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Research Article

Measuring Stock Value: The Impact of Financial Ratios on a Company's Stock Price

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Abstract
This study aims to analyze the effects of the Debt-to-Equity Ratio (DER), Price-to-Book Value (PBV), Price-to-Earnings Ratio (PER), and Return on Assets (ROA) on stock prices. This study utilized a sample of food and beverage consumer goods industry companies listed on the Indonesia Stock Exchange (IDX) for the period from 2019 to 2021. The sampling technique employed in this study was purposive sampling, involving 12 companies. The method employed in this study is quantitative and utilizes secondary data. The research model employs multiple linear regression, utilizing the SPSS version 25 application. The results of this study are partial, specifically that the DER, PBV, PER, and ROA variables do not have a significant effect on stock prices. Simultaneously, all variables namely, DER, PBV, PER, and ROA do not affect stock prices. This research is expected to focus not only on the company's profit but also on its ability to generate cash, as it is only an illustration of the company's short-term performance. In addition, investors also need to pay attention to the performance of the company's organizational governance tools, so that they can obtain better corporate action information to inform their investment decisions.

Keywords: Debt to Equity Ratio (DER), Price to Book Value (PBV), Price to Earnings Ratio (PER), Return on Assets, stock prices.

JEL Classification: G10, G12, M41

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1. Introduction

The share price refers to the price at which shares are sold from one investor to another after they are listed on a stock exchange, including both primary stock exchanges and the OTC (Over-the-Counter Market) exchange. The low price of shares is also determined by the demand for and supply of these shares on the capital market (Siregar & Farisi, 2018). In addition, the share price, which is the price of a share, is determined when the stock market is in operation based on the demand and supply of these shares (Siregar & Farisi, 2018). As a potential investor or trader, before investing in an issuer or company, it is essential to analyze the fundamentals as a measuring tool to determine whether the value or price of a stock is lower than its intrinsic value (undervalued) or higher than its intrinsic value (overvalued).

Therefore, several factors influence stock prices, including external factors such as economic conditions, politics, interest rates, inflation, foreign exchange rates, and the state's regulation and deregulation of trade. In addition, the factors that affect the stock price include internal factors such as changes in product prices, the introduction of new products, company branding, changes in company management, mergers, factory expansions, labor strikes, and the announcement of a company's financial statements (Yudistira & Adiputra, 2020).

The high and low stock prices are one measure of a company's performance. If the price of shares sold is high, it indicates that the company's performance is good. However, if the opposite is true, if the price of shares sold is low, it indicates that the company's performance is not good, as explained above. The price of shares sold too high will reduce the ability of investors to buy these shares, according to Tarmizi, Hady, and Lusiana (2022). High and low stock prices are indicators of a company's performance. If the price of shares sold is high, it indicates that the company's performance is good. However, if, on the contrary, the price of shares sold is low, it indicates that the company's performance is not as good as described above. The price of shares sold at too high a level will reduce the ability of investors to buy these shares (Tarmizi et al., 2018).

Micro and macroeconomic factors influence stock prices. Micro factors, or company internal factors, refer to elements related to a company's internal condition that are influenced by stock trading transactions, including stock prices, profits, risk level, performance, and corporate actions. Meanwhile, macro factors refer to conditions outside the company that are influenced by developments in inflation, the rupiah exchange rate, the state of the economy, and the country's politics. Both micro and macro factors influence stock prices. Micro factors, or company internal factors, refer to conditions within a company that are influenced by stock trading transactions, including stock prices, profits, risk levels, performance, and corporate actions. Meanwhile, macro factors refer to conditions outside the company that are influenced by developments in inflation, the rupiah exchange rate, the state of the economy, and the country's politics, as noted by Winarto (2020).

Based on previous research, it is well established that several factors influence stock prices. The factors that affect stock prices are DER, DAR, PER and PBV. Meanwhile, according to Ardiyanto et al. (2020), the factors that influence stock prices are ROA, ROE, EPS and PBV. Meanwhile, according to Dewi & Suwarno (2022) and Dika & Pasaribu (2020), the factors that affect stock prices are EPS, ROA, and DER. Among the several factors that influence stock prices, this study utilizes the variables DER, PBV, PER, and ROA.

The Debt to Equity Ratio (DER) variable was chosen because it is a ratio used to compare long-term debt and own capital, and as a measure of the proportion of assets financed by debt or capital from creditors. Additionally, DER is defined as the ratio used to measure a company's ability to finance both short-term and long-term debt. The DER ratio serves as a benchmark for investors to assess a company's investment potential, as the higher the DER value, the higher the profit (profitability) the company is likely to achieve, and the less likely the company is to default on its debts (Dewi & Suwarno, 2022). Conversely, a lower DER value indicates that the company can finance all its expenses, which in turn attracts investors to invest in the company.

Furthermore, the Price to Book Value (PBV) variable is one of the factors that influences stock prices because it is the ratio used to determine the fair price of a share by taking into account the last share price and the book value of the company's final financial statements (Irnawati & Suryanto, 2021). The PBV ratio is a key factor for investors, serving as a benchmark for investing in a company. A higher PBV ratio indicates increased investor confidence in the company. Conversely, if the PBV value is low, it will reduce investor confidence and interest, as investors will perceive that the company is unlikely to achieve the expected profit.

The Price-Earnings-to-Ratio (PER) variable used in this study is a ratio that describes a company's stock price in relation to its earnings (Suryasari & Artini, 2020). In addition, PER is a ratio that describes the availability of investors to pay a certain amount for each company's profit acquisition (Suryasari & Artini, 2020). The PER ratio is a benchmark factor for investors to consider when evaluating a company, as the higher the PER value, the less trusted the company is perceived to be

by investors. Moreover, the Return On Assets (ROA) ratio is used to measure a company's ability to generate profits (Ardiyanto et al., 2020).

The debt-to-equity ratio variable was chosen because it is a ratio used to compare long-term debt and equity, and it also measures the amount of assets financed by debt or capital from creditors. In addition, DER is defined as a ratio used to measure a company's ability to finance short-term and long-term debt according to Safitri (2018). The DER ratio is one of the benchmarks for investors to invest in a company because the higher the DER value, the less it can ensure the profit (profitability) that the company will receive and the company's inability to pay its debts according to (Dewi & Suwarno, 2022). Likewise, the lower the DER value, the more the company can finance all its expenses, which will attract investors to invest in the company.

Furthermore, the PBV variable is one of the factors that influence stock prices, as the price-to-book-value ratio is used to determine the fair price of a stock by considering both the current stock price and the book value of the company's most recent financial report, according to Irnawati and Suranto (2021). The PBV ratio is a key factor for investors, serving as a benchmark for evaluating a company's investment potential. A higher PBV ratio indicates increasing investor confidence in the company. Likewise, if the PBV value is low, it will reduce investor confidence and interest because investors will judge that the company is unable to generate the profit expected by investors from its stock price.

The price-earnings ratio variable used in this study is because PER is a ratio that describes a company's stock price to the company's earnings per share, according to Suryasari & Artini (2020). Additionally, PER is a ratio that describes the availability of investors to pay a certain amount for each company's profit, as per Suryasari and Artini (2020). Moreover, finally, the Return On Assets variable is used to measure a company's ability to generate profits, according to Ardiyanto et al. (2020).

These discrepancies in findings indicate a research gap regarding the consistency of the influence of financial ratios on stock prices across various sectors and time periods. Therefore, this study offers novelty by using a combination of DER, PBV, PER, and ROA variables from the current period and re-examining their significance in the context of the post-pandemic Indonesian capital market, thus providing a more comprehensive understanding of the fundamental factors influencing stock prices.

2. Literature Review and Hypothesis

Stock price

Stock prices refer to the prices at which stocks are traded on the stock exchange during a specific period. Stock prices can fluctuate rapidly, rising or falling in minutes or even seconds. This is influenced by supply and demand between buyers and sellers of shares on the stock exchange market. Meanwhile, stock prices refer to the selling and buying prices that are currently being transacted on the stock exchange market, which are determined by market forces (demand or supply that occurs in a given period, according to Nordiana and Budiyanto, 2017). Macro factors that affect stock prices include economic conditions, politics, interest rates, inflation, foreign exchange rates, and the regulation and deregulation of trade by the state, as noted by Alwi in Yudistira and Adiputra (2020).

Debt To Equity Ratio (DER)

The Debt-to-Equity Ratio (DER) is a ratio used to measure the proportion of debt to capital and to compare the value between the amount of funds provided by creditors and the amount of funds provided by the company (Hery, 2018). Additionally, DER is a ratio used to assess a company's debt relative to its equity by comparing all current debts with its equity (Kasmir, 2017). The DER value is below or equal to 100% or 1; then the company's condition is considered healthy. This is because if the company fails to pay its debts, its equity can cover the debts owed by the company. However, conversely, if the DER value is above or equal to 100% or 1, then the company's condition is unhealthy. Furthermore, if the DER value exceeds 200% or 2, then the company's condition is considered high-risk, according to Kumalasari (2022).

Price To Book Value (PBV)
Price-to-Book Value (P/BV) is a ratio used to compare the price per share to the book value per share. This ratio is also used to measure the value of the stock price, whether it is overvalued or undervalued, according to Hery (2018). In addition, PBV is a ratio of market value or book value that can show the size of the company's value based on what has been or is being invested by the company's owners. The higher the PBV ratio, the greater the wealth the company owns. If the market price is below the book value, the company will be considered to have no potential by investors according to Hayat et al (2018).

Price To Earnings Ratio (PER)
The Price-to-Earnings Ratio (PER) is a ratio that indicates the amount of profit obtained by investors or shareholders per share. In other words, PER is a ratio used to compare a company's stock price with its net profit, assessing whether the stock price is fair or not (Brigham & Houston, 2019). In addition, PER is a comparison between the market price and the EPS of the shares in question, meaning that a higher PER can indicate future stock prices, as it will likely increase the price of the shares offered. Therefore, if the PER value exceeds 1%, it will increase the stock price, as noted by Budiyarno and Prasetyoningrum (2019).

Return On Assets (ROA)
ROA is a ratio used to assess a company's ability to make a profit. The ROA ratio also provides a measure of a company's management effectiveness based on the profit generated from sales and investment income (Kasmir, 2018). In addition, ROA is a ratio that can indicate a company's past success in generating profits, which can then be projected into the future (Hayat et al., 2018). The company's profitability can be good if it produces a high ratio. Another definition of ROA is a profitability ratio that measures a company's ability to generate a profit (Qohfi & Salman, 2018).

Fundamental variables such as DER, PBV, PER, and ROA have long been used and are often considered outdated. However, previous research has shown inconsistent findings across sectors and periods, for example, DER is significant in one sector but not in another (COSTING, 2023). A similar finding is also factual for PBV and ROA (Irnawati & Suryanto, 2021; Ardiyanto et al., 2020). This inconsistency highlights a research gap, underscoring the need to retest classic ratios, particularly in the post-pandemic era and under changing macroeconomic conditions. This new research builds upon the use of the same variables as in the current period and focuses on specific sectors to test the consistency of their influence on stock prices.

Research Concept Framework

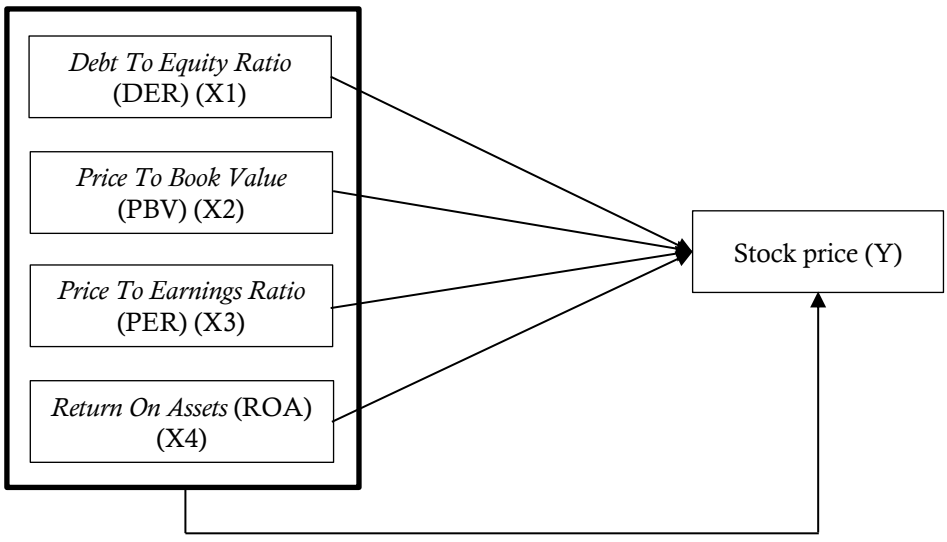


Figure 1. Research Concept Framework

Based on Figure 1, this study examines the effect of fundamental ratios specifically, DER, PBV, PER, and ROA on stock prices. DER reflects financial risk, PBV reflects market valuation, PER indicates expected profit growth, and ROA assesses asset profitability. All four are hypothesized to influence stock prices as the dependent variable.

Research Hypothesis

The Influence of Debt-to-Equity Ratio (DER) on Stock Prices

DER is a ratio used to assess a company's debt relative to its equity by comparing all current debts with its equity, according to Kasmir (2017). The higher the DER ratio, the DER value cannot guarantee the profit (profitability) that the company will receive, and the company's inability to pay its debts (Dewi & Suwarno, 2022). Companies with higher DER values will focus more on paying debts than providing profits to the company's shareholders, according to Lestari and Suryantini (2019). The results of research conducted by Dewi and Suwarno (2022) and Adikerta and Abundanti (2020) show that DER affects stock prices. So, from the description above, the hypothesis made is as follows:

H1: Debt-to-Equity Ratio (DER) Affects Stock Prices

The Influence of Price to Book Value (PBV) Variables on Stock Prices

PBV is a ratio that describes how much the market values the book value of a stock. According to Sukmawati (2019). The higher the PBV ratio, the more successful the company is, and the more it can create value for shareholders (investors), thereby improving the level of trust in the company and increasing the stock price, as demand for shares increases (Tannia & Suharti, 2020). The results of research conducted by Tannia and Suharti (2020), Zamsyiah, Herianingrum, and Najiatun (2019), and Ardiyanto, Wahdi, and Santoso (2020) indicate that PBV has an impact on stock prices. So, from the description above, the hypothesis made is as follows:

H2: Price To Book Value (PBV) Affects Stock Prices

The Influence of Price To Earnings Ratio (P/E) on Stock Prices

The Price-to-Earnings Ratio (PER) is a ratio that indicates the amount of profit obtained by investors or shareholders per share. In other words, PER is a ratio used to compare a company's stock price with its net profit, assessing whether the stock price is fair or not (Brigham & Houston, 2019). A low PER will attract investor interest and increase stock prices. Likewise, a high PER will reduce investor interest in the company and cause stock prices to decrease, according to Tannia and Suharti (2020). The results of research conducted by Lestari and Suryantini (2019) and Zamsyiah, Herianingrum, and Najiatun (2019) show that PER affects stock prices. So, from the description above, the hypothesis made is as follows:

H3: Price To Earnings Ratio (PER) Affects Stock Prices

The Influence of Return on Assets (ROA) Variables on Stock Prices

The ROA variable indicates the company's ability to generate profit or gain with the amount of assets available to it. The higher the ROA value, the more profit the company will generate. However, if the ROA value tends to decrease, the company will likely experience losses, as noted by Dewi and Suwarno (2022). The greater the ROA in a company, the better the company's financial performance. A high ROA value can attract investors to invest in the company because it is considered capable of utilizing its assets effectively for business purposes. The results of research conducted by Dewi and Suwarno (2022), Adikerta and Abundanti (2020), and Dika and Pasaribu (2020) show that ROA affects stock prices. So, from the description above, the hypothesis made is as follows:

H4: Return on Asset (ROA) affects stock prices

The Influence of DER, PBV, PER and ROA on Stock Prices

Stock prices are prices that occur in the capital market, which are determined by market players and the balance of high and low demand and supply in the market (Jogiyanto, 2017). According to Titiek and Dwijono (2009), the formation of stock prices is divided into auction markets and negotiated markets. In trading, stock prices are determined by the auction price, with a bargaining

process based on price priority and time priority. In contrast, the formation of negotiated stock prices is carried out by the seller and buyer who negotiate.

Assessing a company's stock price can be done through both technical analysis and fundamental analysis. Technical analysis is a method of analyzing data or records about the published market. While fundamental analysis is based on the assumption that each stock has an intrinsic value, which is the actual value of a company variable that yields the expected return, in other words, intrinsic value is the actual value of a stock (Halim, 2015). By referring to the theory and also supported by previous research, the hypothesis made is as follows:
H5: Simultaneously, DER, PBV, PER and ROA affect stock prices.

3. Data and Method

Types of research

This study uses quantitative and documentary data types. This study employs quantitative methods, as the data analysis carried out is statistical and documentary, utilizing data obtained from the official website of the Indonesian Stock Exchange. Quantitative research aims to test a theory for discussion, and then a decision is made based on the findings. This study is processed from financial reports of food and beverage companies listed on the IDX in 2019-2021.

Sugiyono (2017). The analytical model used in this study is multiple linear regression analysis. This model was chosen because the study aims to determine the effect of multiple independent variables on the dependent variable. The independent variables in this study are the Debt-to-Equity Ratio (DER), Price-to-Book Value (PBV), Price-to-Earnings Ratio (PER), and Return on Assets (ROA). In contrast, the dependent variable is the stock price.

Ghozali (2018) will analyze this model using statistical tests, including the t-test to assess the partial influence of each independent variable, the F-test to evaluate the simultaneous influence, and the coefficient of determination (R^2) to determine the magnitude of the independent variable's contribution to the dependent variable.

Method of collecting data

In this study, the data used is secondary data. In this study, data were obtained through the website. www.idx.co.id. This research was conducted through library research, utilizing data and information related to the thesis writing, including books, literature, and other relevant sources. This research utilizes data from the website www.idx.co.id to obtain the necessary information.

Population and Sample

The population in this study consisted of 12 food and beverage consumer goods companies listed on the Indonesia Stock Exchange (IDX) between 2019 and 2021. The sample in this study aims to complete the data using the purposive sampling method. The sample used to obtain data in this study consisted of 12 companies that met the criteria of companies publishing financial reports on the Indonesia Stock Exchange for the period 2019-2021 and had undergone auditing.

4. Results

Classical Assumption Test

Normality test

Normality testing is carried out to determine whether the data for the dependent variable and the independent variable are normally distributed. The data tested in this normality test uses the Kolmogorov-Smirnov test with a significance level of (a) = 5%.

Table 1. Results of Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		31
Normal Parametersa,b	Mean	-3.8445573
	Std. Deviation	14.03067461
Most Extreme Differences	Absolute	.123
	Positive	.123
	Negative	-.086
Test Statistic		.123
Asymp. Sig. (2-tailed)		.200c,d

Source: Processed Data (2022)

Based on Table 1, the tests were carried out after the data were transformed using the Outlier method, so that the asymptotic Sig is 0.200, which means it is greater than 0.05 or 5%. This indicates that the data are normally distributed and the regression model is suitable for proceeding to the next stage.

Multicollinearity Test

Multicollinearity testing was conducted to determine whether a correlation existed between the independent variables in the regression equation.

Table 2. Results of Multicollinearity Test

Model	*Collinearity statistics*	
	Tolerance	VIF
DER	.713	1.403
PBV	.612	1,634
PER	.564	1,775
ROA	.584	1,713

Source: Processed Data (2022)

The results of the tolerance test above show that there is no multicollinearity problem because the independent variables in the tolerance value have a value of less than 0.10 or 10% and the calculation of the Variance Inflation Factor or VIF test shows the same thing, namely, there are no independent variables that have a VIF value greater than 10.

Autocorrelation Test

Autocorrelation testing is conducted to determine whether a linear regression model exhibits a correlation between residual errors in period t and errors in period t-1 (previously) (Ghozali, 2009).

Table 3. Results of Autocorrelation Test (Durbin-Watson d)
Model Summary

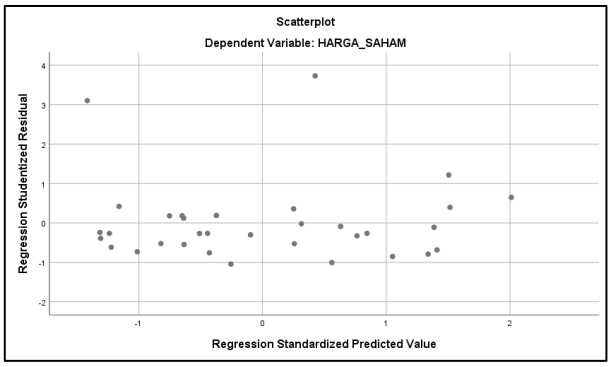
Model	R	R Square	Adjusted R Square	Std. error of the Estimate	Durbin-Watson
1	.409a	.167	.044	.95970	1,442

Source: Processed Data (2022)

Based on Table 3, it can be concluded that the DW value of 1.442, as determined by the Durbin-Watson d test, indicates that there is no autocorrelation problem in the research data.

Heteroscedasticity Test

Heteroscedasticity testing was conducted to determine whether the variance of the residuals in the regression model is unequal across observations. The test methods that can be used include the Park test, Glesjer test, examining the regression chart pattern, and Spearman's correlation coefficient test.



Source: Processed Data, 2022

Figure 2. Scatter Plot Graph

The test results, shown in Figure 2, indicate that the randomly distributed data meet the requirements of heteroscedasticity, as they do not form a discernible pattern, either above or below the zero point on the Y-axis. There is no heteroscedasticity in the regression model, so the model is feasible to use.

Multiple Linear Regression Analysis

Multiple linear regression analysis was performed to predict the value of the dependent variable based on the changes in the independent variables. The purpose of multiple linear regression analysis is to estimate or predict the average value of the dependent variable based on the independent variables.

Table 3. Results of Multiple Linear Regression Analysis Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	492,733	954,345		.516	.610
	DER	5,789	7.245	.165	.799	.431
	PBV	-1.904	1,467	-.289	-1.298	.205
	PER	.057	.201	.065	.282	.780
	ROA	83.195	44.104	.430	1,886	.070

Source: Processed Data (2022)

F Test

The criterion in this test is if the significance value is <0.05 or F-count > F-table, then the independent variable has a significant effect on the dependent variable simultaneously.

Table 5. Results of the F Test

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8749660.737	4	2187415.184	1.251	.312b
	Residual	48942538.233	28	1747947.794		
	Total	57692198.970	32			

Source: Processed Data (2022)

From Table 5, it can be seen that the p-value of the F-test is 0.312, which is greater than 0.05. This indicates that DER, PBV, PER, and ROA have no simultaneous effect on stock prices.

Determination Coefficient Test (R2)
Testing the Coefficient of Determination is carried out to measure the influence of the independent variables namely, the Debt-to-Equity Ratio, Book Price to Value, Price-Earnings Ratio, and Return on Assets on the dependent variable, namely stock prices. The value of the coefficient of determination is zero to one. A small R2 value means that the ability to explain the independent variable in terms of the dependent variable is limited.

Table 6. Results of the Coefficient of Determination (R2) Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.389a	.152	.030	1322.09977

Source: Processed Data (2022)

From the results of the data processing in Table 6, it can be seen that the coefficient of determination (R2) is 0.152 or 15.2% of the variables used in this study, namely Debt To Equity Ratio (DER), Price to Book Value (PBV), Price Earning Ratio (PER) and Return On Assets (ROA) affect the dependent variable, namely stock prices. Meanwhile, the remaining 84.8% was influenced by other factors not included in this study.

5. Discussion

Partial influence of DER on stock prices
Based on Table 3 above, the Debt-to-Equity Ratio Variable does not have a significant effect on Stock Prices. DER is a ratio used to assess a company's debt relative to its equity by comparing all current debts with its equity, according to Kasmir (2017). This variable negatively impacts stock prices, as the DER ratio does not attract significant interest due to the low level of investor demand resulting from its low ratio, which indicates that the company is unable to bear the high debt burden. The results of this study align with those of Lestari and Suryantini (2019), Dika and Pasaribu (2020), which suggest that DER does not have a significant impact on stock prices.

Partial Influence of PBV on Stock Prices
Based on Table 3 above, the Price-to-Book Value variable does not have a significant effect on Stock Prices. The Price-to-Book Value (PBV) ratio is used to compare the price per share to the book value per share. This ratio is also used to measure the value of the stock price, whether it is overvalued or undervalued, according to Hery (2018). This variable harms stock prices, meaning that the PBV ratio does not have a significant effect on stock price formation because stock prices are formed based on high demand and supply in the market, so a high PBV value does not guarantee that the company's stock price will increase and attract investors' interest in investing. The results of this study align with research conducted by Yuliana and Maharani (2022), which shows that PBV does not affect stock prices.

The partial influence of PER on stock prices
Based on Table 3 above, the Price-to-Earnings Ratio variable does not have a significant effect on Stock Price. The Price-to-Earnings Ratio (PER) is a ratio that indicates the amount of profit obtained by investors or shareholders per share. In other words, PER is a ratio used to compare a company's stock price with its net profit, assessing whether the stock price is fair or not (Brigham & Houston, 2019). This variable harms stock prices, suggesting that the P/E ratio may not accurately reflect the company's ability to generate profits and attract investors.

The results of this study align with research conducted by Tannia and Suharti (2020), which indicate that PER does not affect stock prices.

Partial Influence of ROA on Stock Prices
Based on Table 3 above, the Return on Assets variable does not have a significant effect on Stock Prices. Return on assets (ROA) is a ratio used to assess a company's ability to generate profits. The ROA ratio also provides a measure of a company's management effectiveness based on profits generated from sales and investment income (Kasmir, 2018). This variable has a negative impact on stock prices, suggesting that the ROA ratio reflects the company's management's ability to generate profits by utilizing its assets, and the total asset turnover is suboptimal. Because a high ROA value will lower the company's stock price, making it less attractive to investors to invest their capital in the company. The results of this study align with those of Ramadhan and Nursito (2021) and Lestari and Suryantini (2019), indicating that ROA has no significant effect on stock prices.

The simultaneous influence of DER, PBV, PER and ROA on stock prices
Based on Table 4 above, the independent variables namely, DER, PBV, PER, and ROA do not have a significant effect on the dependent variable, namely stock prices, when considered simultaneously, as for external factors, such as inflation, development, rupiah exchange rates, economic conditions, and the country's politics. At the same time, internal factors that influence it include stock price trading transactions, as noted by Anisma (2012). Based on the explanation above, it can be concluded that the variables DER, PBV, PER, and ROA do not simultaneously affect stock prices.

6. Conclusion
From the results of the research that the author has done, it can be concluded as follows: The Debt To Equity Ratio (DER) variable does not affect stock prices, the Price To Book Value (PBV) variable does not affect stock prices, the Price To Earning Ratio (PER) variable does not affect stock prices, the Return On Assets (ROA) variable does not affect stock prices, the Independent Variables are Debt To Equity Ratio (DER), Price To Book Value (PBV), Price Earning Ratio (PER) and Return On Assets (ROA) with a value of 0.312 greater than 0.05. This indicates that the independent variables namely, Debt-to-Equity Ratio (DER), Price-to-Book Value (PBV), Price-to-Earnings Ratio (PER), and Return-on-Assets (ROA) have no effect on stock prices when considered collectively.

The managerial implication is to emphasize the importance of optimal financial performance management to increase investor confidence. Company managers need to maintain a balance in capital structure, especially for DER, so that it is not too high, as excessive debt ratios can increase financial risk and reduce the attractiveness of the shares to investors. In addition, PBV and PER provide an overview of the market valuation of the company's performance; therefore, management must focus on increasing book value and profit efficiency so that the company's shares are not considered overvalued. Meanwhile, ROA, as an indicator of profitability, shows how effectively assets are utilized to generate profits. High ROA performance can attract investor interest and encourage stock price increases. Thus, making the correct managerial decisions in managing these four indicators will have a direct impact on market perception and the value of the company's shares on the stock exchange.

Recommendation
Based on the results of this research, investors are advised to analyze specific financial ratios, such as DER, PBV, PER, and ROA, before making investment decisions. For example, investors should prioritize companies with a healthy DER to reduce financial risk, consider firms with high ROA as an indicator of profitability, and evaluate PBV and PER to ensure that the stock price is not overvalued. Additionally, investors are advised to compare the financial performance of companies within the same sector to obtain a more accurate benchmark before allocating their capital.

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