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# ANALYSIS OF THE IMPACT OF FINANCIAL PERFORMANCE ON STOCK PRICES AND COMPANY VALUE AS MODERATION VARIABLES (CASE STUDY ON HEALTHCARE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE)

**Muhamad Irfan Florid[1], Ratnawati Raflis[2]**
[1]Faculty of Economics & Business, Dharma Andalas University,
email: *: muhammadirfanflorid704@gmail.com*
[2]Faculty of Economics & Business, Dharma Andalas University, Padang2
email: *ratnawatiraflis21@gmail.com*

***ABSTRACT***

*Healthcare companies on the Indonesia Stock Exchange (IDX) face fierce competition during the ongoing Covid-19 pandemic, impacting the Jakarta Composite Index (IHSG) despite its stability around 6,000. Pharmaceutical stock prices surged at the pandemic's outset, crucial for investor assessments. This study examines healthcare companies listed on IDX from 2016 to 2020, involving 14 eligible firms. Data analysis employs descriptive statistics and multiple regression analysis, with data analyzed using Eviews 10. Results reveal CR, NPM, TATO, and ROE negatively and significantly affect stock prices, while GPM and EPS have negative but insignificant effects. RC and DER don't significantly impact stock prices, but ROA and PER demonstrate positive, significant effects. Simultaneously, CR, GPM, NPM, RC, TATO, DER, ROA, ROE, EPS, PER, and PBV collectively influence healthcare company stock prices. Company value doesn't moderate CR, RC, TATO, and PER's relationship with stock price but does moderate GPM, NPM, DER, ROA, ROE, EPS, and share prices. Prospective investors should consider factors beyond financial ratios for profitable returns.*

***Keywords: Financial Performance, Stock Prices, Company Value***

## INTRODUCTION

Every company that lists on the Indonesia Stock Exchange or goes public issues shares that every investor can own. However, stock prices are very volatile and changing, even though investors want their stock prices always to be high and never go down. Shares prove to own a company where the owner is referred to as a shareholder. The attractiveness of stocks compared to other investment products in the form of financial assets is the profit level from stock returns obtained by investors relatively higher than savings, deposits, and bonds.

Companies must provide information to shareholders or the general public about their business. This information is very useful as a basis for reducing uncertainty in decision-making. Financial information can be obtained from the company's financial statements. Interpreting or analyzing financial statements is very useful in determining the state and financial development of the company concerned. In interpreting and analyzing a company's financial statements, a financial analyst requires a measure.

Currently, the main goal of a company is creating Share Prices and achieving satisfactory results or achievements through increasing profitability and shareholder wealth. Stock Price Creation is created when a company generates or maintains a rate of return that is more than the cost of capital. The company's achievements can be in the Stock Price from the magnitude of financial performance over a certain period.

To be able to carry out its operating activities, a company must be in a calm/profitable state. Without profit, it will be difficult for companies to attract outside capital. Companies with a high level of profitability will be in demand for shares by investors. Thus, profitability can affect the value of the company.

Financial ratios show the relationship between one element and other elements in the financial statements and explain or give a dream to analysts or people who need a plan to analyze a company's good and bad financial position in a certain period.

Profitability is one of the indicators used to measure a company's financial performance. The profitability ratio will show the combined effects of liquidity, asset management, and debt on

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operating results (Brigham and Houston, 2009: 107). Profitability ratios are of two types: ratios that show profitability in relation to sales (profitability of sales) and ratios that show profitability in relation to investment (profitability of investments).

This study evaluates the profitability of investments using the Return on Equity (ROE) ratio. ROE is a profitability metric measuring a company's capacity to generate profits utilizing its owned share capital. A higher ROE indicates superior performance, as it signifies greater returns, eliciting a positive response from investors and enhancing the company's value.

There are various types of solvency ratios: debt to equity ratio, total asset to total debt ratio/debt ratio, and times interest earned. In this study, researchers used the debt-to-equity ratio as one of the ratios used to measure the company's solvency level. The capital debt ratio, or the leverage ratio, is one of the financial ratios that describe the extent to which the owner's capital can cover the company's debt to outside parties and the extent to which the company is financed from debt. If a company uses debt as a source of funding, it can cause the company to bear fixed expenses such as interest and installments from debt in the future. If the amount of debt used in the capital structure is greater, the fixed burden borne by the company will be even greater.

The solvency ratio relates to external funding, the extent to which the company uses funding through debt or financial leverage. Under normal circumstances, the company gets the return on investments funded with borrowed funds greater than the interest paid. The return on the owner's capital will be magnified or leveraged. In times of recession, sales are lower, and costs are higher than expected, so the return on equity of leveraged companies will fall very sharply, and losses will occur. Meanwhile, debt-free companies will still benefit.

DER (Debt to Equity Ratio) compares the amount of debt (long-term and short-term debt) with total assets. This means that the higher the value of this ratio, the greater the risk for the creditor and vice versa. In reality, a small DER is not necessarily better than a large DER because it is to achieve the level of profit that the company expects.

The activity ratio includes total assets turnover (TATO). The turnover ratio is the ratio by which sales are divided by assets. As the name implies, this ratio shows how often the post "rotates" throughout the year. The turnover ratio assets are expressed as sales divided by inventory (Brigham and Houston, 2010:136). TotalAssets Turn Over is an efficiency ratio calculated by dividing total assets by sales (Ang, 1997: 130).

Company value is a certain condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activity for several years, namely since the company was established until now. Increasing the company's value is an achievement that follows the owners' wishes because, with the increase in the company's value, the owners' welfare will also increase.

Company value is very important because a high company value will be followed by high shareholder prosperity. The higher the stock price, the higher the value of the company. Company owners desire high company value because a high value shows high shareholder prosperity. The wealth of shareholders and companies is presented by the shares' market price, which reflects investment, financing, and asset management decisions. Wahyudi, Nurlela, and Ishaluddin (2008) in Kusumadilaga (2010) stated that the company's value is the price prospective buyers are willing to pay if the company is sold. The company's value is a reflection of the addition of the company's equity to the company's debt.

Company value is the value of future profits in expectations recalculated with the right interest rate (Winardi, 2001 in Kusumadilaga, 2010). The company's value can be measured through several aspects, one of which is the company's stock price. The company's stock market price reflects the investor's overall assessment of each equity owned. Stock market prices show the central valuation of all market participants, and stock prices show the central valuation of all basic participants. Stock market prices act as a barometer of the company's management performance. If the value of a company can be proxied by the stock price, then maximizing the company's market value is equivalent to maximizing the stock's market price.

According to Law No. 35 of 2009, "The Pharmaceutical Industry is a company in the form of a legal entity that has a license to carry out production activities and distribution of drugs and medicinal materials, including Narcotics." The pharmaceutical industry has a major influence on hospitals and various healthcare organizations in the healthcare sector. The amount of drug turnover can reach 50%-60% of the hospital budget. Medicine is an important part of the lives of hospitals, doctors, and patients. Therefore, it is necessary to understand the behavior of the pharmaceutical industry in the context of economic applications in hospitals.

The pharmaceutical industry plays a significant role in economic applications within hospitals. Certain medications have substitute goods within this industry, while others do not. For instance, individuals seeking weight loss treatments have substitute products, such as fitness equipment, to help them maintain a healthy weight. However, many medications used in hospitals do not have direct substitutes and are considered complementary to medical procedures. For instance, surgical procedures in operating rooms require drugs to induce anesthesia. In such cases, no substitutes are available for these specific drugs, highlighting their essential role in medical procedures.

Jakarta, CNBC Indonesia (2021) explained that shares of pharmaceutical issuers on the Indonesia Stock Exchange (IDX) got 'rivals' during the Covid-19 pandemic, which still moved to the Composite Stock Price Index (JCI) move unstable even though it was still at the level of 6,000. In the early days of the Covid-19 pandemic, pharmaceutical stock prices had risen wildly. Pharmaceutical SOEs, which are subsidiaries of PT Bio Farma, namely PT Indofarma Tbk (INAF) and PT Kimia Farma Tbk (KAEF), recorded an increase of more than 100% in the middle of last year. However, sometime later, the pharmaceutical stock price collapsed. Its existence was increasingly 'threatened' by investors when shares of technology issuers began to crawl up.

("Overshadowed by Omicron, What is the Outlook for Healthcare Sector Stocks? " n.d.) According to Al Fatih, the upward trend in health stocks was also influenced by the momentum of handling Covid-19 and slight shocks during the interest rate announcement. However, according to him, the potential increase is still quite large. "With a note that although there is a correction, it does not fall below 1,460 for IDX Health," he said. He says the momentum of handling Covid-19 with the booster vaccine affects the Composite Stock Price Index (JCI) and health sector issuers. According to him, in the community group

Stock price and profitability are important indicators for investors to assess a company's prospects. In the Pharmaceutical Industry sector, there are several companies whose stock prices have decreased and affected the company's Share Price in the eyes of Investors, especially during the Covid-19 pandemic. Every pharmaceutical industry stock sometimes goes up and down. The cause of stock fluctuations depends on the company's profitability ratios, such as Return Of Assets (ROA) and Earnings Per Share (EPS).

Several previous studies discussing stock prices have not shown consistent results. The results regarding the variable Return On Equity (ROE) shown by (W. P. Sari, 2018) show that Return On Equity does not affect Stock Price. While research (Kurniawati, Chomsatu, &; Siddi, 2021) Return On Equity (ROE) affects Stock Price, other studies show inconsistent results found in the Net Profit Margin (NPM) variable shown (Sekartaji, 2019) Net Profit Margin (NPM) affects Stock Price, while research (Kurniawati et al., 2021) Net Profit Margin (NPM) does not affect stock price.

## RESEARCH METHODS

Based on the level of explanation (clarity), this study is included in the category of associative research. This study investigates the influence and relationship between two or more variables. Based on the type of data used, this research can be classified as quantitative research because it involves collecting and analyzing data in numbers.The object of this study is a Healthcare company listed on the Indonesia Stock Exchange (IDX) from 2016 to 2020. Data for this study was obtained through online sources such as www.idx.co.id website. The authors also sought information from sources such as idnfinancials.com, ICMD, and other relevant media to complement this study. The population used in this study is all Healthcare companies listed on the IDX from 2016 to 2020, with 23 companies. The sampling technique used in this study was purposive sampling. The data analysis methods employed in this study consisted of descriptive statistics and multiple regression analysis. Computer technology, specifically the Econometric Views (Eviews) program version 10, was used to conduct data analysis.

## RESULTS AND DISCUSSION

Descriptive statistics provide an overview or description of data from the average value (mean), standard deviation, variance, maximum and minimum. Descriptive statistical analysis is used to find out an overview of research variables. The following data processing results consist of 70 data with the following results.

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**Tabel 1.**
**Deskiptif Statistik (n-)**

| | Y | X1 | X2 | X3 | X4 | X5 | X6 | X7 | X8 | X9 | X10 | Z |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Mean | 2243. 81 4 | 2.63 9680 | 0.40 0030 | 0.083 92 4 | 0.912 6 86 | 1.326 5 66 | 1.085 3 41 | 0.078 8 14 | 2.317 2 06 | 37.25 0 92 | 25.75 1 36 | 4.944 3 87 |
| Median | 1655. 00 0 | 2.47 6100 | 0.39 3600 | 0.057 25 0 | 0.447 5 00 | 1.004 0 00 | 0.467 8 50 | 0.069 6 50 | 1.409 0 00 | 31.90 4 95 | 14.31 7 20 | 2.432 0 00 |
| Maximum | 1083 3.0 0 | 11.0 9400 | 2.32 9100 | 1.901 00 0 | 6.598 5 00 | 4.218 4 00 | 4.946 5 00 | 0.921 0 00 | 13.75 0 50 | 198.7 4 38 | 1154. 8 91 | 40.56 1 60 |
| Minimum | 92.00 00 o | 0.05 9100 | 0.08 3900 | - 0.885 400 | 0.016 5 00 | 0.161 3 00 | 0.083 3 00 | - 0.237 9 00 | 0.334 2 00 | - 208.3 7 69 | - 835.7 1 43 | 0.008 0 00 |
| Std. Dev. | 2421. 65 O | 2.19 1415 | 0.27 8222 | 0.265 69 4 | 1.264 8 57 | 0.911 9 98 | 1.269 0 84 | 0.129 7 33 | 2.752 1 11 | 59.53 7 70 | 213.4 6 97 | 7.432 8 34 |
| Observations | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 | 70 |

**Estimated results**

Based on the model specification test using the Chow Test, Hausman Test, and L.M. test above shows the best choice using the Random Effect Model research model with the following results:

| Variable | Coefficient | Std. Error | t-Statistic | Prob. |
|---|---|---|---|---|
| C | 3015.695 | 1230.374 | 2.451040 | 0.0173 |
| X1 | -147.2410 | 117.7855 | -1.250077 | 0.2163 |
| X2 | -641.4045 | 538.1432 | -1.191884 | 0.2382 |
| X3 | -3125.435 | 1080.870 | -2.891591 | 0.0054 |
| X4 | 97.39732 | 178.2314 | 0.546465 | 0.5868 |
| X5 | -1069.266 | 436.5374 | -2.449427 | 0.0173 |
| X6 | 395.6946 | 175.4557 | 2.255239 | 0.0279 |
| X7 | 6689.358 | 2691.750 | 2.485134 | 0.0159 |
| X8 | -113.8516 | 170.2842 | -0.668597 | 0.5064 |
| X9 | -0.988323 | 3.836424 | -0.257616 | 0.7976 |
| X10 | 0.923567 | 0.803740 | 1.149087 | 0.2552 |
| Z | 158.8463 | 39.84481 | 3.986624 | 0.0002 |

Sumber: Hasik Olah Data Eviews 10

**Individual Parameter Significance Test (t-Test)**

The t-test is performed to determine how much influence the independent variable has in explaining its effect on the dependent variable by assuming the other independent variable is constant. If the probability value is < 5%, H0 is rejected, and the dependent variable can describe the independent variable. However, if the probability value of > 5%, then H0 is accepted. The dependent variable cannot explain its independent variable or, in other words, does not affect the two variables being tested.

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| | Uji | t-statistik | | |
|---|---|---|---|---|
| Variabel Dependen=Y | Koefisien | Standar error | t-Statistic | Probabilitas |
| C | 7.88870 | 0.378 | 20.850 | 0.000 |
| X1 | -0.06668 | 0.031 | -2.130 | 0.037 |
| X2 | -0.06334 | 0.142 | -0.446 | 0.658 |
| X3 | -0.60064 | 0.288 | -2.085 | 0.042 |
| X4 | 0.02772 | 0.047 | 0.589 | 0.558 |
| X5 | -0.65361 | 0.121 | -5.402 | 0.000 |
| X6 | 0.02275 | 0.047 | 0.487 | 0.628 |
| X7 | 1.95729 | 0.723 | 2.707 | 0.009 |
| X8 | -0.10741 | 0.048 | -2.224 | 0.030 |
| X9 | -0.00025 | 0.001 | -0.247 | 0.806 |
| X10 | 0.00047 | 0.000 | 2.233 | 0.029 |
| Z | 0.06594 | 0.011 | 6.080 | 0.000 |

Sumber: Hasik Olah Data Eviews 10

**Moderation Test**

The interaction test or often called Moderated Regression Analysis (MRA), is a special application of multiple linear regression where the regression equation contains an element of interaction (multiplication of two or more independents) that aims to determine whether the moderating variable will strengthen or weaken the relationship between the independent variable and the dependent variable. (Ghozali, 2016). Moderated Regression Analysis (MRA) in this study was used to test pure moderators by making interaction regression, but moderator variables did not function as independent variables (Ghozali, 2016). The following is a recapitulation of the equation between the independent variable (X), the moderator variable (Z), and the interaction variable between the independent variable and the moderator variable (M).

**Discussion of Research Results**

**The Effect of Current Ratio on Stock Price**

Based on this test, the Current Ratio has a significant negative effect, then Ha1 is accepted. The results of this study are evidenced by the t-statistical value for the variable X1 is -2.130, with a probability of 0.037 significant at α 5%. Because the probability value is < 0.05, it can be seen that X1 has a significant effect on Y. So, the results of this study show that the current ratio has a negative and significant effect on stock prices. The results of this study are in line with research conducted by (Elizabeth, 2016), (Ulfa, 2020) (H.H. P. Sari, 2019), (Khalifah, 2019). The Current Ratio is too high. It is also not too good because it can indicate the company's ability to get less than the maximum profit can be proven by the activities carried out. As a result, investor interest in investing their capital and buying shares in the company decreased. This is because if a company with a high Current Ratio shows an excess of current assets, which will have an adverse influence on the company's performance. A current ratio that is too high indicates the presence of high idle funds, thus reflecting the company's inability to operate its current assets, which can cause opportunity loss.

This shows that even though the company is very liquid because it has current assets greater than its current liabilities, it can pay off short-term obligations that are due soon. However, investors are not interested in investing their shares even though they see the company's financial performance in paying off short-term obligations as very good.

**The Effect of Gros Profit Margin on Stock Prices**

Gross Profit Margin does not affect the stock price, so H2 is rejected based on the research results from the t-statistical value for variable X2 is -0.446 with a probability of 0.658, insignificant at α 5%. Because the probability value is > 0.05, it can be seen that X2 has no significant effect on Y. So, Gross Profit Margin has a negative and insignificant effect on Stock Price.

The results of this study are in line with those of (Baqizzarqoni &; Bati, 2020), (Jahrona, 2014), (Indahsafitri, Wahono, &; Khoirul, 2018). In this study, Gross Profit Margin does not affect stock prices. This can be due to the inefficient expenditure of costs made by the company to reduce the profit obtained by the company. In addition, the company's ability to generate high profits will also be followed by an increase in the price of shares owned. In other words, a company's profitability will affect the stock price. This means that not only factors in generating a profit can affect stock prices but also sales and cost factors. The addition of net profit is not necessarily followed by an increase in sales, besides that the sales results received are not commensurate with the costs used in processing the manufacture of a high item, resulting in the company being unable to cover the costs needed in the production process and can incur debt to the company.

Gross Profit Margin has a negative and insignificant effect on stock prices due to selling or selling prices in Healthcare companies listed on the IDX 2016-2020, which experience fluctuations in fluctuations every year, and stock prices do not increase. Gross profit margin is not a factor that can affect stock prices because the Gross profit margin is a fundamental factor of the company. Where investors do not care about this ratio as a test Because there is no relationship with the increase in stock prices.

**The Effect of Net Profit Margin on Stock Prices**

Net Profit Margin has a negative effect, then H3 is accepted with the study results, the t-statistical value for the variable X3 is -2.085 with a probability of 0.042 significant at α 5%. Because the probability value is < 0.05, it can be seen that X3 has a significant effect on Y, So Net Profit Margin has a negative and significant effect on Stock Price. This study's results align with those (Ahmad, Sahmin, &; Muliyani, 2018), (Hernandez Sampieri Roberto, 2014).

A negative correlation means that the two have an inversely proportional relationship. Where the Net Profit Margin increases, the company's Stock Price decreases. So it can be concluded that there is a partial low and negative relationship between Net Profit Margin and the Company's Share Price in Healthcare Companies listed on the IDX 2016-2020.

NPM negatively influences stock prices because stock investors tend to focus more on the company's ability to maximize the use of its wealth to generate profits and increase it over time. High sales do not mean high profits for shareholders because the company is likely to have large debts, so the profits available for distribution are getting smaller. This can be seen from the NPM value of Hebalthcare sub-sector companies listed on the IDX from 2016-2020 continues to decline, but this is not comparable to net profit and sales from 2016-2020, which continue to increase. Similarly, stock prices from 2016-2020 continue to increase. This empirical evidence states that every time there is a decrease in the value of NPM, the stock price will rise, and vice versa.

**The Effect of Cash Ratio on Stock Prices**

The cash ratio has an insignificant negative effect on the stock price, so H4 is rejected. With the study results, the t-statistical value for the variable X4 is 0.589 with a probability of 0.558, insignificant at α 5%. Because the probability value is > 0.05, it can be seen that X4 has no significant effect on Y. Cash Ratio has a positive insignificant effect on Share Price. This research aligns with (National &; Pillars, n.d.)

The cash Ratio is used in this study because it gives a true picture of the company's ability to pay its short-term debt. Calculating the cash ratio in a company generally has two main benefits: determining the level of liquidity security in a company and overcoming various company liquidity problems.Knowing the value of the cash ratio will help the company's management take strategic steps. This step can later be used to save the company's financial condition if it is in trouble. For this reason, the company's management must continue to regularly control the value of its cash ratio within a certain period so that the business's financial condition can run well and all operational activities can run smoothly. The research shows that the effect of the cash ratio on favorable stock prices is not significant, indicating that the company's ability to manage company liquidity is very good. However, there is no effect on stock prices because stock prices fluctuate. The price can rise and fall because it is driven by the company's external strengths, namely demand, and supply. In contrast, the cash ratio is a technique used to measure the company's liquidity ability in its capabilities to finance its short-term liabilities against cash and cash equivalents. In this case, the company does not let its assets stand still because it will result in high debt to the company.

**The Effect of Total Assets Turnover on Stock Prices**

Total Asset Turn Over has a significant negative effect on stock price, so H5 is accepted with the results of the study t-statistical value for variable X5 is -5.402 with a probability of 0.000 significant at α 5%. Because the probability value is < 0.05, it can be seen that X5 has a significant effect on Y. So, Total Asset Turn Over has a negative and significant effect on the Stock Price. This study's results align with (Lila Kusuma, 2016) (Indonesia, 2015).

Kasmir (2017) stated that companies that have decreased Total Asset Turn Over mean that they have not been able to optimize their assets. The company is better off increasing sales figures again or reducing the number of assets that are considered unproductive. Other factors can also influence decreasing Assets Turn Over, such as when economic conditions are not good or inflation affects stock returns.

This can happen because a larger net profit does not follow companies that can get a low TATO in the same period. This can make investors not interested in buying company shares, causing the company's stock price to decline.

**The Effect of Debt to Equity Ratio on Stock Prices**

Debt to Equity Ratio has an insignificant positive effect on stock prices, so H6 was rejected with the study results. The t-statistic value for the variable X6 is 0.487 with an insignificant probability of 0.628 at α 5%. Because the probability value is > 0.05, it can be seen that X6 has no significant effect on Y. So, the Debt to Equity Ratio has a positive and insignificant effect on the Stock Price. This study's results align with those (Abarca, 2021), (Sondakh et al., 2006).

This is because some investors only consider that companies with good prospects of courage to use high debt in their capital structure, then a higher proportion of debt will cause high fixed payments and pose a risk of bankruptcy or liquidation. The agency's theory expressed by Brealey and Myers in Kennedy (2010) is that companies will increase debt when tax savings outweigh the sacrifices, and the use of debt will stop when there is a balance between savings and sacrifices due to the use of debt. The trade-off model assumes that the capital structure results from a trade-off of tax advantages by using debt with costs that would arise from using debt. The higher the company's debt, the higher the profit generated because, with high debt, the company's tax payment is low. If profits rise, it will attract investors to invest in the company, and the demand for shares and the stock price will also rise.

The Effect of Return On Assets on Stock Prices

Return On Asset has a significant positive effect on stock price, so H7 is accepted with the results of the study t-statistical value for the variable X7 is 2.707 with a probability of 0.009 significant at α 5%. Because the probability value is <0.05, it can be seen that X7 has a significant effect on Y. So, Return On Assets Has a Positive and Significant Effect on Stock Prices.

This is because when the ROA of a company is high, the net profit generated is also high, so it can affect the stock price, which is to increase. This can also attract investors because of a high net income level, a higher return rate that shareholders will obtain, followed by an increasing stock price. Investors will tend to invest in companies that have a high ROA rate.

The coefficient value of ROA shows a positive value, meaning the greater the ROA value, the greater the company's profit. However, there is no influence on the company's stock price because investors only want the benefits to be received. In addition, investor behavior often does not see the value of ROA in determining the decision to buy shares in the company. Investors not only assess fundamentally in determining which stocks to buy, but investors also look technically or technically by analyzing stock price charts on the exchange. This study's results align with (Akbar &; Djawoto, 2021) and (Tahir, Djuwarsa, &; Mayasari, 2021).

**The Effect of Return On Equity on Stock Prices**

Return On Equity has a negative and significant effect on stock prices, so H8 is accepted with the results of the study t-statistical value for the variable X8 is -2.224 with a probability of 0.030 significant at α 5%. Because the probability value is < 0.05, it can be seen that X8 has a significant effect on Y.

The higher the ROE, the lower the stock price, and vice versa. ROE has a great impact on the welfare of stakeholders, especially investors. ROE depends on the size of the company. For companies that have large capital, the ROE is also large. A large ROE reflects the company's ability to manage its capital well and allocate the right funds. However, this large capital results in high operating expenses and risks. So that the profit obtained cannot be optimal (low), this condition will lower the stock price because investors will consider their shares for companies with small profits. The opportunity to invest in stocks will also be lower. The results of this research are in line with (Firmansyah, 2019), (Nurhayati, Technology, &; Dahlan, 2021) and (Citra, Prengki Kurnia Minang, Rida Ristiyana, 2021).

**The Effect of Earnings Per Share on Stock Prices**

Earnings Per Share has an insignificant negative effect on stock prices, so H9 is rejected, with the results of the study t-statistical value for the variable X9 is -0.247 with a probability of 0.806 is not significant at α 5%. Because the probability value is > 0.05, it can be seen that X9 has no significant effect on Y. So, Earnings Per Share has a negative and insignificant effect on stock prices.

Earnings Per Share (EPS) is the first important component to consider in company analysis. EPS is a ratio that shows how much profit (return) investors or shareholders obtain per Share (Tjiptono and Hendry, 2001: 139). Investing in a company will get a return on its shares. The higher the earnings per Share (EPS) the company provides will encourage investors to invest more. The results of this analysis are contrary to theory because high profits make EPS also high. However, EPS is likely not distributed to shareholders as dividends but returned to the company to increase capital in the form of retained earnings so that stock prices are not affected. This study's results align with (Juliningtias &; Sunartiyo, 2020) and (Citra, Prengki Kurnia Minang, and Rida Ristiyana, 2021).

**The Effect of Price Earning Ratio on Stock Price**

The price Earning Ratio has a significant positive effect on stock prices, so H10 is accepted with the results of research t-statistical values for variable X10 is 2.233 with a probability of 0.029 significant at α 5%. Because the probability value is < 0.05, it can be seen that X10 has a significant effect on Y. So, the Price Earning Ratio has a positive and significant effect on the Stock Price.

So the price-earnings ratio affects the stock price with a positive coefficient. This means that the higher the price-earnings ratio, it will not be able to determine the stock price. The price-earnings ratio is generally used to determine how much an investor must pay to earn a profit. A high price-earnings ratio indicates that the stock price will be more expensive, and this shows that the company can grow well. However, a high price-earnings ratio can also be obtained because the company cannot get optimal profits. However, companies have good projections because the company may be expanding its business so that the profits obtained are used to cover the company's operating costs in expanding. But for investors, usually, the company's stock price is cheap. This study's results align with (Wayan et al., 2021), and (Nurfadila et al., 2020). From the results of this study, many are in line with previous research that more price-earnings ratio affects stock prices.

**Effect of Company Value (z) on Stock Price**

The value of the regression coefficient of variable Z of 0.06594 with a positive direction can mean that if Z increases by 1%, Y will experience an increase of 0.06594%, assuming other variables are fixed. The t-statistic value for variable Z is 6.080 with a probability of 0.000 significant at α 5%. Because the probability value is < 0.05, it can be seen that Z has a significant effect on Y.

Tests conducted on the variable company value (which is proxied with (PBV) Price to book Value) in its effect on stock prices found a positive and significant influence of value on stock prices. Company Value is the level of success of company management in running the company and managing resources which is reflected in the stock price at the end of the year. The higher the company's values, of course, give investors hope for greater profits.

The higher the company's value, the stock price will rise, and vice versa. The stock price will fall if the company's value is not good. High company value is the desire of company owners because a high value indicates that shareholders are also high. The wealth of shareholders and companies is presented by the market price of the shares, which reflects investment decisions.

The results of this study are also supported by previous research (Satiaputra, 2019) stating that company value shows how far a company can create company value relative to the amount of capital invested, which means it shows whether the stock price is trading overvalued (above) or undervalued (below) book value. This means that the company's value positively and significantly affects the stock price.

The effect of the Current ratio, Gross Profit Margin, Net Profit Margin, Cash Ratio, Total Assets Turnover, Debt to Equity Ratio, Return On Assets, Return On Equity, Earning Per Share, Price Earning Ratio, and Company Value simultaneously affect Share Price.

The F test determines how much influence the independent variable has in influencing the dependent variable. Making decisions in the F test is to compare the probability of the independent variable as a whole between the independent variable against the dependent variable with alpha or the degree of confidence used, which is 0.05. The estimated F-statistic probability value is 0.000000, significant at 5%. That is, overall the independent variables X1, X2, X3, X4, X5, X6, X7, X8, X9, X10, and Z affect the dependent variable Y.

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**The Effect of the Current Ratio on Stock Price and Company Value as a moderation variable.**

The following is a table of moderation regression test results with Y as the dependent variable on (X1 * Z) as an independent variable that has been moderated by variable Z. Company Value cannot moderate the effect of the Current ratio on stock prices, H12 is rejected with the results of this study is that there is no moderation of the relationship X1 to Y because M1 > 0.05 So Company Value cannot moderate the relationship between the Current ratio and Stock Price, while the result before moderation is that this study shows the current ratio has a negative and significant effect on stock prices, so after moderation by company value, the relationship of variable X, namely the current ratio, is investor behavior in analyzing or predicting how the company pays obligations because not all companies that have low liquidity are bad So that the stock price fell.

**The Effect of Gross Profit Margin on Stock Price and Company Value as a moderation variable**

The result of this study is that there is no moderation of the relationship between X2 to Y, then H13 is rejected because M2 < 0.05. So, Company Value can moderate the relationship between Gross Profit Margin and Stock Price. After the company's value, as a moderation variable is seen in the table above, X2 affects Y with a probability of < 0.05. It can be interpreted that Gross profit margin is a ratio that considers gross profit to sales so that investors often use this as a reference to assess the feasibility of a company's shares, so the higher the gross profit margin, the higher the stock price and the value of the company will increase.

**The Effect of Net Profit Margin on Stock Price and Company Value as a moderation variable.**

The effect of Net Profit Margin on Stock Price with Company Value as a moderation variable moderation occurs, H14 is accepted with the results of the study is a moderation of the relationship X3 to Y, because M3 < 0.05. So Company Value can moderate the relationship between Net Profit Margin and Stock Price. Based on the test results of the variable X3<0.05, it can be interpreted that after the moderation variable of the relationship X3 has a positive and significant direction to Y, it can be interpreted that the company's net profit is often a consideration for investors in investing, as the company's profit increases, the company's stock price will increase in the market because high profits become a benchmark by investors to make decisions in investing, With the increase in company value, the stock price will increase so that the value of the company can affect the relationship between net profit margin and stock price.

**The Effect of Cash Ratio on Stock Price and Company Value as a moderation variable**

The result of this study is that there is no moderation of the relationship between X4 to Y, then H15 is rejected because M4 > 0.05. So, Company Value cannot moderate the relationship between Cash Ratio and Stock Price

How Corporate Value Moderates the Relationship of Total Assets Turn Over to Stock Price

The result of this study is that there is no moderation of the relationship between X5 to Y, then H16 is rejected because M5 > 0.05 So, Company Value cannot moderate the relationship between Total assets Turn Over and Stock Price.

**The effect of Debt to Equity Ratio on Stock Price and Company Value as a moderation variable.**

The result of this study is that there is a moderation of the relationship of X6 to Y, then H17 is accepted because M6 < 0.05. So, Company Value can moderate the debt-equity ratio and Stock Price relationship. Based on the table and equation above, it can be concluded that company value can moderate the relationship of debt to equity ratio to stock price. Effective capital structure decisions can lower the cost of capital incurred by the company. The advantage of companies using debt is that the interest paid can be deducted for tax purposes, thus lowering the effective cost of the debt. With careful planning in determining the capital structure, it is expected that the company can increase company value and be superior in facing business competition with increasing company value. Stock Prices will also increase in the market.

**The Effect of ROA on Stock Price and Company Value as a moderation variable**

The result of this study is that if there is a moderation of the relationship between X7 to Y, then H18 is accepted because M7 < 0.05, So Company Value cannot moderate the relationship between ROA and Stock Price. Based on the table and equation above, Company Value can moderate the relationship between ROA and stock prices. Good and effective management capabilities will follow companies with a high company value in managing company assets and causing an increase in profits. Stock prices will increase because many investors are looking for investment.

**The Effect of ROE on Stock Price and Company Value as a moderation variable.**

The result of this study is that if there is a moderation of the relationship between X8 to Y, then H19 is rejected because M8 < 0.05, So Company Value cannot moderate the relationship between ROE and Stock Price. Based on the table and equation above, Company Value can moderate the relationship between ROE and Stock Price, and this moderation is indicated by the company's ability to utilize company capital very effectively because it can increase company profits, which makes the company's value rise and stock prices in the market will also rise.

**The Effect of Earnings Persshare on Stock Price and Company Value as a moderation variable**

The result of this study is that if the relationship of X9 to Y is moderated, then H20 is rejected because M9 < 0.05, So Company Value cannot moderate the relationship between Earnings Per Share and Stock Price.

**The Effect of Price Earning ratio on Stock Price and Company Value as a moderation variable**

The result of this study is that there is no moderation of the relationship between X10 to Y, then H21 is rejected because M10 > 0.05, So Company Value cannot moderate the relationship between Price Earning Ratio and Stock Price.

## CONCLUSION

Based on the test results, it can be concluded that the current ratio has a significant negative effect on stock prices. This means that a high current ratio, indicating excess current assets, can have a negative impact on a company's performance and decrease investor interest in buying shares. Gross profit margin and net profit margin were found to have no significant effect on stock prices. However, net profit margin was found to have a significant negative effect, indicating that as net profit margin increases, stock prices decrease. The cash ratio was found to have an insignificant negative effect on stock prices, while total assets turnover was found to have a significant negative effect on stock prices. Debt to equity ratio was found to have an insignificant positive effect on stock prices, indicating that companies with high debt may attract investors due to tax advantages but also pose a risk of bankruptcy. Return on assets was found to have a significant positive effect on stock prices, indicating that companies with higher return on assets are more attractive to investors. Return on equity was found to have a negative and significant effect on stock prices, suggesting that high return on equity may lead to lower stock prices due to higher operating expenses and risks. Earnings per share was found to have an insignificant negative effect on stock prices. Price-earning ratio was found to have a significant positive effect on stock prices, indicating that a higher price-earning ratio leads to higher stock prices. Lastly, company value was found to have a significant positive effect on stock prices, indicating that a higher company value results in higher stock prices.

When considering the moderation of company value, it was found that company value does not moderate the relationship between the current ratio, gross profit margin, cash ratio, total assets turnover, ROA, earnings per share, and price-earning ratio on stock prices. However, company value was found to moderate the relationship between net profit margin, debt to equity ratio, and ROE on stock prices. This means that the impact of net profit margin, debt to equity ratio, and ROE on stock prices can be influenced by the company's value.

Overall, the findings of this study suggest that the current ratio, total assets turnover, return on assets, return on equity, and price-earning ratio have significant effects on stock prices. Additionally, company value was found to have a significant positive effect on stock prices and can moderate the relationships between net profit margin, debt to equity ratio, and ROE on stock prices.

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