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THE IMPACT OF EARNING PER SHARE (EPS), RETURN ON ASSETS (ROA) AND DEBT TO EQUITY RATIO (DER) ON STOCK PRICE (EMPIRICAL STUDY IN AUTOMOTIVE SUB SECTOR MANUFACTURING COMPANIES AND COMPONENTS LISTED IN INDONESIA STOCK EXCHANGE (IDX) PERIOD 2015-2019)

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Yoga Tantular Rachman, Radhi Abdul Halim Rachmat, Aulia Sarah Oktaviani. The Impact Of Earning Per Share (Eps), Return On Assets (Roa) And Debt To Equity Ratio (Der) On Stock Price (Empirical Study In Automotive Sub Sector Manufacturing Companies And Components Listed In Indonesia Stock Exchange (Idx) Period 2015-2019)-- Palarch's Journal Of Archaeology Of Egypt/Egyptology 17(10), 3083-3093 ISSN 1567-214x

Keywords: Earning Per Share (Roa), Return On Assets (Roa), Debt To Equity Ratio (Der), And Stock Price.

ABSTRACT
This study aims to determine the effect of Earning Per Share (ROA), Return On Assets (ROA), and Debt to Equity Ratio (DER) partially and simultaneously on share prices in automotive sub-sector companies and components listed on the Indonesia Stock Exchange 2015 period. - 2019. The sample in this study were 12 companies for 5 years with a total of 60 samples of analyzed financial statements. The sample selection was done by using purposive sampling technique. The research method used is an explanatory method with a quantitative approach. Testing is done by using panel data regression analysis using Eviews software. Research that has been conducted shows that EPS does not partially affect stock prices, while ROA and DER have a partial effect on stock prices. EPS, ROA, and DER have a simultaneous effect on stock prices. From this research, the r2 value is 0.3576, this means that the contribution of EPS, ROA, and DER to the stock price is 35.76%.

INTRODUCTION
Investing in the capital market is one of the most popular choices today. The capital market itself has a very important role for the economy of a country

because the capital market serves two functions, namely as an economic function and a financial function. So that, the capital market is a meeting between parties who have excess funds and parties who need funds by trading their securities in the hope of getting a reward for investing related to the development of economic activity (Tandelilin, 2010).

Investors who invest their funds in stocks certainly have the hope of getting a profit from the investment they do, the benefits they get can be in the form of capital gains or dividends. So that, before deciding to invest their funds, investors must make some careful assessments of the issuer. Investors must ensure that the information they receive is correct, and that no other party manipulates the information. In analysis and stock selection activities, investors need relevant and adequate information through the financial reports and results of a company's operations at a certain time or for a certain period of time (Harahap, 2015).

One of the things that an investor should focus on is the stock price. The share price reflects the value of a company. If the company achieves good performance, then the company's shares will be in great demand by investors. According to Halim (2005), if the profits obtained by the company are relatively high, then it is likely that the dividends paid are also relatively high. If the dividend paid is relatively high, it will have a positive effect on the stock price on the stock exchange, and investors will be interested in buying it. As a result, the demand for these shares increases, so that the price also increases.

During the first 9 months of 2019 the performance of the Composite Stock Price Index (IHSG) was recorded to have weakened 0.41%, which made it almost the second lowest compared to the main stock exchanges in the Asian region. The miscellaneous industrial sector index recorded the deepest decline with a fall of 16.05%, followed by the consumer goods sector index (-14.16%), the agricultural sector index (-11.95%), and the manufacturing sector index (-10.84%) (Setiaji, 2019).

One of the various industrial sub-sectors, namely the automotive and components sub-sector, was one of the causes for the weakening of the JCI. The performance of companies listed in the automotive and components subsector is strongly influenced by car sales. According to Setiaji (2019), in the last five years, national car sales have been in a stagnant trend. In July 2019, the Association of Indonesian Automotive Industries (Gaikindo) recorded domestic car sales of 89,110 units. Down 17.1% compared to the same period the previous year. Over the past five years, the average car sales were 89,230.02 units per month. If you draw a trend line, you can see that car sales are stagnating. But what's worrying is the rate of growth. In the last five years, the average car sales contracted, aka minus 2.53% per month. The decline in sales certainly affects the profits earned by the company.

Referring to the theory put forward by Halim (2005), an increase in company profits will indirectly make stock prices rise and vice versa. However, this theory is not always in accordance with the facts that occur in the field.

There are various factors that influence stock price fluctuations, divided into external factors and internal factors. According to Iskandar (2012), internal factors that affect share prices include the announcement of company financial statements such as earnings estimates before the end of the fiscal year and after the end of the fiscal year, Earnings Per Share (EPS), Dividend Per Share (DPS), price earnings ratio, net profit margin, return on assets (ROA). Meanwhile, external factors can be in the form of economic conditions, domestic political turmoil, changes in interest rates, inflation, foreign exchange rates and various regulations and deregulations issued by the government.

The uncertainty of stock prices is what causes investors to be careful in investing their funds. Investors need to analyze financial performance to obtain information on financial performance from the company, as a basis for consideration in making decisions. Financial ratio analysis is designed to help investors evaluate financial reports and their performance (Brigham & Houston, 2019).

The analytical tool used to assess company performance is financial ratios. The ratios used for this study are earnings per share (EPS), return on assets (ROA) and debt to equity ratio (DER). In previous research, Efrizon (2019) conducted research on Automotive and Component companies listed on the IDX for the period 2013-2017. The results of these studies state that partially current ratio (CR), return on equity (ROE), and debt to equity ratio (DER) do not have a significant effect on stock prices, while earnings per share (EPS) have a significant effect on prices. stock. Simultaneously, the current ratio (CR), return on equity (ROE), debt to equity ratio (DER), and earnings per share (EPS) have a significant effect on stock prices. Aviliankara and Sarumpaet (2017) conducted research on Consumer Goods Industry companies listed on the IDX for the period 2013-2015. The results of these studies state that partially and simultaneously the ratio of current ratio (CR), net profit margin (NPM), return on equity (ROE), return on assets (ROA), and debt to equity ratio (DER) has an effect on stock prices. Melani (2017) conducted research on Food and Beverage companies listed on the IDX for the period 2013-2016. The results of these studies indicate that partially and simultaneously, there is no significant relationship between return on assets (ROA), debt to equity ratio (DER), and earnings per share (EPS) to stock prices

LITERATURE REVIEW

Investors in investing in the capital market require accuracy in making decisions related to stocks. An accurate stock valuation can minimize the risk so as not to make a wrong decision. Therefore, investors need to analyze the company's financial condition for decision making in investing in stocks. To evaluate the company's financial condition, investors can do this by calculating the company's financial ratio, namely Earning Per Share (EPS).

According to Iskandar (2012), Earning Per Share (EPS) is a comparison between net profit after tax in one financial year and the number of shares issued. EPS shows how much profit is given to investors from each share it owns. In simple terms, EPS describes the amount of money earned for each share.

Dewi and Suaryana (2013) stated that the level of profit generated per share will affect investors' assessment of the performance of an issuer company. The higher the EPS value, the investors consider the company's prospects to be very good in the future so that it affects the level of demand for these shares. The level of profit generated per share will affect investors' assessment of an issuer's company performance. Companies that have stable profits will always be able to fulfill their financial obligations as a result of using foreign capital. On the other hand, companies that have unstable earnings will run the risk of not being able to pay interest expenses or not being able to pay their debt installments in years with bad conditions. This shows that stocks with high earnings will have higher returns than expected, while stocks with low returns will have lower earnings.

The development of share prices is inseparable from developments in the company's financial performance. Theoretically, if the company's performance has increased, it will be reflected by an increase in stock prices, and vice versa. Maulana (2014) states that stock prices are investors' perceptions of the success of company performance using the resources owned by the company.

According to Tandelilin (2010), for investors, EPS information is considered the most basic and useful information, because it can describe the company's future earning prospects. If the share price reflects the capitalization of expected future earnings, an increase in profit will increase the share price and total market capitalization. Stock prices tend to be able to properly anticipate earnings announcements and move in the right direction before the announcements are made, so that stock prices can be said to be positively correlated with the announcement of earnings in a company. In addition, if the EPS produced is in accordance with investors' expectations, the investor's desire to invest will also increase. The high demand for shares will be accompanied directly by an increase in the share price of the company concerned. This is supported by research conducted by Silviana and Rocky (2013) and Efrizon (2019) which states that Earning Per Share (EPS) has a significant effect on stock prices.

Share prices and profitability ratios are important indicators for investors to assess the company's prospects in the future. According to Efendi and Ngatno (2018), in addition to Earning Per Share (EPS), other profitability ratios such as Return on Assets (ROA) are also the cause of the ups and downs of company stock prices. Return on Assets (ROA) is the ability of capital invested in all assets to generate profits. ROA is a company's profit ratio related to profitability measuring the company's ability to generate profits or profits at certain levels of income, assets and share capital (Munawir, 2014). The higher the ROA, the greater the level of profit achieved by the company. The higher the ROA, the better the productivity of assets in obtaining net profits. This ratio provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to generate revenue.

In Priatinah and Kusuma (2012), the ability of managers to manage assets in investments that will generate profits for the company has an important role in company performance to increase the profits to be obtained, so that ROA can be used as an indicator in assessing company performance. If the analysis results obtained a high enough ROA, it can be assumed that the company is operating effectively. Companies that operate effectively and achieve high profits have an impact on the perception of investors that the company can pay high dividends as well. With the achievement of high profits, investors can expect profits from dividends because in essence in conventional economics, the investment motive is to obtain high profits, so if a stock produces high dividends, investor interest will also increase, so this condition will have an impact on increasing stock price.

This assumption certainly makes the demand for shares of the company concerned to increase. Great interest from investors and the achievement of high profits, have an impact on the increase in the price of company shares in the Capital Market. The higher the ROA value of the company, the higher the share price will be. This is supported by research conducted by Muhammad and Rahim (2015), Arifannisa and Nugraha (2017) which state that Return on Assets (ROA) has a significant effect on stock prices.

Debt to Equity Ratio (DER) is a solvency ratio that compares the total debt owned by a company with total equity (own capital) in bearing a risk. DER reflects the company's ability to fulfill its obligations, which is indicated by some part of its own capital or equity used to pay debts.

Higher DER level indicates the composition of total debt (short-term debt and long-term debt) is greater when compared to total equity itself, so this will have an impact on the greater the company's burden on external parties (creditors). DER shows how the company's ability to use existing capital to fulfill its obligations.

According to Husnan and Pudjiastuti (2012), companies that increase the proportion of debt use means increasing leverage which is considered to provide benefits for investors, namely in the form of tax savings. Investors' assessment of a company's debt depends on how the company is able to manage its debt and the use of the debt itself, so that investors can positively assess the existence of the debt if the debt is managed properly. DER shows the efficiency of a company in utilizing owner's capital in order to anticipate long-term debt and short-term debt. DER is used by companies not only to finance assets, capital and to bear expenses but also to increase income. When a company can manage its debt well, investor interest in the company can increase which causes the stock price to also increase.

METHODOLOGY

Judging from the type, the type of research used in this research is quantitative research. This type of quantitative research is a type of research that is based on the philosophy of posivism, used to examine specific populations or samples, data collection using research instruments, quantitative or statistical data analysis, with the aim of testing predetermined hypotheses (Sugiyono, 2019). The type of data used in this research is quantitative data. Quantitative data is data that can be measured, where the data shows the value of the quantity or variable that is owned. The nature of this data is time series, namely data that is the result of observations in a certain period. The quantitative data used in this study is the financial statement data of the automotive sub-sector companies and components listed on the Indonesia Stock Exchange for the 2015-2019 period. The data used in this study are the annual financial statements obtained from the Indonesia Stock Exchange website, www.idx.co.id.

The data analysis method used in this research is panel data regression analysis. Widardjono (2014) states that analysis with panel data has the advantage of being able to present more data than other methods, so that the resulting degree of freedom is much greater and if there is a problem of variable removal (committed variable). According to Winarno (2017), panel data regression analysis is a combination of one company with another company that is included in the same sector (cross section) and also simultaneously merges the time sequence within a specified time series (time series).

RESULTS AND DISCUSSION

RESULTS

Through the regression equation, the values will be obtained simultaneously and partially between the variables studied. In this study the authors used statistical software tools, namely EViews 9. From the calculation results, the output and multiple regression relationship equation were obtained as follows:

Table 1. Regression Calculation Results

Dependent Variable: Y				
Method: Panel EGLS (Cross-section random effects)				
Date: 10/30/20 Time: 12:07				
Sample: 2015 2019				
Periods included: 5				
Cross-sections included: 12				
Total panel (balanced) observations: 60				
Swamy and Arora estimator of component variances				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1223.702	711.4313	1.720056	0.0909
X1	-0.411822	1.199112	-0.343439	0.7326
X2	12375.98	4184.741	2.957406	0.0045
X3	605.7990	301.5976	2.008633	0.0494
	Effects Specification			
			S.D.	Rho
Cross-section random			2073.349	0.8684
Idiosyncratic random			806.9564	0.1316
	Weighted Statistics			

R-squared	0.357646	Mean dependent var		393.1963
Adjusted R-squared	0.323234	S.D. dependent var		996.5642
S.E. of regression	819.8312	Sum squared resid		37638902
F-statistic	10.39312	Durbin-Watson stat		1.243988
Prob(F-statistic)	0.000015			
	Unweighted Statistics			
R-squared	0.128946	Mean dependent var		2292.967
Sum squared resid	2.98E+08	Durbin-Watson stat		0.156862

Source: EViews 9 output results

Thus, the multiple linear regression equation is obtained as follows:

$$\mathbf{Y = 1223.702 - 0.411822X_1 + 12375.98X_2 + 605.7990X_3}$$

The equation above can be interpreted as follows:

a = 1223,702, meaning that if Earning Per Share (X1), Return on Assets (X2), and Debt to Equity Ratio (X3) are zero (0), then the Share Price (Y) will be worth 1223,702 units.

β1 = -0.411822, meaning that if Earning Per Share (X1) increases by one unit while the other variables are still in constant condition, then the Share Price (Y) will decrease by 0.411822 units.

β2 = 12375.98, meaning that if the Return on Assets (X2) increases by one unit while the other variables are still in a constant state, then the Share Price (Y) will increase by 12375.98 units.
β3 = 605.7990, meaning that if the Debt to Equity Ratio (X3) increases by one unit while the other variables are still in a constant state, the Stock Price (Y) will increase by 605.7990 units.

Based on Table 1, it is obtained that:

- The F_count value is 10.39312. This value will then be compared with the F value in the F distribution table. For α = 5%, df1 = k = 5, and df2 = n–k–1 = 60–3–1 = 56, the Ftable value is 2.769.
- The t-count of the variable Earning Per Share (X1) is in the receiving area of H0 (-2.003 <-0.343439 <2.003). This shows that H0 is accepted and H1 is rejected, meaning that Earning Per Share (X1) does not partially have a significant effect on Stock Price (Y).
- The t-count of the Return on Assets (X2) variable is in the rejection area H0 (2.957406> 2.003). This shows that H0 is rejected and H1 is accepted, meaning that Return on Assets (X2) has a partially significant effect on stock prices (Y).

- The tcount of the Debt to Equity Ratio (X3) variable is in the rejection area of H0 (2.008633> 2.003). This shows that H0 is rejected and H1 is accepted, meaning that the Debt to Equity Ratio (X3) has a partially significant effect on stock prices (Y).
- Earning Per Share (X1), Return on Assets (X2), and Debt to Equity Ratio (X3) have an influence on the Stock Price (Y) of 0.357646 or 35.76%, while the remaining 64.24% is affected by other factors not observed in this study.

DISCUSSION

Earning Per Share (EPS) is a company's ability to generate profit per share. Based on the results of research that has been done, it shows that partially EPS has no effect on stock prices. According to Maulana (2014), companies often do not share the profits obtained in the form of dividends to shareholders, where the aim of investors to invest in addition to expecting returns from capital gains is to get returns obtained from dividends. The company does not distribute dividends, for example because the company is experiencing serious financial difficulties that make it impossible to pay dividends, or because of the very large need for funds because the investment is very attractive, so it must withstand all income to spend on the investment. However, most of the shareholders prefer the payment of dividends at this time rather than delay, because with the current dividend payment, the receipt of the money is certain. Meanwhile, if it is postponed there is a possibility that what is expected will be missed.

The results of research that have been conducted show that partially Return On Assets (ROA) has an influence on stock prices. The higher the ROA, the greater the level of profit achieved by the company. The higher the ROA, the better the productivity of assets in obtaining net profits. This ratio provides a better measure of the company's profitability because it shows the effectiveness of management in using assets to generate revenue. In Priatinah and Kusuma (2012), the ability of managers to manage assets in investments that will generate profits for the company has an important role in company performance to increase the profits to be obtained, so that ROA can be used as an indicator in assessing company performance. If the analysis results obtained a high enough ROA, it can be assumed that the company is operating effectively.

Companies that operate effectively and achieve high profits have an impact on the perception of investors that the company can pay high dividends as well. With the achievement of high profits, investors can expect profits from dividends because in essence in conventional economics, the investment motive is to obtain high profits, so if a stock produces high dividends, investor interest will also increase, so this condition will have an impact on increasing stock price.

The results of the study are in line with previous research conducted by Febriyani (2017), Aviliankara and Sarumpaet (2017) which states that ROA affects stock prices. The amount of ROA owned by a company is directly proportional to the value of the share price. Therefore, the greater the ROA a company has, the greater the value of the company's share price.

The results of research that have been conducted indicate that partially the Debt to Equity Ratio (DER) has an influence on stock prices. DER is a financial ratio that compares total debt to equity. A high DER level indicates the composition of total debt (short-term debt and long-term debt) is greater when compared to total equity itself, so this will have an impact on the greater the company's burden on external parties (creditors). DER shows how the company's ability to use existing capital to fulfill its obligations.

According to Husnan and Pudjiastuti (2012), companies that increase the proportion of debt use means increasing leverage which is considered to provide benefits for investors, namely in the form of tax savings. Investors' assessment of a company's debt depends on how the company is able to manage its debt and the use of the debt itself, so that investors can positively assess the existence of the debt if the debt is managed properly. DER shows the efficiency of a company in utilizing owner's capital in order to anticipate long-term debt and short-term debt. DER is used by companies not only to finance assets, capital and to bear expenses but also to increase income. When a company can manage its debt well, investor interest in the company can increase which causes the stock price to also increase.

CONCLUSION

This research was conducted to determine the effect of Earning per Shares (EPS), Return On Assets (ROA) and Debt to Equity Ratio (DER) on the stock prices of the automotive subsector and components listed on the Indonesia Stock Exchange for the period 2015-2019. Based on the analysis and discussion in the previous chapter, the following conclusions can be drawn:

1. Earning Per Shares (EPS) has no partial effect on the stock prices of the automotive sub-sector and components listed on the Indonesia Stock Exchange for the 2015-2019 period. Meanwhile, Return On Assets (ROA) and Debt to Equity Ratio (DER) have a partial effect on the stock prices of the automotive sub-sector and components listed on the Indonesia Stock Exchange for the period 2015-2019.
2. Earning Per Shares (EPS), Return On Assets (ROA) and Debt to Equity Ratio (DER) have a simultaneous effect on the stock prices of the automotive sub-sector and components listed on the Indonesia Stock Exchange for the period 2015-2019.

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