An International Journal

OPEN ACCESS

Indonesian Journal of Economics, Business, Accounting, and Management

E-ISSN: 2988-0211 | Vol. 03, No. 04, 2025, pp. 1-14

Journal Homepage: https://journal.seb.co.id/ijebam/index

Analysis of the Impact of ROE, EPS, CR, and DER Ratio on Stock Return in Automotive Sector Companies Listed on the IDX

Sahat Mangahut Tua[1*], Ratih Kusumawardhani[2], Johannes Maysan Damanik [3]

[1] Department of Management, Faculty of Economics, Universitas Sarjanawiyata Tamansiswa
[2] Department of Management, Faculty of Economics, Universitas Sarjanawiyata Tamansiswa
[3] Department of Management, Faculty of Economics, Universitas Sarjanawiyata Tamansiswa

*Corresponding author, E-mail: sahatmangahuttuamanullang@gmail.com

ARTICLE INFORMATION

Section
Research Article

Article History
Submitted: 22/05/2025
Accepted: 05/06/2025
Available Online: 21/06/2025

Keywords
return on equity
earnings per share
current ratio
debt to equity ratio
stock return

ABSTRACT

This study analyzes the effect of return on equity (ROE), earnings per share (EPS), current ratio (CR), and debt to equity ratio (DER) on stock return in automotive sector companies on the Indonesia Stock Exchange (IDX) from 2016 to 2023. Using a quantitative research approach, this study uses multiple linear regression analysis on a sample of automotive companies to examine the relationship between these financial performance indicators and stock returns. The results indicate that ROE, EPS, CR, and DER each significantly impact stock return. The simultaneous analysis confirms these four variables collectively influence stock return significantly. These findings suggest that investors should consider these financial ratios when making investment decisions in the automotive sector.

INTRODUCTION

The rapid development of information and communication technology has profoundly transformed the global economy and business landscape. To remain competitive in the expansive business environment, it is imperative for business entities to develop strategies that support their growth and sustainability. One highly effective strategy is the accumulation of capital, which can be utilized to facilitate business operations. Companies can raise capital by offering shares (equity ownership) to investors through capital markets, such as the "Indonesia Stock Exchange". One of the emerging business sectors in Indonesia is the automotive industry. According to data published by Kementerian PPN/Bappenas RI (2023), the automotive sector contributes 12.9% to the Gross Domestic Product (GDP) and demonstrates a year-on-year (YoY) growth rate of 4.1%. This performance presents a compelling case for investors to consider channeling their capital into the automotive sector in Indonesia.

The primary objective of investors in purchasing shares is to derive returns in the form of stock profits. However, prior to making investment decisions in the capital market, investors must engage in careful consideration of various factors. This precautionary step is crucial to mitigate potential losses, as the capital market is subject to frequent price fluctuations. Investors may conduct a thorough analysis before committing their capital to a particular company. One such analytical approach involves assessing the company's financial ratios through its financial statements. Financial ratio analysis can be performed by evaluating key financial ratios, including profitability, liquidity, solvency, activity, and market ratios.

Financial ratios provide a clear overview of various operational and financial aspects of a company, such as profitability, liquidity, and capital structure. Each ratio reflects a specific dimension of the company's financial health, offering valuable insights that can guide investors in making more informed decisions. However, to derive meaningful results from financial analysis, it is important for investors to recognize that not all ratios hold the same relevance for every type of company or industry sector. Therefore, selecting the appropriate ratios and understanding their contextual application is crucial.

By conducting a proper analysis of relevant financial ratios, investors can evaluate a company's growth potential, while also identifying risks that may not be readily apparent in the overall financial statements. For example, several key ratios commonly used by investors to assess a company's performance include profitability, liquidity, and leverage ratios, each of which offers important insights into different financial aspects of the company. Understanding these ratios enables investors to gain a deeper perspective on a company's strengths, weaknesses, and future growth potential.

This research is grounded in Signaling Theory, which suggests that companies communicate their quality and financial performance through observable signals such as financial ratios to reduce information asymmetry. According to Bafera and Kleinert (2022), signaling theory remains a relevant and widely applied framework in entrepreneurship and investment research, particularly in contexts where external parties such as potential investors must evaluate firms based on limited observable information.

Several previous studies have examined the influence of financial ratios on stock returns. Gultom and Lubis (2021) found that Return on Equity (ROE) had a significant positive effect on stock returns, while Debt to Equity Ratio (DER) did not have a significant effect. In contrast, Irawan (2021) found that DER did significantly affect stock returns, which contradicts the findings of Gultom and Lubis (2021). Laulita and Yanni (2022) also conducted a study showing that both ROE and Earnings per Share (EPS) significantly influenced stock returns. Meanwhile, Sari, Mas'ud and Husain (2023) found that the Current Ratio, a liquidity measure, also significantly affected stock returns.

While previous studies have analyzed the relationship between financial ratios and stock returns, they often focused on mixed industry sectors or shorter time periods. Furthermore, inconsistencies in findings, particularly in relation to the effect of DER, indicate that this topic requires further exploration. Few studies have exclusively examined the Indonesian automotive sector using updated and comprehensive data spanning multiple years. This highlights a gap that the present research seeks to address. This study focuses on automotive companies listed on the Indonesia Stock Exchange (IDX). The automotive industry is a vital component of Indonesia's economy, known for its substantial GDP contribution and sensitivity to global and domestic economic changes. As a cyclical sector, it presents unique characteristics that make it an ideal object for investigating the effects of financial indicators on stock performance.

Although several studies have explored the relationship financial ratios and stock returns, further investigation is needed, especially in the automotive industry, which has experienced notable fluctuations in recent years. This study aims to examine the influence of ROE, EPS, Current Ratio, and DER on stock returns of automotive companies listed on the IDX during 2016–2023. The motivation behind this study is to contribute updated empirical evidence that supports both academic knowledge and practical investment strategies. The findings are expected to assist investors, financial analysts, and policymakers in making better-informed decisions specific to the automotive sector.

LITEATURE RVIEW & HYPOTHESIS

Theoretical Foundation

Stock Return

Stock return refers to the profit an investor earns from investing in a company's stock. Stock return, according to Jogiyanto (2017), refers to the profit gained by investors from the stock investments they make. Stock return consists of two main components: capital gain and dividends. Capital gain is the profit an investor makes from the difference between the purchase price and the selling price of the stock, while dividends are profit distributions made by the company to its shareholders. In general, investors purchase stocks with the expectation of achieving optimal returns, which can be derived from both an increase in the stock price (capital gain) and passive income through dividends. Therefore, stock return is often used as a primary indicator to assess the potential profitability of a stock and as a benchmark for investors in deciding whether a particular stock is worth buying. The loss experienced by investors in stock trading transactions is referred to as a capital loss (Prayogi, 2021).

Return on Equity

Return on equity (ROE) is a ratio that measures a company's ability to generate net income for its shareholders, based on the equity invested by the shareholders (Arifah and Suyatmin, 2021). ROE is calculated by dividing the company’s net income by its total shareholders' equity. This ratio reflects the efficiency with which a company uses its equity capital to generate profits. A higher ROE indicates that the company is effectively using its equity to produce a greater return for its shareholders. Conversely, a lower ROE may indicate inefficiencies in utilizing shareholder capital. ROE is a critical metric for investors, as it provides an insight into the profitability and financial performance of a company, influencing investment decisions and stock valuation.

Earning per Share

Earnings Per Share (EPS) is a ratio that measures the amount of net income earned by a company per outstanding share. EPS provides investors with a direct measure of the company's profitability and the potential earnings they may receive per share they own. This ratio helps assess the financial health of the company and its ability to generate profits on a per-share basis. The Earning Per Share (EPS) of a company reflects the portion of net income assigned to each outstanding share of common stock. A higher EPS indicates greater profitability, which usually attracts more investors, ultimately driving up the company's stock price (Anam, Nurfadillah and Fauziah, 2021).

Current Ratio

The Current Ratio is a financial metric used to evaluate a company’s ability to meet its short-term obligations with its current assets. This ratio provides insight into a company's liquidity, specifically how quickly it can convert its current assets into cash to settle its short-term liabilities. The current ratio is calculated by dividing a company’s total current assets by its current liabilities. The current ratio shows the extent to which a company’s current assets can cover its short-term obligations. This ratio also serves as an indicator of the company's financial cushion or margin of safety. A healthy current ratio suggests that the company can meet its debt obligations in both the short and long term (Nuryani and Sunarsi, 2020).

Debt to Equity Ratio

The solvency ratio can be measured by calculating the debt to equity ratio (DER). The debt to equity ratio is a measure that compares a company’s total debt to its shareholders' equity. This ratio reflects the degree to which a company relies on debt to finance its operations as opposed to using equity capital. A high DER indicates that the company is heavily reliant on debt to fund its activities, which can lead to higher potential returns but also increases financial risk, especially if the company is unable to manage its debt effectively. A company in good financial condition can be identified by having lower liabilities compared to its equity, or in other words, by having a relatively low solvency ratio (Komalasari and Yulazri, 2023).

Hypotesis Development

The Effect of Return on Equity on Stock Return

ROE can calculate how much profit a company generates from each rupiah invested by its shareholders. Therefore, the ROE value significantly influences investors' interest in investing capital in a company. Investors usually choose companies with a high ROE value because they expect a high return as well (Irawan, 2021). Previous research by Simorangkir (2019) found a significant relationship between Return on Equity (ROE) and stock return, indicating that an increase in ROE reflects stronger company performance and leads to higher stock returns. This finding is supported by Gultom and Lubis (2021) who also concluded that ROE significantly affects stock returns.

H*$_1$*: *There is a significant influence between Return on Equity on Stock Return.*

The Effect of Earning per Share on Stock Return

An increase in the EPS value from year to year indicates that the company is performing better, as its profits are rising, and it can be considered as experiencing growth. Previous studies have been conducted by Laulita and Yanni (2022), which indicated that EPS significantly affects stock return. This finding is further supported by research from Santosa and Wibowo (2023), which also concluded that there is a significant relationship between EPS and stock return.

H_2: *There is a significant influence between Earning per Share on Stock Return.*

The Effect of Current Ratio on Stock Return

The higher the company's current ratio, the better its ability to settle short-term debts, which means the company is less likely to face liquidity risks. A company with minimal liquidity risks has the potential to generate higher profits, which in turn attracts investors to invest in the company with the expectation of obtaining returns from a portion of the company's profits, which are characterized by low liquidity risk (Miranti, 2019). Based on previous research regarding the relationship between the current ratio and stock return, a study conducted by Sari, Mas'ud and Husain (2023)stated that the current ratio significantly affects stock return. Furthermore, a subsequent study by Kusumawardani (2023) also supported this finding, indicating that the current ratio significantly impacts stock return.

H_3: *There is a significant influence between Current Ratio on Stock Return*

The Effect of Debt to Equity Ratio on Stock Return

The Debt to Equity Ratio (DER) reflects a company's ability to repay its debts relative to its total equity. A higher DER ratio typically leads to a lower rate of return, as the company relies more on debt financing, which increases financial risk and may reduce profitability. Based on previous research conducted by Irawan (2021), some stated that DER significantly affects stock return. Another supporting study conducted by Larasati, Subing and Mansur (2023) also concluded that DER significantly impacts stock return.

H_4: *There is a significant influence between Debt to Equity on Stock Return.*

The Effect of ROE, EPS, CR, and DER on Stock Return Simultaneously

Individually, Return on Equity (ROE), Earnings per Share (EPS), Current Ratio, and Debt to Equity Ratio (DER) are believed to significantly affect stock return. When these variables are considered together, their effect on stock return is likely to be even stronger. Companies with favorable values in these ratios usually generate better stock returns. Previous studies by (Laulita and Yanni, 2022; Adrianto and Sugianto, 2023) both found that ROE, EPS, and DER (and, in the case of Adrianto's study, Current Ratio) significantly influence stock return when considered simultaneously.

H_5: *There is a significant influence between ROE, EPS, CR, and DER on Stock Return Simultaneously*

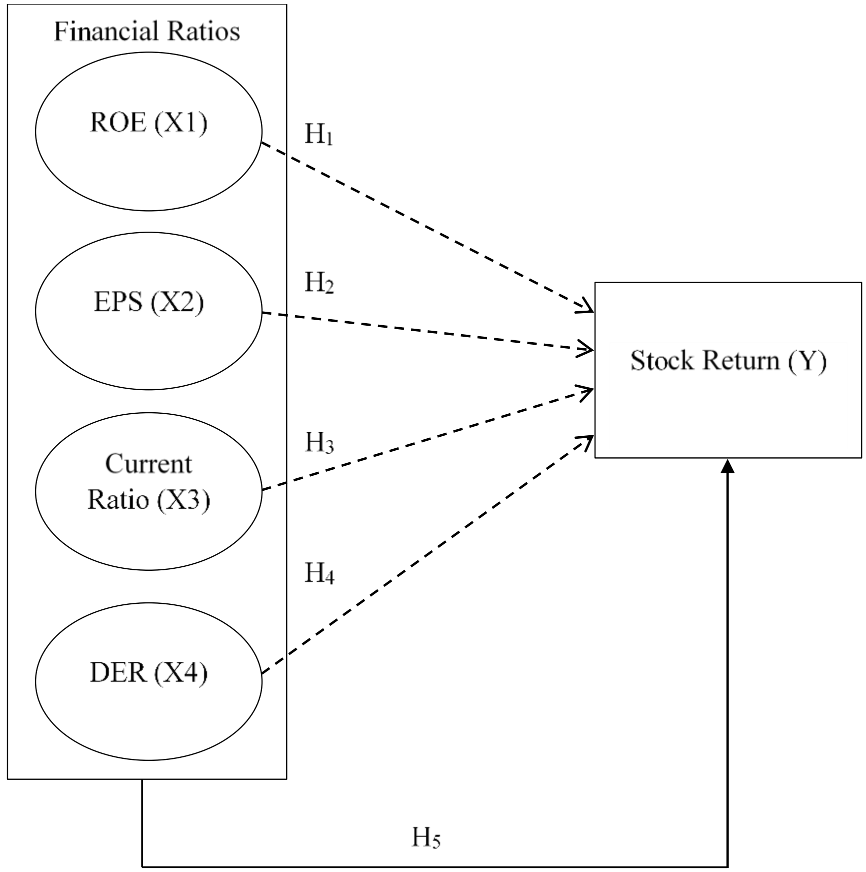

Figure 1. Research Framework

Source: Processed by Author (2024)

RESEARCH METHODS

This research uses a causal approach to examine the relationship between independent variables—Return on Equity (X1), Earnings per Share (X2), Current Ratio (X3), and Debt to Equity Ratio (X4)—and the dependent variable, stock return (Y). The method used is a quantitative research method based on a positivist approach, which tries to study a specific population or sample. The population in this study consists of automotive companies listed on the Indonesia Stock Exchange, with a total sample of 11 companies that meet the research criteria for the 2016–2023 period. This study uses secondary data sourced from financial reports available on the official website of the Indonesia Stock Exchange, and the data were collected using documentation techniques. The data collection was carried out in August 2024.

The data collected in this study are analyzed using inferential statistical methods, specifically multiple linear regression, to determine the extent to which each independent variable influences the dependent variable (Nurani, Setiawan and Susanto, 2023). This method allows the researcher to test hypotheses quantitatively and to identify statistically significant relationships between the companies financial indicators and stock returns. In this study, the regression method was employed to assess the extent to which the independent variables, which are Return on Equity (X1), Earning per Share (X2), Current Ratio (X3), and Debt to Equity Ratio (X4), influence the dependent variable, which is stock return (Y). Furthermore, classical assumption testing techniques such as normality, multicollinearity, heteroscedasticity, and autocorrelation tests are applied to ensure the validity and reliability of the regression model used.

Table 1. Research Indicators

No	Variable	Indicator Description	Formula	Source
1	Return on Equity (ROE)	The portion of net income attributable to shareholders' equity.	ROE = (Net Income) / Equity	(Kasmir, 2018)
2	Earnings per Share (EPS)	Profit earned by shareholders per share.	EPS = (Net Income) / (Number of Shares) × 100%	(Kasmir, 2018)
3	Current Ratio (CR)	A company's ability to meet its short-term liabilities.	CR = (Current Assets) / (Current Liabilities)	(Kasmir, 2018)
4	Debt to Equity Ratio (DER)	The company's equity capacity to cover external liabilities.	DER = (Total Liabilities) / Equity × 100%	(Kasmir, 2018)
5	Stock Return (R_t)	The gain earned by investors from their investments in the capital market.	$R_t = (P_t - P_{t-1}) / P_{t-1}$	(Jogiyanto, 2017)

RESEARCH RESULTS & DISCUSSION

Classical Assumption Test

Normality Test

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		80
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	13.01668762
Most Extreme Differences	Absolute	.062
	Positive	.062
	Negative	-.040
Test Statistic		.062
Asymp. Sig. (2-tailed)		.200[c,d]

Source: Data Processed Using SPSS (2024)

Based on the results presented in the table above, the Asymp. Sig. (2-tailed) value of 0.200 exceeds the significance level of 0.05, indicating that the data utilized in this study follow a normal distribution.

Multicollinearity Test

Table 3. Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Return on Equity	.512	1.953
	Earning per Share	.480	2.085
	Current Ratio	.243	4.120
	Debt to Equity Ratio	.303	3.301
a. Dependent Variable: Stock Return			

Source: Data Processed Using SPSS (2024)

Based on Table 3 above, it can be observed that each independent variable in this study has a variance inflation factor (VIF) value less than 10 and a tolerance value greater than 0.01. Therefore, it can be concluded that the regression model used does not exhibit multicollinearity symptoms.

Heteroscedasticity Test

Table 4. Heteroscedasticity Test Results

Model		Sig.	Conclusion
1	(Constant)	0.028	
	Return on Equity	0.738	No heteroscedasticity detected
	Earnings per Share	0.971	No heteroscedasticity detected
	Current Ratio	0.644	No heteroscedasticity detected
	Debt to Equity Ratio	0.588	No heteroscedasticity detected

Source: SPSS primary data, processed (2024)

The heteroscedasticity test results presented in the table above were obtained using the Glejser method. A significance value greater than 5% indicates that the regression model is free from heteroscedasticity.

Hypothesis Testing

Linear Regression Analysis

Table 5. Linear Regression Analysis

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	52.365	2.414
	Return on Equity	.180	.039
	Earning per Share	-.100	.028

Model	Unstandardized Coefficients	
	B	Std. Error
Current Rasio	-.381	.042
Debt to Equity Ratio	-.336	.037

Source: Data Processed Using SPSS (2024)

Based on the results of the multiple linear regression analysis presented in Table 5 above, the coefficient values for the multiple linear regression equation are shown. The regression coefficients used in the equation can be found in the "B" column, resulting in the following regression equation:

$$Y = 52.365 + 0.180X_1 - 0.100X_2 - 0.381X_3 - 0.336X_4 + 0.05$$

Partial Test (T-Test)

Table 6. T-Test Results

Variable	t	Sig.
Return on Equity	-2.949	.004
Earning per Share	-6.093	.000
Current Ratio	-4.245	.000
Debt to Equity Ratio	-2.222	.029

a. Dependent Variable: Stock Return

Source: Data Processed Using SPSS (2024)

Based on the results of the partial test, it was found that all independent variables which are Return on Equity (ROE), Earnings per Share (EPS), Current Ratio (CR), and Debt to Equity Ratio (DER) significantly influence stock returns. This is indicated by significance values for each variable being less than 0.05 and t-values exceeding the critical value threshold. Therefore, it can be concluded that ROE, EPS, CR, and DER each significantly affect stock returns, supporting the acceptance of hypotheses H1 through H4. However, among these variables, only ROE positively influences stock returns, indicating that greater profitability tends to be positively perceived by investors. On the other hand, EPS, CR, and DER show significant but negative effects, suggesting that higher values of these indicators may raise concerns among investors regarding potential overvaluation, inefficient liquidity management, or increased financial risk due to higher debt levels.

Simultaneous Test (F-Test)

Table 7. F-Test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	5185.619	4	1296.404	47.480	.000b
	Residual	2047.828	75	27.304		
	Total	7233.447	79			

Source: Data Processed Using SPSS (2024)

Based on the results of the simultaneous test, the significance value of 0.000 is lower than the threshold of 0.05, and the F-statistic value of 47.480 exceeds the critical value of 2.503. These findings indicate that the variables Return on Equity (ROE), Earnings per Share (EPS), Current Ratio (CR), and Debt to Equity Ratio (DER) collectively significantly influence stock returns. Therefore, these results support the acceptance of hypothesis H5. However, it should be noted that in the partial tests, only ROE showed a positive and significant effect, while EPS, CR, and DER each had a negative and significant influence. This suggests that, although the variables are jointly significant, their individual effects on stock returns vary in direction.

R Square Test

Table 8. R Square Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.847[a]	.717	.702	5.22536

Source: Data Processed Using SPSS (2024)

Based on the coefficient of determination table above, the Adjusted R Square value is 0.702, indicating that Return on Equity, Earnings per Share, Current Ratio, and Debt to Equity Ratio collectively explain 70.2% of the variation in stock returns. The remaining 29.8% is influenced by other variables not examined in this study.

Discussion

The Effect of Return on Equity on Stock Return

Based on the data analysis conducted, it was found that Return on Equity (X1) has a significant effect in a positive direction on Stock Return (Y). Therefore, it can be concluded that hypothesis 1 (H1) is accepted, namely that the company's Return on Equity has a positive and significant influence on the company's Stock Return in the automotive industry sector listed on the Indonesia Stock Exchange for the period 2016–2023. This is supported by the results of the partial test, where the t-statistic value is -2.949, which is smaller than the t-table value of -1.665, and the significance value of 0.004 is lower than the alpha level of 0.05.

Based on the linear regression results, the coefficient for Return on Equity is 0.180, indicating that if the Return on Equity increases by 1 point, assuming other independent variables remain constant, the stock return will increase by 0.180 points. A higher Return on Equity is considered favorable, as it reflects the company's effective performance in managing capital to generate profits. This condition is likely to attract investors to purchase the company's shares. These findings are consistent with previous research conducted by Laulita and Yanni (2022), which also concluded that Return on Equity has a positive and significant effect on Stock Return, with a t-statistic value of 4.563 and a significance level of 0.00.

The Effect of Earning per Share on Stock Return

The analysis results indicate that Earnings per Share (X2) has a significant effect in a negative direction on Stock Return (Y). Thus, hypothesis 2 (H2) is accepted. This finding applies to automotive sector companies listed on the Indonesia Stock Exchange during 2016–2023. The partial test shows a t-statistic of -6.093, which is lower than the critical t-value of 1.665, with a significance level of 0.000, confirming statistical significance at the 5% level.

The regression coefficient for Earnings per Share is -0.100, meaning that a 1-point increase in EPS, assuming other variables are constant, would decrease stock return by 0.100 points. A declining EPS reflects weakening company profitability, which may discourage investor interest. This result aligns with Santosa and Wibowo (2023), who also found a negative and significant relationship between EPS and stock return.

The Effect of Current Ratio on Stock Return

The analysis shows that the Current Ratio (X3) has a significant effect in a negative direction on Stock Return (Y), supporting hypothesis 3 (H3). This finding is based on the partial test results, where the t-statistic (-4.245) is lower than the critical value (-1.665), and the significance level (0.000) is below the 0.05 threshold. The regression coefficient of -0.381 indicates that a one-point increase in the Current Ratio leads to a 0.381-point decrease in stock return, assuming other variables remain constant. A lower Current Ratio may suggest more efficient asset utilization, potentially leading to higher profitability and increased investor interest. These results are consistent with prior research by Kusumawardani (2023), which also found a significant negative relationship between the Current Ratio and Stock Return.

The Effect of Debt to Equity Ratio on Stock Return

The analysis indicates that the Debt to Equity Ratio (X4) has a significant effect in a negative direction on Stock Return (Y), supporting hypothesis 4 (H4). This is evidenced by a t-statistic of -2.222, which is lower than the critical value of -1.665, and a significance level of 0.029, below the 0.05 threshold. The regression coefficient of -0.336 suggests that a one-point increase in the Debt to Equity Ratio leads to a 0.336-point decrease in stock return, assuming other variables remain constant. A lower Debt to Equity Ratio may signal stronger financial stability, which could positively influence investor confidence. These findings are consistent with Sari, Mas'ud and Husain (2023), who also found a significant negative relationship between the Debt to Equity Ratio and Stock Return.

The Effect of Return on Equity, Earning per Share, Current Ratio, and Debt to Equity Ratio Simultaneously on Stock Return

Based on the data analysis conducted, it was found that Return on Equity (X1), Earnings per Share (X2), Current Ratio (X3), and Debt to Equity Ratio (X4) simultaneously have a significant effect in a positive direction on Stock Return (Y). Therefore, hypothesis 5 (H5) is accepted, which states that these variables jointly significantly influence the stock returns of automotive sector companies listed on the Indonesia Stock Exchange for the period 2016–2023. It is supported by the results of the simultaneous test, where the F-statistic value of 47.480 is greater than the F-table value of 2.503, and the significance level of 0.00 is smaller than the alpha level of 0.05.

These findings are consistent with previous studies conducted by (Laulita and Yanni, 2022; Adrianto and Sugianto, 2023), which also concluded that Return on Equity, Earnings per Share, Current Ratio, and Debt to Equity Ratio simultaneously have a positive and significant effect on Stock Return. Both studies reported F-test significance values of 0.00, indicating strong statistical evidence at the 5% significance level.

CONCLUSION

Based on the results of the study conducted, it can be concluded that Return on Equity has a significant positive effect on stock returns of automotive companies listed on the Indonesia Stock Exchange during the period 2016–2023. Meanwhile, Earnings per Share, Current Ratio, and Debt to Equity Ratio each have a significant negative effect on stock returns within the same period. However, when examined simultaneously, Return on Equity, Earnings per Share, Current Ratio, and Debt to Equity Ratio collectively have a significant positive impact on stock returns, explaining 65.4% of the variation in stock returns of the automotive sector companies listed on the Indonesia Stock Exchange for the period 2016 to 2023.

It is important to acknowledge certain methodological limitations of this research. First, the study is limited to automotive companies listed on the Indonesia Stock Exchange, which may restrict the generalizability of the findings to other industries or markets. Second, the study relies on secondary financial data that may be influenced by accounting policies and reporting practices unique to each company, potentially affecting the accuracy of the measures used. Third, other external factors such as macroeconomic conditions, regulatory changes, or investor sentiment, which might also influence stock returns, were not included in the model. Future research could address these limitations by expanding the sample scope, incorporating additional variables, and using alternative methodologies to provide a more comprehensive understanding of the determinants of stock returns.

Suggestion

Based on the background, problem formulation, hypotheses, research findings, and discussion, the researcher offers the following suggestions:

1. For companies operating in the automotive sector, the findings highlight the importance of financial ratios—namely Return on Equity, Earnings per Share, Current Ratio, and Debt to Equity Ratio—as significant indicators influencing stock returns. Therefore, companies are encouraged to continuously improve their financial management and operational performance to enhance investor confidence and provide more favorable returns.
2. For investors, the results suggest that financial ratios are valuable tools in assessing the potential return and risk of an investment. Prior to making investment decisions, it is advisable for investors to carefully analyze a company’s financial statements, especially key ratios, to minimize investment risks and increase the likelihood of achieving expected returns.
3. For future researchers, this study acknowledges certain limitations, such as the limited scope of financial ratios examined and the relatively short observation period. It is recommended that future studies expand the range of variables—possibly including macroeconomic indicators or qualitative factors—and consider a longer timeframe to produce more comprehensive and generalizable findings related to stock returns.

REFERENCE

Adrianto, M.O. and Sugianto, S. (2023) “Analisis Pengaruh ‘Return On Equity, Current Ratio’, Price Earning Ratio , ‘Debt To Equity Ratio’ Dan ‘Total Asset Turnover’ Terhadap Return Saham,” *Jurnal Publikasi Ilmu Manajemen*, 2(2), pp. 347–362. Available at: https://ejurnal.politeknikpratama.ac.id/index.php/jupiman/article/view/2475.

Anam, K., Nurfadillah, M. and Fauziah, F. (2021) “ANALISIS KINERJA KEUANGAN TERHADAP RETURN SAHAM PERUSAHAAN PROPERTI DAN REAL ESTATE INDONESIA,” *Jurnal Daya Saing*, 7(3), pp. 319–329. Available at: https://ejournal.kompetif.com/index.php/dayasaing/article/view/746.

Arifah, N. and Suyatmin, A. (2021) “PENGARUH EARNING PER SHARE (EPS), RETURN ON EQUITY (ROE), RETURN ON ASSET (ROA), DAN NET PROFIT MARGIN (NPM) TERHADAP HARGA SAHAM (Studi Empiris Pada Perusahaan Property Dan Real Estate Yang Terdaftar Di Bursa Efek Indonesia Tahun 2016-2019),” *The 13th University Research Colloqium 2021*, pp. 406–415.

Bafera, J. and Kleinert, S. (2022) “Signaling Theory in Entrepreneurship Research: A Systematic Review and Research Agenda,” *Entrepreneurship Theory and Practice*, 47(6), pp. 2419–2464. Available at: https://doi.org/10.1177/10422587221138489.

Gultom, E. and Lubis, K.S. (2021) “Analisis Pengaruh Current Ratio, Return on Equity dan Debt to Equity Ratio Terhadap Return Saham Pada Perusahaan Sub Sektor Telekomunikasi yang Terdaftar di Bursa Efek Indonesia Periode 2015-2019,” *ARBITRASE: Journal of Economics and Accounting*, 2(1), pp. 12–18. Available at: https://doi.org/10.47065/arbitrase.v2i1.243.

Irawan, J.L. (2021) “Pengaruh Return On Equity, Debt to Equity Ratio, Basic Earning Power, Economic Value Added dan Market Value Added Terhadap Return Saham,” *Jurnal Akuntansi*, 13(1), pp. 148–159. Available at: https://doi.org/10.28932/jam.v13i1.2948.

Jogiyanto, H. (2017) *Teori Portofolio dan Analisis Investasi*. 11th ed. Yogyakarta: BPFE-Yogyakarta.

Kasmir (2018) *Analisis Laporan Keuangan*. Depok: PT. RajaGrafindo Persada.

Kementerian PPN/Bappenas RI (2023) *Perkembangan Ekonomi Indonesia dan Dunia*. Jakarta Selatan. Available at: https://perpustakaan.bappenas.go.id/e-library/file_upload/koleksi/dokumenbappenas/konten/Upload Terbaru/Laporan Perkembangan Ekonomi Indonesia dan Dunia Triwulan IV 2023.pdf.

Komalasari, D.N. and Yulazri, Y. (2023) “PENGARUH PENGUNGKAPAN LIKUIDITAS, SOLVABILITAS, UKURAN PERUSAHAAN DAN PROFITABILITAS TERHADAP NILAI PERUSAHAAN,” *SCIENTIFIC JOURNAL OF REFLECTION : Economic, Accounting, Management and Business*, 6(2), pp. 470–479. Available at: https://doi.org/10.37481/sjr.v6i2.670.

Kusumawardani, A. (2023) “Pengaruh Return on Asset, Debt to Equity Ratio, dan Current Ratio Terhadap Return Saham,” *ARBITRASE: Journal of Economics and Accounting*, 4(1), pp. 132–141. Available at: https://doi.org/10.47065/arbitrase.v4i1.1089.

Larasati, V., Subing, H.J.T. and Mansur, A. (2023) “Influence Of Company Performance On Stock Return,” *Journal of Accounting, Management, and Economics Research (JAMER)*, 2(1), pp. 50–63. Available at: https://doi.org/10.33476/jamer.v2i1.77.

Laulita, N.B. and Yanni, Y. (2022) “Pengaruh Return On Asset (ROA), Return On Equity (ROE), Debt To Equity Ratio (DER), Earning Per Share (EPS) dan Net Profit Margin (NPM) terhadap Return Saham pada Perusahaan Yang Terdaftar Di Indeks LQ45," *YUME : Journal of Management*, 5(1), pp. 232–244. Available at: https://journal.stieamkop.ac.id/index.php/yume/article/view/1456.

Miranti, D. (2019) *PENGARUH CURRENT RATIO (CR), DEBT TO EQUITY RATIO (DER), RETURN ON EQUITY (ROE) DAN TOTAL ASSET TURNOVER (TATO) TERHADAP RETURN SAHAM PADA PERUSAHAAN SUB SEKTOR LOGAM DAN SEJENISNYA YANG TERDAFTAR DI BURSA EFEK INDONESIA PERIODE 2012-2017*. Universitas Pakuan. Available at: https://eprints.unpak.ac.id/3078/.

Nurani, A.T., Setiawan, A. and Susanto, B. (2023) "Perbandingan Kinerja Regresi Decision Tree dan Regresi Linear Berganda untuk Prediksi BMI pada Dataset Asthma," *Jurnal Sains dan Edukasi Sains*, 6(1), pp. 34–43. Available at: https://doi.org/10.24246/juses.v6i1p34-43.

Nuryani, Y. and Sunarsi, D. (2020) "The Effect of Current Ratio and Debt to Equity Ratio on Deviding Growth," *JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi)*, 4(2), pp. 304–312. Available at: http://journalfeb.unla.ac.id/index.php/jasa/article/view/1378.

Prayogi, A. (2021) "Rasio Pasar sebagai Faktor Prediktif dalam Pengembalian Investasi," *Journal of Economic, Management, Accounting and Technology*, 4(2), pp. 149–159. Available at: https://doi.org/10.32500/jematech.v4i2.1669.

Santosa, E.T.A. and Wibowo, B.J. (2023) "Pengaruh Return On Equity (R O E) , Return On Asset (ROA), Debt To Equity Ratio (DER), dan Earning Per Share (EPS) Terhadap Return Saham 50 Most Active Stocks By Trading Value (Studi Kasus Di Bursa Efek Indonesia Tahun 2015 - 2018)," *Jurnal Ekonomi, Manajemen Akuntansi dan Perpajakan (Jemap)*, 5(2), pp. 161–179. Available at: https://doi.org/10.24167/jemap.v5i2.2854.

Sari, A., Mas'ud, M. and Husain, A. (2023) "Pengaruh Price Earning Ratio (Per), Debt To Equity Ratio Dan Current Ratio terhadap Return Saham Pada Perusahaan Properti Dan Real Estate yang Terdaftar Di Bursa Efek Indonesia," *Innovative: Journal Of Social Science Research*, 3(3), pp. 8518–8530. Available at: http://j-innovative.org/index.php/Innovative/article/view/3152.

Simorangkir, R.T.M.C. (2019) "PENGARUH KINERJA KEUANGAN TERHADAP RETURN SAHAM PERUSAHAAN PERTAMBANGAN," *Jurnal Bisnis dan Akuntansi*, 21(2), pp. 155–164. Available at: https://doi.org/10.34208/jba.v21i2.616.