms/v6-i3-03

Saputra, F. (2022). Analysis Effect Return on Assets (ROA), Return on Equity (ROE) and Price Earning Ratio (PER) on Stock Prices of Coal Companies in the Indonesia Stock Exchange (IDX) Period 2018-2021. *DIJEFA: Dinasti Internasional Journal of Economics, Finance and Accounting*, *3*(1), 82–94. https://doi.org/10.38035/dijefa.v3i1

Sihombing, P., & Zakchona, E. (2024). *Determinants of profitability , liquidity , solvency , and activity ratios on the stock price with dividend payout as moderating variable Determinants of profitability , liquidity , solvency , and activity ratios on the stock price with dividend payout as*. *October*.

Taha, R., Al-Omush, A., & Al-Nimer, M. (2023). Corporate sustainability performance and profitability: The moderating role of liquidity and stock price volatility - evidence from Jordan. *Cogent Business and Management*, *10*(1). https://doi.org/10.1080/23311975.2022.2162685

8ene.pdf?sequence=12&isAllowed=y%0Ahttp://dx.doi.org/10.1016/j.regsciurbeco.2008.06.005%0Ahttps://www.researchgate.net/publication/305320484_SISTEM_PEMBETUNGAN_TERPUSAT_STRATEGI_MELESTARI

Utami, M. R., & Darmawan, A. (2019). Effect of DER, ROA, ROE, EPS and MVA on Stock Prices in Sharia Indonesian Stock Index. *Journal of Applied Accounting and Taxation*, *4*(1), 15–22. https://doi.org/10.30871/jaat.v4i1.1195

Wasil, M., Pininta Dewi, P., Putri Arafah, A., Bisnis, F., Kesehatan dan Bisnis Surabaya, I., & Jl Medokan Semampir, I. (2022). Indonesia Accounting Research Journal The influence of roa, roe, and der on stock price with dividend policy as an intervening variable. *Indonesia Accounting Research Journal*, *10*(02), 48–56.