

THE EFFECT OF RETURN ON ASSETS, TOTAL ASSETS TURNOVER, CURRENT RATIO, EARNING PER SHARE, AND DEBT TO EQUITY ON STOCK PRICES IN THE PROPERTY & REAL ESTATE SECTOR LISTED ON THE INDONESIA STOCK EXCHANGE FOR THE PERIOD 2019 – 2023

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ABSTRACT

Stock price movements can be influenced by a company's financial performance as reflected in their financial statements. This study aims to evaluate the impact of financial performance on stock prices in the property and real estate sector on the Indonesia Stock Exchange during the period from 2019 to 2023. This research employs a quantitative approach with a sample of 52 companies selected using the purposive sampling technique. Financial performance is analyzed using several indicators, including return on assets, total assets turnover, current ratio, earnings per share, and debt to equity. Data is analyzed using Smart PLS software to conduct PLS regression tests, multicollinearity tests, determination coefficient tests, multiple regression tests, and hypothesis statistical tests. The results indicate that return on assets and earnings per share have a significant impact on stock prices, while total assets turnover, current ratio, and debt to equity do not show a significant impact

Keywords: *Stock prices, return on assets, total asset turnover, current ratio, earnings per share, debt to equity*

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INTRODUCTION

Investing in the capital market is an alternative way to meet financial needs. Shares, a popular investment instrument, are issued by companies to raise funds, while investors purchase them to profit from dividends or capital gains. Fluctuating stock prices are influenced by supply and demand, and influence the Jakarta Composite Index (JCI) on the Indonesia Stock Exchange (IDX). In the real estate sector, investment is crucial for supporting new projects, expanding operations, and developing infrastructure. Investment also increases property demand and prices, drives technological innovation, and strengthens real estate companies' market positions.

The Covid-19 pandemic has had a significant impact, suppressing public purchasing power and hampering sales recovery in the property and real estate sector. Economic pressures, global uncertainty, and the potential for central bank interest rate hikes have added to the burden on this sector. In 2022, investment realization in the property sector decreased compared to 2021. Although in 2021, the housing, industrial estates, and offices sector ranked second in terms of investment realization in Indonesia, investment realization declined in 2022. The property and real estate sector stock index remains under pressure from potential interest rate hikes.

Property & Real Estate company shares fluctuated between 2018 and 2023. In 2018, share prices in this sector rose by 2.8% due to global economic uncertainty triggered by the trade war between the United States and China and recession concerns, prompting investors to be more cautious. In 2020, share prices fell drastically by 24.3% due to the Covid-19 pandemic. This pandemic caused a decline in the share prices of property companies such as Summarecon Agung, Pakuwon Jati, and Lippo Karawaci. Summarecon Agung (SMRA) fell 19.9% to a closing price of Rp 188 per share. Pakuwon Jati (PWON) fell 10.53% to Rp 510, and Lippo Karawaci (LPKR) fell 11.5% to Rp 214. The real estate and property stock price index recorded an 8% decline throughout 2022.

According to (Fahmi, 2016) Stock prices are determined by supply and demand in the capital market. When demand exceeds supply, stock prices tend to rise, and vice versa. Market equilibrium occurs when the quantity demanded equals the quantity supplied, but this is often temporary. The stock market is influenced by various factors such as economic conditions, company performance, market sentiment, government policies, and global events, which cause stock prices to fluctuate.

In this study, profitability is measured by Return on Assets (ROA), which indicates a company's ability to generate net profit from its total assets. The higher the ROA, the more efficiently the company manages its assets to generate profits. Investors view ROA as an indicator of a company's efficiency, so companies with a high ROA tend to have higher stock prices because they are perceived as more capable of generating profits in the future. However, this relationship is influenced by other factors such as market conditions, company policies, and economic conditions. While a high ROA typically has a positive impact on stock prices, other factors should also be considered in financial analysis.

Activity or efficiency ratios measure a company's effectiveness in using its assets to generate sales. Total Assets Turnover (TATO) is a ratio that calculates this efficiency by dividing sales by total assets. The higher the TATO, the better the company is at utilizing its assets to drive sales. High efficiency attracts investors, increasing demand and increasing stock prices. Conversely, a low TATO indicates a lack of efficiency, which can discourage investor interest and depress stock prices.

Liquidity ratios measure a company's ability to meet short-term obligations with current assets. The Current Ratio (CR) is the primary ratio used to assess a company's liquidity. A high CR reflects good liquidity, indicating the company's ability to meet its short-term obligations. Good liquidity boosts investor confidence, which can boost demand and stock prices. Conversely, a low CR indicates liquidity risk, which can discourage investor interest and depress stock prices.

Profitability ratios measure a company's operational efficiency and ability to generate net income from sales. High Earnings Per Share (EPS) indicates a company's ability to generate significant earnings per share, attracting investor interest and increasing demand for shares. Conversely, a decline in EPS can signal declining profitability, which can dampen investor interest and cause share prices to decline.

The leverage ratio measures the extent to which a company uses debt to finance its assets and its ability to meet long-term obligations. The Debt-to-Equity Ratio (DER) is a key ratio that shows the ratio of a company's debt to equity. A high DER indicates greater debt relative to equity, which can raise investor concerns about the company's ability to meet its debt obligations, especially in difficult economic conditions. These concerns can dampen investor interest and depress the company's stock price.

LITERATURE REVIEW

Theoretical basis

Signaling Theory

Signaling theory, introduced by Michael Spence (1973), describes how management sends signals to investors to reduce information asymmetry. These signals can take the form of financial reports, dividend announcements, or other indicators of company performance. Positive signals, such as large dividends, demonstrate management's confidence in the company's prospects. This theory was developed by Brigham and Houston, who emphasized the importance of signals in reducing uncertainty and helping investors make better decisions. Transparency and accuracy in the delivery of financial information are essential components of a signaling strategy. In investing, signals help investors assess a company's prospects and performance, increasing confidence and the value of the company's stock.

Agency Theory

Agency theory explains the relationship between a principal (owner) and an agent (management), in which the principal authorizes the agent to manage certain resources or tasks. This relationship can give rise to conflicts of interest and information asymmetry because the agent has more information than the principal. Jensen and Meckling (1976) highlight that this conflict can lead to agency costs, including monitoring costs and bonding costs. Good corporate governance can mitigate these conflicts by ensuring agents act in the principal's best interests, increasing investor confidence, and increasing stock prices.

Return on Assets (ROA)

Return on Assets is a ratio that describes the extent to which a company is able to utilize all of its assets to generate net profit after tax. (Tandelilin, 2010) The higher the ROA, the more efficiently a company uses its assets to generate profits. A high ROA typically attracts investors because it indicates the company is capable of generating significant profits with its assets. (Kasmir, 2014).

$$\text{Return On Assets} = \frac{\text{Laba Bersih}}{\text{Total Aset}}$$

Total Assets Turnover (TATO)

Total Assets Turnover a ratio that shows how well a company uses its assets to generate income (Ross et al., 2010) This ratio shows the efficiency of the use of the company's overall assets, which can be seen through sales volume. (Syamsuddin, 2011). A high TATO indicates a company's ability to maximize assets to generate sales, which is considered positive by investors and can increase the company's attractiveness in the stock market. (Brigham & Houston, 2013) This efficiency can increase demand for a company's shares and drive up its share price. Furthermore, a high TATO is often an indicator of good operational performance, which can boost investor confidence and attract more investment. (Brigham & Houston, 2013).

$$\text{Total Assets Turnover} = \frac{\text{Penjualan}}{\text{Total Aktiva}}$$

Current Ratio (CR)

Current Ratio is a financial ratio that shows the company's ability to meet its short-term obligations with its current assets (Kasmir, 2014) The higher the CR value, the better the company's ability to meet its short-term obligations. (Kasmir, 2014) A high CR indicates that the company has good liquidity and is able to meet its short-term obligations, which can increase investor confidence in the company's financial stability.

$$\text{Current Ratio} = \frac{\text{Total Aset Lancar}}{\text{Total Kewajiban Lancar}}$$

Earnings Per Share (EPS)

Earnings Per Share (EPS) is a financial ratio that shows the net income available to common stockholders per share outstanding. (Brigham & Houston, 2013) The higher the EPS, the more profitable the company. A high EPS indicates that the company is capable of generating substantial profits per share, which can increase investor interest and demand for the company's shares. (Brigham & Houston, 2013). Investor confidence in a company's management can also increase with consistently high EPS, which is often reflected in higher share prices.

$$\text{Earning Per Share (EPS)} = \frac{\text{Laba Bersih}}{\text{Jumlah Saham Beredar}}$$

Debt to Equity (DER)

Debt to Equity Ratio (DER) is a financial ratio that shows the extent to which a company uses debt compared to equity to finance its assets (Brigham & Houston, 2013). The higher the DER, the greater the proportion of debt in the company's capital structure. (Brigham & Houston, 2013) This indicates that the company has a high level of debt relative to its equity, which can increase financial risk due to higher interest expenses and higher debt repayment obligations.

$$\text{Debt To Equity Ratio} = \frac{\text{Total Utang}}{\text{Total Ekuitas}}$$

Stock price

According to (Gitman & Zutter, 2012) Stocks are an investment instrument that represents partial ownership of a company. When someone buys shares, they are essentially buying a small portion of the company, which gives them the right to a portion of the company's assets and earnings. Investing in stocks offers benefits such as dividends, which are a share of the company's profits, and capital gains, which are the profit from the difference between the purchase and sale prices of the shares. However, these investments also carry risks, such as rapid price fluctuations and the risk of liquidation if the company goes bankrupt.

Hypothesis Formulation

The Effect of Return on Assets on Stock Prices

Return on Assets (ROA) is closely related to investors' assessment of a company's financial performance and its ability to manage assets to generate profits. ROA is calculated by dividing net income by total assets, providing an overview of a company's efficiency in using its assets to generate profits. (Hery, 2016).

A high ROA indicates that the company has successfully managed its assets well to generate profits. (Brigham & Houston, 2013) Investors view a high ROA as a positive indicator because it reflects the potential for greater returns on investment and efficient use of resources. Consequently, companies with a high ROA often attract the interest of investors, who then purchase their shares, increasing demand and the stock price. Furthermore, ROA is useful for comparing the performance of companies in the same industry; companies with a higher ROA are considered superior in asset management. ROA is an important financial analysis tool for investors in making investment decisions, helping identify companies with strong financial performance, greater stability, and potential for future growth.

Research by (Anwar, 2021) concluded that ROA has a positive effect on stock prices. However, this is different from research conducted by (Dewi et al., 2021) and (Putri & Christiana, 2017) which shows that ROA has a negative effect on stock prices.

H1 : *Return on Assets* has a positive effect on stock prices

The Effect of Total Assets Turnover on Stock Prices

Total Assets Turnover (TATO) is a ratio that shows the effectiveness of asset utilization in a company's operations to generate sales. This ratio is used to assess a company's operational efficiency and profitability. (Brigham & Houston, 2013). A high TATO is an important indicator of a company's operational effectiveness, which can attract investors because it shows the efficient use of assets to generate income. (Ross et al., 2010).

Investors view a high TATO as an indication of effective and efficient management, capable of maximizing returns on assets. The relationship between TATO and stock price is crucial because operational efficiency, demonstrated by a high TATO, can indicate greater profitability and long-term stability, making a company's stock more attractive to investors and potentially increasing demand and share price.

Research by (Istiyowati & Putri, 2022) concluded that TATO had a positive effect on stock prices. Meanwhile, research conducted by (Pratiwi et al., 2022) stated that TATO had a negative effect on stock prices.

H2 : *Total Assets Turnover* has a positive effect on stock prices

The Effect of Current Ratio on Stock Prices

Current Ratio (CR) is a ratio that measures a company's ability to meet its short-term obligations by using current assets. (Gitman & Zutter, 2012) A high CR indicates that the company has more current assets than its current liabilities, indicating good liquidity and increasing investor confidence in the company's financial stability, which can attract investors to buy shares and increase share prices.

However, a CR that is too high can also indicate that a company is inefficiently using its current assets, such as having too much uninvested cash or excessive, unproductive inventory. Therefore, it's important for

investors to consider the CR in the context of a company's overall operational efficiency and compare it to industry averages, as liquidity standards can vary across industries.

Research by(Putri & Christiana, 2017)And(Alamsyah & Fuadati, 2021)stated that CR has a positive effect on stock prices. However, this is different from research by(Anggraeni & Andhani, 2022)concluded that CR has a negative effect on stock prices.

H3 :*Current Ratio*has a positive effect on stock prices

The Effect of Earning Per Share on Share Prices

Earnings Per Share(EPS) is an important financial indicator that describes the net profit generated by a company for each outstanding share, calculated by dividing net profit by the number of outstanding shares.(Brigham & Houston, 2013).

High EPS indicates high earnings per share and good company performance, attracting investors due to growth prospects and financial stability. EPS changes are used to assess earnings growth and future projections. Consistent EPS increases boost investor confidence and share prices. However, EPS must be considered in the context of the industry and other factors such as management and financial condition. Accounting policies, such as share repurchases, can also affect EPS without increasing net income.

Research by(If, 2023)And(Munggaran et al., 2017)states that EPS has a positive effect on stock prices. Meanwhile, research by(Istiyowati & Putri, 2022)concluded that EPS has a negative effect on stock prices.

H4 :*Earnings Per Share*has a positive effect on stock prices

The Effect of Debt to Equity on Stock Prices

Debt to Equity Ratio(DER) is a financial ratio that shows the comparison between a company's total debt and shareholder equity, calculated by dividing total debt by total equity.(Hery, 2016)A high DER indicates a company has more debt than equity, increasing financial risk due to the need to meet interest and principal payments. Investors monitor the DER to assess a company's financial health and risk.

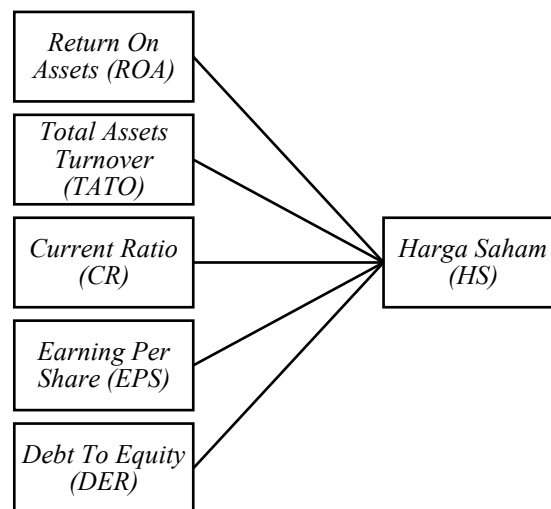
If the DER is high and revenue is sufficient to cover debt, this is positive and indicates efficient use of funds. However, an excessively high DER without adequate financial performance can indicate liquidity issues, erode investor confidence, and negatively impact stock prices.

Research by(Putri & Christiana, 2017)And(Pratiwi et al., 2022) states that DER has a positive effect on stock prices. However, research by(Alamsyah & Fuadati, 2021)concluded that DER has a negative effect on stock prices.

H5 :*Debt to Equity*The ratio has a positive effect on stock prices

Framework

The following is the framework of thought in this study which uses Return On Assets, Total Assets Turnover, Current Ratio, Earning Per Share and Debt To Equity as independent variables and stock price as the dependent variable.



Source: Journal of Developed Research, 2024
Figure 1. Framework of Thought

RESEARCH METHODS

Place and Time of Research

The location of this research was companies listed on the Indonesia Stock Exchange (IDX) for the period 2019 to 2023. The research period was from August to January 2025.

Population and Sample

According to (Sugiyono, 2018) A sample is a representation of a population with a specific number and characteristics that are the focus of the research. The data collection technique used is purposive sampling, a method of determining samples adjusted to specific, predetermined criteria and selected based on considerations relevant to the research objectives. Of the total 92 companies, 52 Property & Real Estate companies met these criteria. The established criteria are as follows:

Table 1. Sampling Criteria

Sample Determination Criteria	Number of Companies
Industrial sector companies listed on the IDX	92
Property & Real Estate sector companies that have complete financial reports for the period 2019 – 2023	52
Property & Real Estate sector companies that do not have complete financial reports for the 2019 – 2023 period	40
Number of companies that meet the criteria	52

Source: Processed data

Operational Research Variables

In this research, there are several operational research variables, namely:

Table 2. Operational Research Variables

Research Variables	Formula	Scale
Return on Assets(ROA)	$ROA = \frac{Laba\ Bersih\ Setelah\ Pajak}{Total\ Aktiva}$	Ratio
Total Assets Turnover(TATO)	$TATO = \frac{Penjualan}{Total\ Aset}$	Ratio
Current Ratio(CR)	$CR = \frac{Harta\ Lancar}{Hutang\ Lancar}$	Ratio
Earnings Per Share(EPS)	$EPS = \frac{Laba\ Bersih}{Jumlah\ Saham\ Beredar}$	Ratio
Debt to Equity(DER)	$DER = \frac{Total\ Utang}{Total\ Ekuitas}$	Ratio
Stock Price (HS)	Closing price of shares at the end of each year	Ratio

Source: Processed data

Data Analysis Techniques

Descriptive Analysis

Descriptive statistical analysis aims to provide an overview or description of the data held, seen from various parameters such as the average value (mean), standard deviation, variance, maximum value, and minimum value of each variable.(Ghozali, 2016)The mean is used to determine the average value of the data, providing a general overview of the data's size. The standard deviation measures the variation or spread of the data from the mean, indicating how far the data deviates. Variation, as the square of the standard deviation, quantitatively measures the spread of the data. The maximum value determines the highest number in the data, providing an upper limit, while the minimum value determines the lowest number, providing a lower limit of the observed data.

Normality Test

According to(Ghozali, 2016)The normality test aims to determine whether the independent and dependent variables in a regression model have a normal distribution. If the variables are not normally distributed, the statistical test results may be inaccurate. The One Sample Kolmogorov-Smirnov normality test can be used. Data is considered normal if the significance value is more than 5% (0.05). If it is less than 5% (0.05), the data is considered abnormal.

Multicollinearity Test

According to(Ghozali, 2016)The multicollinearity test aims to identify whether there is a correlation between independent variables in a regression model. To detect multicollinearity, the tolerance value and variance inflation factor (VIF) are used. Tolerance measures how much of the variability in an independent variable is not explained by other independent variables. A low tolerance indicates high collinearity, since $VIF = 1/\text{tolerance}$. A high VIF (greater than 10) indicates significant multicollinearity.

Heteroscedasticity Test

The heteroscedasticity test aims to determine whether there are differences in residual variance between observations in a regression model, known as heteroscedasticity. One way to detect this is by using a scatterplot or comparing the predicted value of the dependent variable (SRESID) with the residual error (ZPRED). If the scatterplot shows data points randomly distributed around zero on the Y-axis without a clear pattern, heteroscedasticity is not present. However, if there is a pattern in the distribution of data points, this indicates heteroscedasticity.According to(Ghozali, 2016), the ideal regression model is a model that does not show symptoms of heteroscedasticity, which ensures the accuracy and reliability of the research results.

Multiple Linear Regression

Multiple linear regression analysis is a technique for identifying and modeling linear relationships between multiple independent variables ($X_1, X_2, X_3, \dots, X_n$) and a single dependent variable (Y). This technique allows predicting the value of the dependent variable based on changes in the independent variables and determining the direction and strength of the relationship, whether positive or negative.

Global Test (F Test)

According to (Ghozali, 2016) The F test aims to determine whether the independent variables simultaneously have a significant effect on the dependent variable. The F test is used to test the simultaneous effect of independent variables on the dependent variable in a regression. There are two main steps in this test. First, using the "Quick look" method: if the F value is greater than 4, then H_0 can be rejected at the 5% confidence level. This means we accept the alternative hypothesis that all independent variables simultaneously and significantly influence the dependent variable. Second, comparing the F value: this step involves comparing the calculated F value with the F value obtained from the F distribution table. If the calculated F value is greater than the F value in the table, then H_0 is rejected and H_1 is accepted. This indicates that the independent variables significantly influence the dependent variable.

Coefficient of Determination Test

According to (Ghozali, 2016) The coefficient of determination (R^2) measures the extent to which a model is able to explain the variability of the dependent variable. The coefficient of determination ranges from zero to one. If the adjusted R^2 value is close to 1, this indicates that the independent variables in the model are able to explain the variation in the dependent variable well. Conversely, if the adjusted R^2 value is far from 1, this indicates that the independent variables in the model cannot significantly explain the variation in the dependent variable.

Hypothesis Test (T-Test)

The t-test is used to determine whether an individual independent variable has a significant effect on a dependent variable. In research, researchers formulate two hypotheses: the null hypothesis (H_0) and the alternative hypothesis (H_a). The null hypothesis (H_0) is a statement that there is no significant effect between the independent and dependent variables and is considered true until proven false based on the available sample data. The alternative hypothesis (H_a) is the opposite of the null hypothesis and is considered true if H_0 is rejected. (Widarjono, 2015).

RESULTS AND DISCUSSION

Descriptive Analysis

Table 3. Descriptive Development of Average Variable Values

Variables	2019	2020	2021	2022	2023
ROA	0.004	0.006	-0.016	0.079	0.041
TATTOO	0.129	0.163	0.144	0.303	0.165
CR	1,664	1,896	1,635	1,958	1,301
EPS	6,239	7,936	-21,376	99,955	51,302
DER	1,295	1,676	1,809	1,258	1,310
Stock price	177	188	122	154	129

Source: Processed data

Based on table 3, the highest average ROA value was 0.079 in 2022 and the lowest in 2011 at -0.016. The highest average TATO value was 0.303 in 2022 and the lowest in 2029 at 0.129. The highest average CR value was 1.958 in 2022 and the lowest in 2013 at 1.301. The highest average EPS value was 99.955 in 2022 and the lowest in 2021 at -21.376. The highest average DER value was 1.809 in 2021 and the lowest in 2022 at 1.258. The highest average Stock Price value was 188 in 2020 and the lowest in 2021 at 122.

Multicollinearity Test

Table 4. Multicollinearity Test Results

Variables	VIF	Information
<i>Return on Assets</i>	1,583	There is no multicollinearity

Variables	VIF	Information
<i>Total Assets Turnover</i>	1,027	There is no multicollinearity
<i>Current Ratio</i>	1,011	There is no multicollinearity
<i>Earnings Per Share</i>	1,547	There is no multicollinearity
<i>Debt to Equity</i>	1,005	There is no multicollinearity

Source: Smart PLS Processed Data

Based on table 4 above, it can be seen that Return On Assets, Total Assets Turnover, Current Ratio, Earning Per Share, and Debt To Equity have VIF values <10, so it can be concluded that there is no multicollinearity between the independent variables in this study.

Coefficient of Determination Test (R2)

Table 5. Results of the Determination Coefficient Test

	R-square	R-square adjusted
Stock price	0.282	0.268

Source: Smart PLS processed data

Based on Table 5 above, the Adjusted R2 value is 0.268, or 26.8%. This means that the variables Return on Assets, Total Assets Turnover, Current Ratio, Earnings Per Share, and Debt to Equity collectively influence stock prices by 26.8%, while the remaining 73.2% is influenced by other variables not examined in this study.

Hypothesis Testing

Table 6. Hypothesis Test Results

	Original sample (O)	Hypothesis	T statistics (O/STDEV)	P values	Note
Return on Assets -> Stock Price	-0.203	Positive	2,609	0.009	Significant
Total Assets Turnover -> Stock Price	0.025	Positive	0.620	0.535	Not significant
Current Ratio -> Stock Price	-0.033	Positive	1,514	0.130	Not significant
Earning Per Share -> Share Price	0.622	Positive	6,838	0,000	Significant
Debt To Equity -> Stock Price	-0.010	Positive	0.254	0.799	Not significant

Source: Smart PLS Processed Data

Effect of Return On Assets on Share Prices:

H0 : $\beta_i \leq 0$, meaning there is no significant positive influence between ROA on property sector stock prices in the 2019 – 2023 period.

H1: $\beta_i \geq 0$, meaning there is a significant positive influence between ROA and property sector stock prices in the 2019 – 2023 period.

Based on the data in Table 6, it can be seen that ROA has a P-value of 0.009, which is smaller than alpha 0.05. Therefore, it can be concluded that H0 is rejected and H1 is accepted. This means that ROA has a significant negative effect on stock prices.

The Effect of Total Assets Turnover on Stock Prices:

H0 : $\beta_i \leq 0$, meaning there is no significant positive influence between TATO and property sector stock prices in the 2019 – 2023 period.

H2: $\beta_i \geq 0$, meaning there is a significant positive influence between TATO and the stock prices of the Property sector for the period 2019 – 2023.

Based on the data in Table 6, it can be seen that TATO has a P-value of 0.535, which is greater than alpha 0.05. Therefore, it can be concluded that H0 is accepted and H2 is rejected. This means that TATO has no positive and insignificant effect on stock prices.

The Influence of Current Ratio on Stock Prices:

H0 : $\beta_i \leq 0$, meaning there is no significant positive influence between CR on property sector stock prices in the 2019 – 2023 period.

H3: $\beta_i \geq 0$, meaning there is a significant positive influence between CR and property sector stock prices in the 2019 – 2023 period.

Based on the data in Table 6, it can be seen that CR has a P-value of 0.130, which is greater than alpha 0.05. Therefore, it can be concluded that H0 is accepted and H3 is rejected. This means that CR has no negative and insignificant effect on stock prices.

Effect of Earning Per Share on Share Prices:

H0 : $\beta_i \leq 0$, meaning there is no significant positive influence between EPS on property sector stock prices for the 2019 – 2023 period.

H4: $\beta_i \geq 0$, meaning there is a significant positive influence between EPS and property sector stock prices in the 2019 – 2023 period.

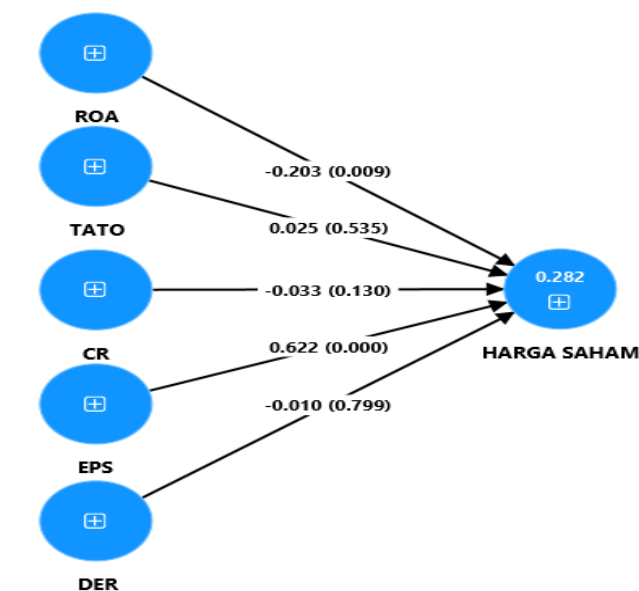
Based on the data in Table 6, it can be seen that EPS has a P-value of 0.000, which is smaller than alpha 0.05. Therefore, it can be concluded that H0 is rejected and H4 is accepted. This means that EPS has a positive and significant effect on stock prices.

The Effect of Debt to Equity on Stock Prices:

H0 : $\beta_i \leq 0$, meaning there is no significant positive influence between DER and property sector stock prices in the 2019 – 2023 period.

H5: $\beta_i \geq 0$, meaning there is a significant positive influence between DER and property sector stock prices in the 2019 – 2023 period.

Based on the data in Table 6, it can be seen that DER has a P-value of 0.799, which is greater than alpha 0.05. Therefore, it can be concluded that H0 is accepted and H5 is rejected. This means that DER has no negative and insignificant effect on stock prices.



Source: Smart PLS processed data

Figure 2. Bootstrapping Results

Multiple Linear Regression Test

Table 7. Multiple Linear Regression Test Results

	Original sample (O)
Return on Assets -> Stock Price	-0.203
Total Assets Turnover -> Stock Price	0.025
Current Ratio -> Stock Price	-0.033
Earning Per Share -> Share Price	0.622
Debt To Equity -> Stock Price	-0.010

Source: Smart PLS Processed Data

Based on the results of the Smart PLS calculations which can be seen in Table 7, the multiple linear regression equation is obtained as follows:

$$Y = -0.203X_1 + 0.025X_2 - 0.033X_3 + 0.622X_4 - 0.010X_5$$

Where, Y = Stock Price

X1 = Return on Assets

X2 = Total Assets Turnover

X3 = Current Ratio

X4 = Earnings Per Share

X5 = Debt to Equity

Based on the regression equation above, it can be interpreted that Return On Assets has a coefficient of -0.203, which means that if ROA increases by 1 unit, the stock price will decrease by 0.203. Total Assets Turnover has a coefficient of 0.025, so if Total Assets Turnover increases by 1 unit, the stock price will increase by 0.025. Current Ratio has a coefficient of -0.033, which indicates that if the Current Ratio increases by 1 unit, the stock price will decrease by 0.033. Earning Per Share has a coefficient of 0.622, which means that if EPS increases by 1 unit, the stock price will increase by 0.622. Debt To Equity has a coefficient of -0.010, so if DER increases by 1 unit, the stock price will decrease by 0.010.

Discussion of Research Results

The Effect of Return On Assets on Stock Prices

Based on the hypothesis testing, the results obtained show that the Return On Assets variable has a negative and significant effect on stock prices. When Return on Assets (ROA) increases, it indicates that a company is able to generate more profit from its assets. This improved financial performance is positively responded to by the market and investors. The market and investors view an increase in ROA as a sign that the company is healthy and efficiently managing its assets. As a result, investors tend to buy the company's shares because they believe that the company's good performance will continue, thus increasing demand for the company's shares. When demand for shares increases, the company's share price also rises. An increase in ROA is considered a positive signal that encourages investors to invest their funds in the company. According to signaling theory, favorable financial information, such as an increase in ROA, acts as an indicator to investors that the company is an attractive investment. This triggers increased interest and demand for the company's shares.

The results of this study are in accordance with research conducted by (Dewi et al., 2021) which proves that ROA has a negative and insignificant effect on stock prices. However, this differs from research by (Anwar, 2021) shows that ROA results have a positive and significant effect on stock prices. This is different from research by (Melia, 2022) proves that ROA has no effect on stock prices.

The Effect of Total Assets Turnover on Stock Prices

Based on hypothesis testing, the results show that Total Asset Turnover (TATO) has no positive or significant effect on stock prices. When Total Asset Turnover (TATO) increases, it indicates a company is more efficient in managing and utilizing its assets to generate revenue. This efficiency is usually welcomed by the market and investors, which in turn increases demand for the company's shares. This increased demand then drives up the stock price. Conversely, when TATO decreases, it indicates a company is less efficient in utilizing its assets to generate revenue. This decreased efficiency often causes investors to lose confidence in the company's ability to generate optimal profits. Consequently, investor interest in the company's shares declines, ultimately leading to a decline in the stock price.

The results of this study are in accordance with research conducted by (Natalia et al., 2021) which proves that TATO has no positive and insignificant effect on stock prices. However, this is different from research by (Istiyowati & Putri, 2022) shows that TATO results have a positive and insignificant effect on stock prices. This

is different from research by (Pratiwi et al., 2022) proves that TATO has a negative and insignificant effect on stock prices.

The Effect of Current Ratio on Stock Prices

Based on the hypothesis testing, the results showed that the Current Ratio variable has no negative and insignificant effect on stock prices. CR, which reflects a company's ability to pay short-term obligations, does not directly influence investors' investment decisions. Although a high level of liquidity indicates that a company has sufficient current assets to meet its short-term obligations, this is not always considered a primary factor in investors' assessment of the company's future profit prospects. Therefore, although the current ratio is an important element in financial analysis, its impact on stock prices may be insignificant if investors focus more on other factors considered more crucial in their investment decision-making. This indicates that in the investment world, no single indicator can determine overall stock prices, but rather a combination of various interacting factors.

The results of this study are in accordance with research conducted by (Wilyaningtyas, 2020) And (Anwar, 2021) which proves that CR has no negative and insignificant effect on stock prices. However, this differs from research by (Albart et al., 2023) shows that CR results have a negative and significant effect on stock prices. This is different from research by (Putri & Christiana, 2017) proves that CR has a positive and significant effect on stock prices.

The Effect of Earning Per Share on Share Prices

Based on the hypothesis testing, the results show that the Earning Per Share variable has a positive and significant effect on share prices. In the analysis descriptive The study demonstrated a positive correlation between EPS and stock prices, with increases in EPS tending to be followed by increases in stock prices. The test results indicate that EPS has a positive and significant effect. Higher EPS reflects better company performance, thereby increasing investor confidence and driving stock prices upwards. This supports the importance of EPS as a company performance indicator in determining stock prices in the market.

The results of this study are in accordance with research conducted by (Putri & Christiana, 2017) And (If, 2023) which proves that EPS has a positive and significant effect on stock prices. However, this differs from research by (Lusiana, 2020) shows that EPS results have a negative and significant effect on stock prices. This is different from research by (Rahmadewi & Abundanti, 2024) proves that EPS does not have a significant effect on stock prices.

The Effect of Debt to Equity on Stock Prices

Based on the hypothesis testing, the results show that the Debt to Equity variable has no negative or significant effect on stock prices. descriptively it can be seen that An increase in DER does not lead to a decrease in stock prices, and changes in DER do not significantly correlate with changes in stock prices. This could occur for several reasons, including a company's strong financial performance, where investors feel confident in the company's stability despite its high debt ratio. Furthermore, in some industries, a high debt ratio may be common and acceptable to investors. Effective debt management, such as obtaining lower interest rates or extending debt maturities, can also reduce perceived risk. Other external factors, such as macroeconomic conditions, government policies, and global market trends, may have a greater influence on stock prices than DER. Therefore, under the conditions tested, DER is not a major factor influencing stock price changes, and investors may focus more on operational performance, growth prospects, and overall market conditions in making their investment decisions.

The results of this study are in accordance with research conducted by (Soraya et al., 2023) And (Insyiraah, 2019) which proves that DER has no negative and insignificant effect on stock prices. However, this is different from research by (Alamsyah & Fuadati, 2021) And (Pratiwi et al., 2022) shows that DER results have a positive and significant effect on stock prices. This is different from research by (Alamsyah & Fuadati, 2021) proves that EPS has a negative and significant effect on stock prices.

CLOSING

Based on the data analysis that has been carried out and the discussion that has been described in the previous chapters, the results of this study can be concluded as follows: (1) Return On Assets has a significant negative effect on stock prices in property & real estate companies listed on the Indonesia Stock Exchange in the period 2019 – 2023. (2) Total Assets Turnover has a positive and insignificant effect on stock prices in property & real estate companies listed on the Indonesia Stock Exchange in the period 2019 – 2023. (3) Current Ratio has a negative and insignificant effect on stock prices in property & real estate companies listed on the Indonesia Stock Exchange in the period 2019 – 2023. (4) Earning Per Share has a positive and significant effect on stock prices in property & real estate companies listed on the Indonesia Stock Exchange in the period 2019 – 2023. (5) Debt To

Equity has a negative and insignificant effect on stock prices in property & real estate companies listed on the Indonesia Stock Exchange in the period 2019 – 2023.

This research was conducted in accordance with scientific procedures, but it had limitations due to the small sample size and short observation period. This resulted in the data not being normally distributed or meeting the assumptions of normality. Therefore, the analysis was conducted using Smart PLS 4.0.

Based on the results of this study, several suggestions that can be used as input for investors, companies, and further research are as follows: (1) Companies should focus on strategies that can maintain and increase the value of their shares in the market. Transparency in financial and operational reporting is very important to build investor confidence. (2) In order to assess companies that are investment targets, not only pay attention to the level of Return on Assets, Total Assets Turnover, Current Ratio, Earning Per Share, and Debt To Equity but also pay attention to things that can influence them so that investment decisions are made appropriately. (3) In further research, it is better to use more samples and add other independent variables, as well as use a longer period of company financial reports.

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