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The Influence of Earnings Per Share (EPS), Price Earnings Ratio (PER), Price to Book Value (PBV), and Debt Equity Ratio (DER) on the Stock Return

¹ Muh.Ferial Ferniawan, ² Andi Kusumawati, ³ Afdal

¹ Departemen Akuntansi, Universitas Hasanuddin, Indonesia. E-mail: ferialferniawan99@gmail.com

² Departemen Akuntansi, Universitas Hasanuddin, Indonesia. E-mail: andikusumawati@unhas.ac.id

³ Departemen Akuntansi, Universitas Hasanuddin, Indonesia. E-mail: afdal091@gmail.com

Abstract: *The business community continues to be interested in investing in the capital market in light of the increasing number of investors on the IDX. Investors will be interested in the required future rate of return (return) in relation to the company's risk. This research aims to examine and analyze the effect of Earnings Per Share (EPS), Price Earnings Ratio (PER), Price to Book Value (PBV), Debt Equity Ratio (DER) on the Stock Return. Data collection was obtained from the annual financial statements of manufacturing companies listed on the IDX for the period 2019 - 2021 totaling 20 companies, using purposive sampling method. The data analysis method uses a special application of multiple linear regression analysis with a quantitative approach. The results showed the effect of: Earnings Per Share (EPS), Price Earnings Ratio (PER) and Debt Equity Ratio (DER) have a positive and significant effect on stock returns of manufacturing companies listed on the IDX for the period 2019 - 2021. Price To Book Value (PBV) has a positive and insignificant effect on the stock returns of manufacturing companies listed on the IDX for the 2019-2021 period.*

Keywords: *Earnings Per Share; Price Earnings Ratio; Price to Book Value; Debt Equity Ratio; Firm Size*

Abstrak: Minat berinvestasi di pasar modal masih terus meningkat di kalangan dunia usaha seiring dengan semakin banyaknya investor di BEI. Investor akan tertarik pada tingkat pengembalian (return) yang dibutuhkan di masa depan sehubungan dengan risiko perusahaan. Penelitian ini bertujuan untuk menguji dan menganalisis pengaruh Earnings Per Share (EPS), Price Earnings Ratio (PER), Price to Book Value (PBV), Debt Equity Ratio (DER) terhadap Return Saham. Pengumpulan data diperoleh dari laporan keuangan tahunan perusahaan manufaktur yang terdaftar di BEI periode 2019 – 2021 yang berjumlah 20 perusahaan, dengan menggunakan metode purposive sampling. Metode analisis data menggunakan aplikasi khusus analisis regresi linier berganda dengan pendekatan kuantitatif. Hasil penelitian menunjukkan pengaruh: Earnings Per Share (EPS), Price Earnings Ratio (PER) dan Debt Equity Ratio (DER) berpengaruh positif dan signifikan terhadap return saham pada perusahaan manufaktur yang terdaftar di BEI periode 2019 – 2021. Price To Book Value (PBV) berpengaruh positif dan tidak signifikan terhadap return saham perusahaan manufaktur yang terdaftar di BEI periode 2019-2021.

Kata kunci: Earnings Per Share; Price Earnings Ratio; Price to Book Value; Debt Equity Ratio; Firm Size

1. Introduction

The S&P Global Release regarding the Association of Southeast Asian Nations (ASEAN) Purchasing Managers Index (PMI) stated that the condition of the ASEAN manufacturing industry had experienced an accelerated improvement in the last one year in September 2022. Companies showed a significant increase in production output, new orders, purchasing activity, and also an increase in employment. This shows that business confidence in the ASEAN region is solid and strong. The release also said that improvements in the manufacturing sector for the ASEAN region have occurred for the past 12 months, consistently and continuously. This is the fastest growth rate since October 2021, and overall manufacturing expansion has been solid.

The business local area keeps on being keen on putting resources into the capital market considering the rising number of financial backers on the IDX. The principal overseer of IDX (Indonesian Securities exchange), Inarno Djajadi, expressed in an article that was distributed in Purwanti in 2022 that the quantity of capital market financial backers had expanded by 21% from the earlier year, or more than 1.57 million Single Financial backer ID (SID). Inarno continued to say that young monetary sponsor make up 81.74 percent of the total monetary benefactors in Indonesia's capital market." As of June 24, 2022, the number of stock investors had also grown to 3,988,341 SID. This addressed an increment of more than 536 thousand SID, or 15.6%, over the earlier year. As the IDX has advanced, the big number demonstrates a more noteworthy public interest in saving offers.

Table 1. Manufacturing Company Share Prices 2019-2021

Stock code	Company name	Share Price (Rupiah)		
		2019	2020	2021
CAMP	PT Campina Ice Cream Industry Tbk	374	340	306
ULTJ	Ultra Jaya Milk Tbk	1,680	1,600	1,430
LION	Lion Metal Works Tbk	1,350	763	923
KINO	PT Kino Indonesia Tbk	3,430	2,120	3,840
ACES	Ace Hardware Indonesia Tbk	1,495	1,387	1.155
MYOR	Mayora Indah Tbk	1,300	2050	2,550
MIDI	Midi Utama Indonesia Tbk	1,340	1270	1995
CINT	PT Chitose Internasional Tbk	290	260	240
GGRM	Gudang Garam Tbk	41,550	42,400	42,800
SIDO	PT Herbal Medicine and Pharmaceutical Industry Sido Muncul Tbk	638	799	865

The calculation of the average share decreases annually, as shown in Table 1, which depicts the share prices of manufacturing companies that are listed on the IDX from 2019 to 2021. However, the share prices of a number of businesses increased between 2019 and 2021. Gudang Garam Tbk with the most raised share cost of a gathering association recorded on the

IDX in 2019 got a handle on that there was an augmentation of 2.4% from 2019 to 2020. The proposition cost of PT Kino Indonesia Tbk. Lion Metal Works Tbk's share price decreased by 43% from 2019 to 2020, but experienced a significant increase of 81% from 2020 to 2021. The fact that organizations in the IDX assembling file for 2019-2021 exhibit stock cost vacillations makes sense given the information above. The value of an association is reflected in its part cost. Assuming the business is fruitful, numerous financial backers will normally be keen on the portions of the organization.

Investors will be interested in the required future rate of return (return) in relation to the company's risk. Financial backers are most attracted to businesses with high yields but low risk. The company is currently not appealing to financial backers in the event that both the benefit rate and the risk level increase. The organization will document an allure assuming the expanded income is adequate to make up for the expanded gamble. Financial backers frequently try not to face challenges. People have started investing in IDX to get the expected returns. Investors' expectations for returns do not always materialize in the manner they desire. Despite the best efforts of businesses, profits can fluctuate or even decrease. Financial backers battle to go with choices seeing speculations subsequently. The result of the speculation is known as return.

According to Wulandari (2016), the rate of return on investment is the sum of the dividend/yield and capital gains. This shows that yield is pay that is paid to investors as profits now and again or at a foreordained development date, while capital increase is the contrast between the cost of offers at the hour of procurement and deal. When it comes to investing, the typical objective of investors is to achieve the anticipated rate of return. Dividends and investment gains make up the returns. The capital addition is the contrast between the price tag and selling cost of the offers. Expecting a negative value is known as a capital mishap or, most of the time, a capital loss. As indicated by the flagging hypothesis, financial backers will respond to the organization's worth in light of the data gave. Monetary supporters will be bound to put their capital in an organization with a higher worth in light of the fact that an expansion in the organization's worth will bring about an uncommon yield for financial backers. As a result, an organization's stock costs will become more unpredictable. The cost to book esteem (PBV) proportion is utilized to decide if stock costs are finished or underestimated. A low cost to book esteem is a mark of undervaluation, which is beneficial to long haul financial backers. A low PBV value, on the other hand, may suggest that the fundamentals' quality and performance have deteriorated. As per Hery (2016), the PBV worth ought to likewise be contrasted with the PBV of other patrons' portions in a similar industry.

Earlier examination on Income Per Offer (EPS) and Value Acquiring Proportion (PER) yielded different ends. Rahmat and Fatimah (2022) showed that profit per offer and cost procuring proportion fundamentally affect organization stock returns in their examination by Santy (2017). In any case, Kurniati and Pratama's examination from 2022 exhibited that profit for each offer and cost income proportion affect organization stock returns and are not huge.

Different outcomes were also found in a few studies that included PBV and DER (Obligation to Value Proportion). As per Wahasusmia and Badaria (2020) and Pangestu and Yahya (2022), the PBV and DER essentially affect stock returns in their examinations. In any case, this is as opposed to Kurniati and Pratama's, (2022) statement that the PBV esteem and DER meaningfully affect stock returns and are not critical.

Because of this establishment, I'm anxious to lead this examination, as past examinations have uncovered inconsistent discoveries. Since financial backers regularly assess stock returns in

view of the presentation of the organization, specialists will examine the effect of EPS, PER, PBV, and DER on stock returns. Hence, taking the title, I'm keen on leading this examination; "Effect of Earnings Per Share (EPS), Price Earning Ratio (PER), Price To Book Value (PBV), and Debt Equity Ratio (DER) on Stock Returns of Manufacturing Companies Listed on the Indonesia Stock Exchange".

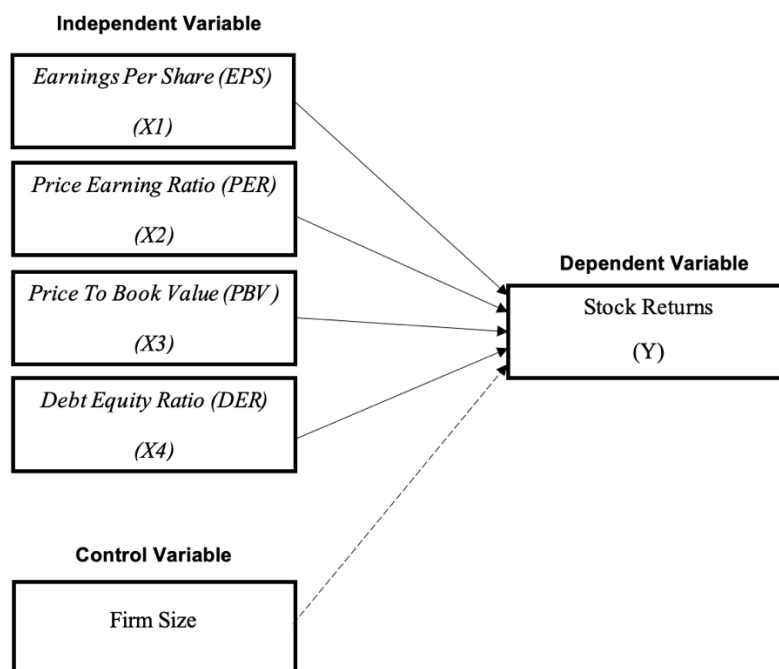


Figure 1 Conceptual Framework

EPS is one way to gauge a company's success. A business that has a higher EPS is more likely to be able to make a net profit from each share. An increase in the company's earnings per share (EPS) indicates increased investor prosperity. Expressing that financial backers' assessment of a guarantor's exhibition will be impacted by the degree of benefit created per share possessed. "The level of demand for the company's shares is affected by the higher the EPS value," according to Humaerah (2022), since investors are more likely to believe that the company's future prospects are very promising. Companies have an incentive to voluntarily provide external parties with financial reporting information, which is explained by the signaling theory. The company is more likely to share information because it and outsiders have different information. When everything is taken into account, organizations learn more about an organization's potential than pariahs (financial backers, banks). One way to reduce information asymmetry is to provide signals to outsiders, one of which is in the form of dependable financial information and will reduce uncertainty about future company prospects (Bringham, 2016). According to the findings of the research conducted by Ismarinanda and Bawono, which stated that EPS greatly influences stock returns, the higher the EPS, the higher the rate of stock returns, and vice versa (Bringham, 2016), The following hypothesis for this study can be formulated in light of the preceding description:

H1: Earnings per share have a positive effect on stock returns.

The PER ratio is the ratio of the stock price to the income from each share. According to PER data (Tandelilin, 201, 7:375), investors must invest a certain amount in order to acquire a single company that generates profits. The higher the PER demonstrates the possibility of a stock cost being esteemed higher by financial backers about income per share so the higher PER likewise shows the more costly the stock is about profit per share. Investors are more likely to be interested in purchasing company shares when a company has a high PER, which can lead to an increase in share prices (Husnan, 201, 9:75). The expansion in stock costs that happens will be answered emphatically by financial backers since they will get capital increases which is one of the parts of stock returns, subsequently showing that PER will impact stock returns. This research is in accordance with the theory that this signal is information about what management has done to realise the wishes of the owner. Signals can be in the form of financial statements, promotions or other information stating that the company is better than other companies. The use of signalling theory is closely related to information in the form of financial ratios on stock returns. Thus, if the ratios are good, it will be a good signal (good news) for investors. Because with good ratios it will be able to show that the company's financial performance is good. then investors will be interested in investing their funds in the form of securities or shares. The large demand for shares will make the share price increase. Risdiyanto and Suhermin (2016) found that the Price Earning Ratio has a significant positive impact on stock returns, supporting this theory. In light of the preceding description, the following hypothesis can be formulated for this study:

H2: Price earning ratio has a positive effect on stock returns

PBV is the division of the market price per share by the book value per share to determine the fair price of a share by calculating the last share price at the book value of the company's latest annual financial report. The higher the PBV ratio, which indicates the more successful the company is in creating value from the capital invested by shareholders. In this study, it was found that PBV had a significant effect on stock returns. This shows that PBV is a signal that contains information for making investment decisions for investors. The better the company value, the more interested investors will be in investing their funds. so that when the stock price will increase, the impact on stock returns will also increase. The PBV ratio describes how much the market appreciates the book value of a company's shares. It illustrates that the higher the company's stock price indicates the better the company's performance, so that it can provide a better rate of return in the future. The results of this study are in line with the results of research conducted by (Ristyawan, 2019). This research is in accordance with signal theory which contains information in making investment decisions by investors. The better the company's value, the more interested investors will be in investing their funds. so that the share price will increase with an impact on stock returns also experiencing an increase. The PBV ratio illustrates how much the market values the book value of a company's shares. gives an idea that the higher the company's share price indicates the better the company's performance, so that it can provide a better rate of return in the future. The results of this study are in line with the results of research conducted by (Ristyawan, 2019). This theory is supported by research conducted (Akbar and Herianingrum, 2015), the results of this study are that PBV has a significant positive effect on changes in stock returns. Based on the description above, the hypothesis in this research can be formulated as follows:

H3: Price to book value has a positive effect on stock returns

If the DER is high, it means that the company relies heavily on loans from outside sources to run its business. 2019) (Marini and Dewi). DER mirrors an organization's moderately high gamble so overall financial backers will more often than not stay away from stocks that have a high DER esteem. The stock price will usually fall in proportion to the higher the risk of using more debt. It is anticipated that investors will be able to evaluate the company's health by comparing loan capital to their own capital. The utilization of enormous obligation can bring about a lower organization's capacity to pay its obligations so the gamble claimed by the organization will increment. When the DER is high, investors avoid company shares because they tend to avoid risk. This research is in accordance with signalling theory, the debt carried out by the company has a positive impact because increasing debt means increasing risk. Higher risk will have an impact on higher stock returns as well. So that DER can have a positive impact on stock returns. When information is announced in the stock market, market participants will try to analyse and interpret the information as good news (good signal) or bad news (bad signal). Signal theory provides reasons for companies to convey information related to financial statements to external parties. The urge to provide information related to financial statements is based on the existence of information asymmetry between management and external parties. This theory is supported by Wingsih's (2019) research, which found that DER has a positive impact on stock returns simultaneously. In light of the preceding description, the following hypothesis can be formulated for this study:

H4: DER has a positive effect on stock returns

2. Research Methods

This research uses explanatory research with a quantitative approach. The variables involved in this research include four independent variables, one dependent variable and one control variable. The independent variables in this research are Earning Per Share (EPS), Price Earning Ratio (PER), Price To Book Value (PBV), and Debt Equity Ratio (DER). Meanwhile, the dependent variable in this research is stock returns and the Control Variable is Firm Size. In this study, data was obtained through indirect observation by downloading the financial reports of the sample companies. The time period for the downloaded financial reports is 2019-2021. The population of this research is manufacturing sector companies listed on the Indonesia Stock Exchange (BEI) in 2019-2021 as many as 20 companies. Then the sample was obtained using a purposive sampling technique so that a sample of three types of companies was obtained. The criteria of sample are companies listed on the Indonesian Stock Exchange from 2019 to 2021, manufacturing company publishing complete annual reports for the period of 2019 to 2021, and provide complete information about the data related to the measurement of the variables used. The data in this research is documentary data and the data source for this research is secondary data, namely the annual report of each sample company which is downloaded via the official website of the BEI (Indonesian Stock Exchange). The data analysis method used is multiple linear regression analysis. This research also uses the classical assumption test which consists of the classic assumption test which consists of the normality test, multicollinearity test, heteroscedasticity test and autocorrelation test. To test the hypothesis, the F test (simultaneous), T test (partial) and coefficient of determination test are used.

3. Results

3.1. Descriptive Statistics

Descriptive statistical analysis is used to describe each dependent variable and independent variable. The results are as follows:

Table 2. Descriptive Statistics Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
<u>EPS</u>	<u>60</u>	<u>-1.6431</u>	<u>11.2262</u>	<u>1.214030</u>	<u>2.3142356</u>
<u>PER</u>	<u>60</u>	<u>-.4250</u>	<u>2.4299</u>	<u>.275362</u>	<u>.4747238</u>
<u>PBV</u>	<u>60</u>	<u>.0610</u>	<u>52.5975</u>	<u>4.531173</u>	<u>9.6004585</u>
<u>DER</u>	<u>60</u>	<u>.1217</u>	<u>6.9576</u>	<u>.911828</u>	<u>1.2054930</u>
<u>Firm Size</u>	<u>60</u>	<u>26.5221</u>	<u>32.1304</u>	<u>28.709153</u>	<u>1.3737367</u>
<u>Stock Return</u>	<u>60</u>	<u>-3.6542</u>	<u>4.4342</u>	<u>.129288</u>	<u>1.0696621</u>
Valid N (listwise)	60				

From the table above, it can be seen that the Earning Per Share variable has a minimum value of -1.6431 and a maximum value of 11.2262 with an average (mean) value of 1.214030 while the standard deviation is 2.3142356. The Price Earnings Ratio variable has a minimum value of -.4250 and a maximum value amounting to 2.4299 with an average value (mean) of 0.275362 while the standard deviation is 0.4747238. The Price to Book Value variable has a minimum value of 0.0610 and a maximum value of 52.5975 with an average value (mean) of 4.531173 while the standard deviation is 9.6004585. Variable The Debt Equity Ratio has a minimum value of 0.1217 and a maximum value of 6.9576 with an average value (mean) of 0.911828 while the standard deviation is 1.2054930. The Firm Size variable has a minimum value of 26.5221 and a maximum value of 32.1304 with an average value (mean) amounting to 28.709153 while the standard deviation is 1.3737367. The Stock Return variable has a minimum value of -3.6542 and a maximum value of 4.4342 with an average value (mean) of 0.129288 while the standard deviation is 1.0696621.

3.2. Classic Assumption Test

3.2.1. Normality Test

This suspicion test will test the autonomous variable information (X) and the reliant variable information (Y) in the subsequent relapse condition, whether the circulation is typical or the dissemination isn't ordinary (Sunyoto, 2011: 84). In the regression mode, the purpose of this test is to determine whether there are residual or confounding variables. The ordinariness trial of the information in this review was done utilizing the KolmogorovSmirnov test, which is said to have a typical dispersion in the event that the asymptotic meaning of the information is more noteworthy than 0.05 ($p > 0.05$) (Ghozali, 2011). The following table displays the Normality test's findings:

Table 3. One Sample Kolmogorov-Smirnov Test

		Unstandardized Predicted Value
<u>N</u>		<u>60</u>
Normal Parameters ^{a,b}	<u>Mean</u>	<u>.1292883</u>
	Std. Deviation	.56579267
Most Extreme Differences	<u>Absolute</u>	<u>.098</u>
	<u>Positive</u>	<u>.098</u>
	Negative	-.073
<u>Test Statistic</u>		<u>.098</u>
<u>Asymp. Sig. (2-tailed)</u>		<u>.200^{c,d}</u>
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

In light of table 3, the ordinariness test in this review shows that the experimental outcomes are regularly conveyed research information. It is realized that the two followed importance esteem is 0.200, with the Kolmogorov-Smirnov Factual Test worth of 0.200. This study's regression model is normally distributed and passes the normality testing with a probability value greater than 0,05.

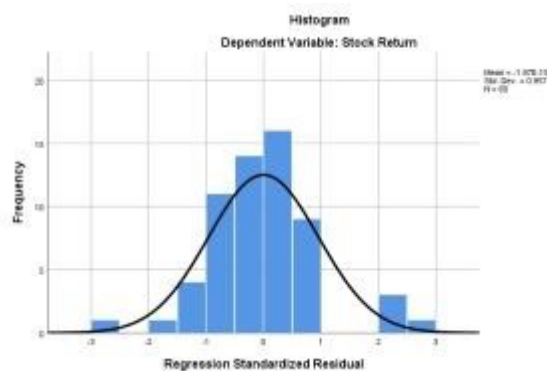


Figure 2 Normality Test Histogram

3.2.2. Multicollinearity Test

The purpose of the multicollinearity test is to find out whether a regression model can find correlation between independent variables. The multicollinearity test using SPSS was carried out in a regression test using the benchmark value VIF (variance inflation coefficient) and the

correlation coefficient between independent variables. If the tolerance value is >0.10 and the VIF value is smaller than 10, it means that the regression model does not have a multicollinearity problem. Based on the table below, it can be seen that the tolerance value for all independent variables is > 0.10 and the VIF value for all independent variables is < 10. This means that the data is free from multicollinearity problems.

Table 4. Multicollinearity Test Results

Coefficients		
Collinearity Statistics		
Model	Tolerance	VIF
1		
(Constant)		
EPS	.327	3.057
PER	.985	1.015
PBV	.985	1.015
DER	.591	1.692
Firm Size	.313	3.198

a. Dependent Variable: Stock Return

3.2.3. Heteroscedasticity Test

The heteroscedasticity test is useful for evaluating the existence of differences in variance from the residuals of one observation to another in the regression mode. Tests to detect heteroscedasticity were carried out using the Park test. The Park test is carried out by regressing the natural logarithm of the residual with each independent variable. If Sig > 0.05 then there is no heteroscedasticity problem. Conversely, if Sig < 0.05, there is a heteroscedasticity problem. Based on the test results below, the significant value of each variable is > 0.05 (EPS: 0.029; PER: 0.026; PBV: 0.417; DER: 0.016; Firm Size: 0.209). So this research data can be said to be free from heteroscedasticity problems.

Table 5. Heteroscedasticity Test Results

Coefficients						
Model		Standardized Unstandardized Coefficients			Coefficients	
		B	Std. Error	Beta	t	Sig.
1	(Constant)	5.846	4.450		1.314	.195
	EPS	.124	.055	.269	2.240	.029
	PER	.601	.262	.267	2.291	.026
	PBV	.011	.013	.095	.817	.417
	DER	.332	.133	.374	2.488	.016
	Firm Size	-.204	.161	-.263	-1.272	.209

a. Dependent Variable: Stock Return

3.2.4. Autocorrelation Test

The autocorrelation test aims to see whether blunders (errors) in information in a certain period are related to different periods (Ghozali, 2011). Viable recurrence models are not automatically corrected. The Durbin-Watson (DW) value can be used to determine whether a regression model is automatically corrected or not. The requirement for autocorrelation not to occur is $-2 < DW < 2$ (Ghozali, 2011). The results of the autocorrelation test are as follows:

Table 6. Autocorrelation Test (Run Test)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.529	.280	.213	.9488716

a.Predictors: (Constant), Firm Size, PBV, PER, DER, EPS

3.2.5. Multiple Linear Regression Analysis

To determine how much change in the reliability variable is influenced by independent factors as a whole, the guarantee coefficient (R2) is used. The affirmation coefficients are 0 and 1. The influence of the independent variable on the dependent variable is more reasonable if the guarantee coefficient is close to 1, and the influence of the independent factor on the dependent variable is small the closer it is to the affirmation coefficient. guarantee is to 0. Ghozali (2016:95), considering the accompanying assessment:

Table 7. Regression Coefficients

Coefficients					
Model		Unstandardized Coefficient	Standardized Coefficient	T	Si g.
		B	Std. Error	Beta	
1	(Constant)	5.486	4.450		1.314 .195
	EPS	.124	.055	.269	2.240 .029
	PER	.601	.262	.267	2.291 .026
	PBV	.011	.013	.095	.817 .417
	DER	.332	.133	.374	2.488 .016
	Firm Size	-.204	.161	-.263	-1.272 .209

a. Dependent Variable: Stock Return

Based on the linear equation above, it is explained that : α = the absolute value constant Y is worth 0.193, meaning that if the independent variables, namely earnings per share, price earning ratio, price to book value, debt equity ratio and firm size are worth 0, then the total stock return is 0.193. β_1 = the value of the regression coefficient β_1 is 0.122, this indicates that by increasing the variable X1 (earnings per share), it will increase stock returns by 0.122. β_2 = the value of the regression coefficient β_2 is 0.611, this indicates that by increasing the variable X2 (price earning ratio), it will increase stock returns by 0.611. β_3 = the value of the regression coefficient β_3 is 0.010, this indicates that by increasing the variable X3 (price to book value), it

will increase stock returns by 0.010. β_4 = the value of the regression coefficient β_4 is 0.227, this indicates that by increasing the variable X4 (debt equity ratio), it will increase stock returns by 0.227. β_5 = The value of the regression coefficient β_5 is -0.204, this indicates that by increasing the variable X5 (firm size), it will decrease the stock return by -0.204.

3.3. Uji Hipotesis

3.3.1. Coefficient of Determination

The coefficient of determination, often known as the R-squared value, is a statistical metric that measures the proportion of a regression model's variance explained by the independent variables. The R-squared value can range between 0 and 1, with 0 indicating that the model explains no variance in the dependent variable and 1 indicating that the model explains all of the variance in the dependent variable. A higher R-squared value indicates that the model fits the data better. Adjusted R Square is used when there are more than two independent variables.

Table 10. Coefficient of Determination Test Results (R2)

Model Summary Adjusted R

	Std. Error of the Model	R	R Square	Estimate
1	.529 ^a	.280	0.213	0.9488716

a. Predictors: (Constant), Firm Size, PBV, PER, DER, EPS

Through the results displayed in the table above, it is known that the Adjusted R Square value is 0.213. This means that the four independent variables and one variable controls (Firm Size, EPS, PER, PBV, and DER) influence the dependent variable (Stock Return) by 21.3%. Meanwhile, 78.7% was influenced by other variables not explained in this research.

3.3.2. Simultaneous Test (F-Test)

F-test is a statistical test used to evaluate hypotheses regarding the variance of two or more samples. The F test is widely used to evaluate whether there is a significant difference between the variances of two or more independent samples. The level used is 0.5 or 5%. If the significant value of $F < 0.05$ it means that the independent variable simultaneously influences the dependent variable or vice versa.

Table 8. F-Test

ANOVA					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	18.887	5	3.777		
Residual	48.619	54	.900	4.195	.003 ^b
Total	67.506	59			

a. Dependent Variable: Stock Return

b. Predictors: (Constant), Firm Size, PBV, PER, DER, EPS

Based on the F test results, a significance value of 0.000025 was obtained. The significance level used is 0.05. So, $0.000025 < 0.05$ so it can be concluded that the four independent variables (EPS, PER, PBV, DER) have a simultaneous and significant effect on the dependent variable (Stock Return). Apart from that, the F value obtained was 4.195, where the F table was 2.812. So the calculated F value $> F$ table ($4.195 > 2.812$) and therefore, it can be concluded that the four independent variables have a simultaneous effect on the dependent variable.

3.3.3. Partial Test (T-Test)

The T test was carried out to test the partial influence of the independent variables (EPS, PER, PBV, DER) on the dependent variable (Stock Return). The standard significance value used to compare significance between variables is 5% (0.05). The t test results are as follows:

**Tabel 9 T-Test
Coefficient**

		Unstandardized Coefficient	Std. Error	Standardized Coefficient	t	Sig.
Model	B			Beta		
1	(Constant)	5.846	4.450		1.314	.195
	EPS	.124	.055	.269	2.240	.029
	PER	.601	.262	.267	2.291	.026
	PBV	.011	.013	.095	.817	.417
	DER	.332	.133	.374	2.488	.016
	Firm Size	-.204	.161	-.263	-1.272	.209

a. Dependent Variable: Stock Return

For the Earning Per Share (EPS) variable, the t value was -0.195 and the significance value was 0.029. The calculated t value is $-0.195 < t$ table 2.009 and the calculated significance value is $0.029 > 0.05$ so it can be concluded that EPS has a significant and positive effect on Stock Return. For the variable (PER), the t value was 2.291 and the significance value was 0.026. The calculated t value is $2.291 < t$ table 2.009 and the calculated significance value is $0.029 < 0.05$ so it can be concluded that PER has a positive and significant effect on Stock Return. For the Price to Book Value (PBV) variable, a t value was obtained of 0.817 and a significance value of 0.417. The calculated value is $0.817 > t$ table 2.009 and the calculated significance value is $0.417 > 0.05$ so it can be concluded that PBV has a positive and insignificant effect on stock returns. For the Debt Equity Ratio (DER) variable, the t value was 2.488 and the significance value was 0.016. The calculated t value is $2.488 > t$ table 2.009 and the calculated significance value is $0.016 < 0.05$ so it can be concluded that DER has a positive and significant effect on stock returns. For the variable Firm Size the t value was -1,272 and the significance value was 0,209. The calculated t value is $-1,272 > t$ table 2.009 and the calculated significance value is

0,209 > 0.05 so it be concluded that the Firm Size has a negative and insignificant effect on stock returns.

4. Discussion

4.1. Earnings per Share on Stock Returns

The results of hypothesis testing show that the earning per share variable has a positive and significant effect on stock returns (H1 accepted). This means that the higher the earning per share, the effect on increasing stock returns in manufacturing companies. An increase in EPS means that the company is in a growth stage or its financial condition is experiencing an increase in sales and profits. If the EPS of a company is high this will increase investors to buy and bid for shares which results in a high stock price, a high EPS indicates the company's ability to generate net profit per share is also high which will affect the return obtained by investors in the capital market. EPS is used by investors to assess a company's profit per share that can be generated, this shows that the company has been able to provide prosperity for investors, (Humaerah, 2022). Because every company has a high EPS that investors will seek. With more and more investors looking for stocks with high EPS and then buying them, this will have an impact on the company's share price. It can be said that even though the level of the amount of money (rupiah) generated from each outstanding share of ordinary shares increases, the stock returns that will be received by investors will also increase. With an increase in the company's stock price, the stock return that will be obtained by investors will also be higher, meaning that in this case an increase in stock prices will also encourage an increase in stock returns. This research is in accordance with the theory of signal theory explaining why companies have an incentive to voluntarily provide financial reporting information to external parties, (Bringham 2016). The company's incentive to provide information is because there is information asymmetry between the company and outsiders because companies know more about the company and future prospects than outsiders (investors, creditors). One way to reduce information asymmetry is to provide signals to outsiders, one of which is in the form of reliable financial information and will reduce uncertainty about future company prospects.

4.2. Price Earnings Ratio on Stock Returns

The consequences of the speculation test show that the cost procuring proportion variable affects stock returns (H2 accepted). This implies that the higher the cost acquiring proportion, the impact on expanding stock returns. The PER proportion is seen by financial backers as a proportion of an organization's capacity to create future benefits. PER figures are utilized to foresee the organization's capacity to produce benefits (acquiring power) from now on. The prospectus for the share price is valued by investors at a higher level in relation to the income per share when the PER is higher. As a result, the higher the PER, the more expensive the stock is in relation to its income. The capital gain also rises when the stock price is higher because the difference between the current period's stock price and the previous period's stock price is greater. PER is the proportion between the stock cost and the pay of each offer. PER data

shows how much rupiah that should be paid by financial backers to get one rupiah of organization income (Tandelilin, 2017: 375). The higher the PER shows the possibility of the stock cost being esteemed higher by financial backers corresponding to profit per share, so that the higher PER likewise demonstrates the more costly the stock is according to income per share. Organizations that have a high For each normally have high development rate open doors, causing financial backer premium to purchase organization shares which can then increment share costs (Husnan, 2019: 75).

4.3. Price to Book Value to Stock Returns

The consequences of the speculation test show that the variable cost to book esteem affects stock returns (H3 rejected). This implies that the sequential the cost to book esteem, it affects expanding or diminishing stock returns. This is because of the low Cost to Book Worth showing that the organization's portions have a lower cost than their inborn worth, making it less appealing to financial backers as a venture choice. PBV is the division of the market cost per share by the book esteem per offer to decide the fair cost of an offer by working out the last offer cost at the book worth of the organization's most recent yearly monetary report. The sequential the PBV proportion demonstrates the organization makes esteem from the contributed capital of investors. This examination is as per the sign hypothesis that contains data in pursuing venture choices by financial backers. The better the organization esteem, the more intrigued financial backers will be in effective money management their assets. so that when the stock cost will build, the effect on stock returns will likewise increment. The PBV proportion depicts how much the market values the book worth of an organization's portions. delineates that the higher the organization's stock cost demonstrates the better the organization's presentation, so it can give a superior pace of return from now on. The consequences of this study are in accordance with the aftereffects of exploration led by (Ristyawan, 2019). The aftereffects of this study are predictable with research led by Ginting, S. (2013), - t count < t table (- 0,2014 < 2,05183) with an importance level over 0,05, specifically 0,840, it very well may be reasoned that the Cost to Book Worth (PBV) affects Stock Return. However, the results of Beta indicate that the relationship between Stock Return and Price to Book Value (PBV) is not significantly negative. Rather than the consequences of examination directed by (Akbar and Herianingrum, 2015), the aftereffects of this study are that PBV affects changes in stock returns. make stock costs rise and influence the expansion in stock returns. The organization should keep on keeping up with this great rating in the future so it draws in an ever increasing number of financial backers to contribute.

4.4. Debt Equity Ratio to Stock Returns

The consequences of the speculation test show that the obligation value proportion variable affects stock returns (H4 accepted). This indicates that manufacturing companies' stock returns increase in proportion to the debt-to-equity ratio. DER mirrors a moderately high organization risk, so overall financial backers will more often than not keep away from stocks

that have a high DER esteem. The higher the gamble from the utilization of more obligation will quite often bring down the stock cost. Financial backers are supposed to have the option to focus on the soundness of the organization through an examination between their own capital and credit capital. The utilization of enormous obligation can bring about a lower organization's capacity to pay its obligations with the goal that the gamble claimed by the organization will increment. Investors typically avoid risk, so a high DER will cause investors to increasingly avoid company shares. It is almost certain that growing and developing businesses will require funding to support their operations. The organization requires a ton of functional assets that it is difficult to satisfy just from the organization's own capital. Wellsprings of subsidizing for organizations incorporate obligation since they enjoy benefits including; 1) premium lessens burdens so the expense of obligation is low, 2) lessees get restricted returns so investors don't have to share benefits when business conditions are progressed, 3) loan bosses don't have casting a ballot rights so investors have some control over the organization with a little venture of assets. The utilization of increasingly more obligation, which is reflected by the obligation proportion (the proportion among obligation and complete resources) that is getting greater, at the equivalent procuring before revenue and expense (EBIT) will bring about a greater profit for each offer. If profit per share increment, it will affect expanding stock costs or stock returns, so hypothetically DER will decidedly affect stock returns. This examination is as per the flagging hypothesis, obligation made by organizations has a positive effect on the grounds that rising obligation implies expanding risk. The higher the gamble will affect the higher stock returns too. So DER can emphatically affect stock returns. At the point when a data has been reported on the securities exchange, market members will attempt to investigate and decipher the data as uplifting news (great sign) or awful news (terrible sign). Signal hypothesis gives motivations to organizations to pass data related on to monetary reports to outer gatherings of the organization. The desire to give data connected with monetary reports depends on data imbalance among the board and outside parties. Consequently, to have the option to diminish data unevenness, what should be done is to give a sign to pariahs through the organization's monetary reports that contain trustworthy organization monetary data and will give an outline of the organization's supportability possibilities later on.

5. Conclusion

Organizations need to initially analyze the elements that impact stock returns both inside variables like organization monetary proportions and outer variables, like financial circumstances. Financial backers can utilize EPS, PER and DER as a kind of perspective for deciding speculation methodologies. The higher the proportion of EPS, PER and DER of an organization demonstrates the higher the organization is esteemed by financial backers. On the off chance that an organization is esteemed higher by financial backers, the organization's stock cost will increment on the lookout, bringing about an expansion in the organization's stock return. This will then prompt positive feeling among financial backers.

For better exploration brings about the future, future analysts ought to utilize information that is straightforwardly distributed by the example organizations in light of the fact that utilized in this study is auxiliary information, so information examination is exceptionally reliant upon the consequences of information distribution (organization monetary reports). Budget summaries as proportion information have impediments since organizations have different bookkeeping strategies and approaches that make it hard to think about. Furthermore, ought to extend the area under study.

The factors utilized and the strategy for estimating these factors have not had the option to demonstrate well on the off chance that these factors can be utilized to increment stock returns. Of the four factors that can show a huge effect on stock returns, just two factors, in particular EPS, PER and DER. From these outcomes it is conceivable that there are different variables or other estimation techniques that can be utilized to increment Stock Return. The second examination restriction is that the information utilized in this study are optional information acquired from monetary reports and yearly reports. So the information is dreaded there is a mistake in the administration of the underlying information source

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