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How Financial Performance Affects Stock Prices: Evidence from Healthcare Firms (2019–2023)

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ABSTRACT

This The COVID-19 pandemic has had a dominant effect on the world economy, especially on the Indonesian stock market. The medical sector is considered a sector that displays resilience and also attracts many investors, characterized by the rise and fall of stock values. This lesson wants to explore each effect of the variables that have been determined to be the topic of discussion in this study at the IDX since 2019-2023. The lesson uses a quantitative method whose reports are analyzed from multiple linear regression. The report is obtained from company fund data determined from purposive sampling, then using the SPSS tool to analyze the report. The classical assumption test is produced if the report is in line with the normality standard and does not show symptoms of multicollinearity, heteroscedasticity and autocorrelation. From the partial results, EPS and PER contribute to stock value, but ROE and DPS do not. Simultaneously, each independent variable contributes significantly to stock value. The results show the priority of market expectations and benefits for investing in the medical sector after the pandemic.

Keywords: *Stock Price, Dividend per Share, Earning per Share, Price Earning Ratio, Return on Equity*

A. INTRODUCTION

The COVID-19 pandemic has had a dominant effect on the economy at the global level, especially capital market in Indonesia. One sector that has been significantly affected is the healthcare sector. This condition raises special attention from investors and academics to Performance of shares in the medical sector listed on the IDX. The COVID-19 outbreak has increased market uncertainty, which has an impact on stock price volatility (Goodell & Huynh, 2020; Shahzad et al., 2021). The market reaction to the pandemic is also reflected in research (Tang et al., 2022) which states that macroeconomic variables and fundamental factors are very instrumental in determining stock returns in the short term.

Table 1

List of Share Prices of Heathcare Companies

Company Code	Share Price				
	2019	2020	2021	2022	2023
DVLA	2220	2240	2750	2370	1665
INAF	470	4030	2230	1150	580
KAEF	1250	4250	2430	1085	1445
KLBF	1620	1480	1625	2090	1610
MERK	2850	3280	3680	4760	4180
MIKA	2670	2730	2260	3190	2850
PYFA	198	975	257	120	126
SAME	155	190	370	300	314
SCPI	178	156	278	256	126
SIDO	233	805	865	755	525
SILO	2920	688	1072	1260	2180
SRAJ	2350	204	310	655	300
TSPC	1525	1400	1500	1410	1835
PRDA	3620	3250	9200	5600	5400
PRIM	58	232	400	173	88
HEAL	716	3530	1070	1550	1490
PEHA	1695	1105	1490	685	640
IRRA	650	1600	1925	1050	800
CARE	178	322	510	476	160
SOHO	675	460	638	543	500
DGNS	181	190	745	244	246
BMHS	238	260	835	416	326
RSGK	1530	1300	1751	1220	1255
MTMH	1569	1720	1580	1400	1350
MEDS	158	130	111	168	68
PRAY	123	113	98	137	68
OMED	197	169	195	222	214
MMIX	290	333	246	322	178
PEVE	290	161	158	171	170
HALO	156	64	70	95	50
RSCH	212	230	232	185	122
IKPM	248	264	244	222	202
SURI	160	162	170	180	164
LABS	127	202	124	102	124
MEDICINE	590	426	422	408	400
Average	923	1104	1195	999	907

Source: Indonesia Stock Exchange

Healthcare sector companies listed on the Indonesia Stock Exchange (IDX) showed relatively stable financial performance during the pandemic, compared to other sectors that were significantly impacted. This stability encourages investors to consider various financial indicators in making investment decisions. Several financial variables such as Dividends per Share (DPS), Earnings per Share (EPS), Price Earning Ratio (PER), and Return on Equity (ROE) have been widely studied for their effects on stock prices.

DPS reflects the company's ability to distribute profits to shareholders. Research by (Alqsass et al., 2023) shows that DPS has a significant effect on stock prices. However, different findings were conveyed by (Nur Abdillah & Muhammad Zakaria, 2021; Sulistiawati & Sjahruddin, 2020), who found

that DPS did not have a significant effect. This can be caused by contextual factors such as the industrial sector and residual profit sharing policies.

EPS is a profitability indicator that describes net income per share. Studies by (Amiputra et al., 2021; Bustani et al., 2021) support that EPS has a significant influence on stock prices. However, (Darmawan & Megawati, 2022; Labiba et al., 2021) reported that EPS does not always have an effect, depending on the profit distribution strategy and market confidence in the company's prospects.

PER, which measures the relationship between stock price and earnings per share, is often used as a tool to assess the fairness of stock prices. Research by (Kusjono & Nurazzahrm, 2023; Mudzakar & Wardanny, 2021) states that PER has a significant effect on stock prices. In contrast, (Harpono & Chandra, 2019; Rajindra, 2021) showed insignificant results, possibly due to differences in market expectations and the company's actual profit conditions.

ROE measures the efficiency of management's use of equity to generate profits. Research by (Hedy, 2021; Zhafira & Lubis, 2023) supports that ROE has a positive effect on stock prices, while (Purwaningsih & Widjanarko, 2022; Tj et al., 2022) state the opposite. This variation in results can be attributed to differences in the financial structure and characteristics of the industrial sector of each company.

Stock value shows the market's perception of intrinsic value. In this regard, fundamental sectors such as ROE, PER, EPS and DPS are always applied to review performance. Previous studies have shared mixed results regarding these aspects for stock value, most of which are conducted in sectors outside of healthcare. Research that specifically examines the effect of the four variables simultaneously in the healthcare sector, especially post-Covid-19 in Indonesia is still very limited.

This study aims to examine the contribution of each independent variable determined simultaneously or partially on the value of medical stocks listed on the IDX from 2019-2023. This study aims to share data for readers make an empirical contribution to the understanding of how fundamental indicators affect stock prices in unstable market situations.

B. Research Variable

Signal Theory

This theory is based on the signaling theory introduced by Michael Spence (1973), which states that company management provides signals to investors through financial reports and dividend policies that reflect the company's internal conditions. Information such as EPS, ROE, DPS and PER are considered signals that indicate future programs. Investors will respond to these signals in making their investment decisions, which ultimately affects the stock price (Fahmi, 2020).

Shares and Share Price

Stocks are considered as assets that show aspects of ownership of a company or corporation. (Darmaji & Fakhruddin, 2020) describe stocks as characteristics of the fact of capital perception of ownership. In the capital market, the value of stocks fluctuates along with supply and demand, from the assumption (Rahayu et al., 2023) that the value of stocks is built from negotiations on the stock

exchange, which shows resistance to supply and demand, The higher the demand for a stock, the higher the price of the stock, and vice versa.

Fundamental Analysis

Fundamental analysis is used to assess stock prices by considering This analysis is useful for assessing the intrinsic value of shares from fund reports, the condition of the sector and other macro aspects. (Hutabarat, 2020) This analysis is considered a way of assessing shares by understanding data reports, field conditions and other things. (Putra, 2023) This analysis is useful for observing fund data to observe the actual situation condition and business prospects, so that investors can make informed investment decisions.

Dividend per Share (DPS)

DPS is an aspect of the organization's ability to generate profits for shareholders. According to (Santoso, 2019) DPS is the value of dividends obtained per share owned by investors. The magnitude of DPS characterizes if the company has a balance of performance and cash flow. Some previous studies found that DPS contributes to stock value, then some found that DPS contributes to stocks conflicting results depending on the sector and market conditions (TriRachmawati et al., 2020). The formula for calculating DPS is :

$$\text{DPS} : \frac{\textit{Cash Dividends}}{\textit{Number of Shares}}$$

Earning per Share (EPS)

EPS is applied to measure profits from share circulation. According to (Hantono, 2017; Kasmir, 2019) EPS illustrates how much profit investors get for each share they own. The size of EPS indicates that the company has found large profit, which is usually appreciated by the market with an increase in stock price. However, some studies show if the relationship between stock value and EPS varies, especially in periods of economic uncertainty (Bustani et al., 2021). EPS can be formulated as follows :

$$\text{EPS} : \frac{\textit{Net Profit}}{\textit{Number od Shares}}$$

Price Earning Ratio (PER)

PER is considered as an aspect between profit and shares. This aspect produces market perception of profit development. From the assumption (Fahmi, 2021) the amount of PER indicates an increase in profit. PER is useful for observing stocks that are assumed to be over or undervalued. From the lesson (Mudzakar & Wardanny, 2021) it produces PER contributing to stock value, but in some contexts, PER does not show a significant effect. The formula for PER is :

$$\text{PER} : \frac{\textit{Stock Price}}{\textit{Earning perShare}}$$

Return on Equity (ROE)

This ratio shows the efficiency of a company to make a profit. From the assumption (Kasmir, 2019) ROE is an aspect of profit after tax on personal capital. The amount of ROE indicates that managers are able to use capital optimally. Lessons from (Sidarta & Syarifudin, 2022) show that ROE contributes to medical stocks returns during the pandemic. method for calculating ROE is as follows :

$$\text{ROE} : \frac{\textit{Net Profit After Tax}}{\textit{Equity}}$$

Research hypothesis

Through some of the sub-chapters that have been encountered, this lesson wants to analyze each contribution shared by the independent variables with the dependent variables that have been listed as discussion topics either partially or simultaneously in the medical field listed on the IDX since 2019-2023. In this test, several hypotheses are proposed as follows:

H_1: Dividend per Share (DPS) has a significant partial effect on stock price.

H_2: Earnings per Share (EPS) has a significant partial effect on stock price.

H_3: Price Earnings Ratio (PER) has a significant partial effect on stock price.

H_4: Return on Equity (ROE) has a significant partial effect on stock price.

H_5: DPS, EPS, PER, and ROE simultaneously have a significant effect on stock price.

Hypothesis testing will be carried out using multiple linear analysis strengthened from classical assumptions to ensure the validity of the regression model used.

Research Model

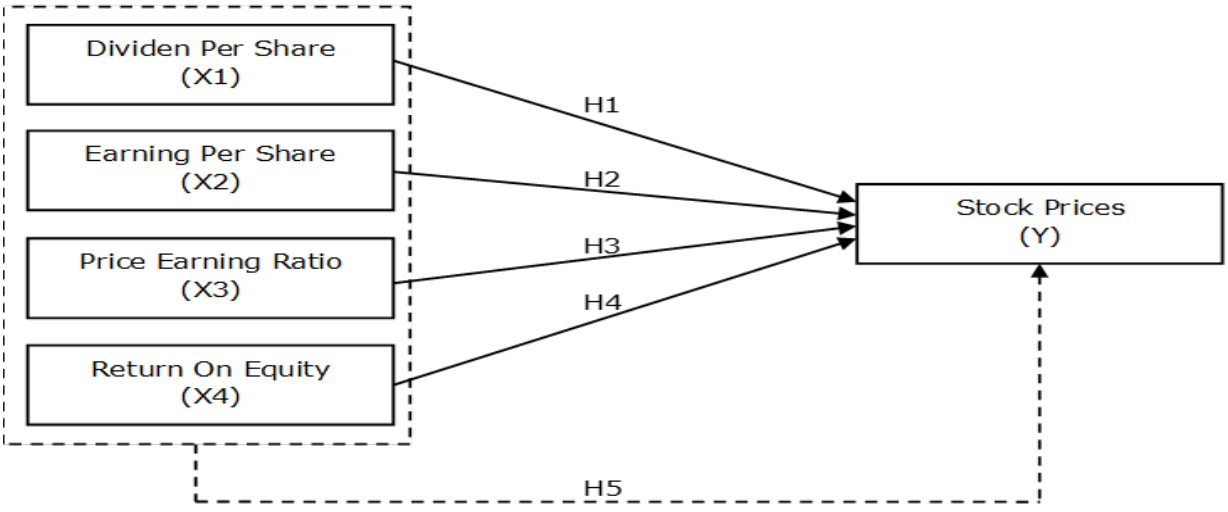

Figure 1 Research Model

C. Research Method

The lesson uses a quantitative method that is associative. From the assumption (Sugiyono, 2019) this method is useful for observing the relationship between variables. The nature of the data is quantitative, or numbers that are analyzed statistically. The population is all medical companies listed

on the IDX from 2019-2023. According to (Sugiyono, 2019), population is all subjects or objects that are the focus of research and from which researchers want to draw conclusions.

Sampling criteria using purposive sampling method in this study, namely:

1. The company is listed on the IDX in the 2019-2023 period.
2. By periodically displaying annual fund data during the period.
3. The company recorded positive profits for five consecutive years.
4. The company paid dividends every year during the observation period.

Through its criteria, 8 samples were produced. From 5 years of observation, the number was 40 observations (8 companies × 5 years).

Data Collection Technique

This test uses secondary reports obtained through documentation. From the assumption (Sugiyono, 2019) the report was not obtained directly but was already available. The main report in this lesson is the company's annual fund data published on the IDX and the company's website.

Data Analysis Technique

The report will be analyzed using SPSS version 25. The analysis techniques used include:

1. Descriptive Statistics - to illustrate general reports.
2. Classical Assumption Test - includes tests for heteroscedasticity, multicollinearity, autocorrelation, and normality.
3. Multiple Linear Regression Analysis - testing partial and simultaneous contributions between variables.
4. Determination Coefficient Test (R^2) - determine variable participation.
5. Significance Test - F test (simultaneous) and t test (partial) to determine variable.

D. Results and Discussion

Descriptive Statistics

Table 1

Descriptive Statistics Analysis Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
DPS	40	2	398	67.70	75.238
EPS	40	7	665	117.80	125.267
PER	40	6	115	29.77	24.783
ROE	40	.00780	.36325	.1545304	.08252720
Share Price	40	525	9200	2135.48	1640.259
Valid N (listwise)	40				

Source: Data Analysis Results, 2025

Dividend per Share

The results of the table above Dividends per Share (DPS) show a minimum value of 2 and a maximum of 398, with an average value of 67.70 and a standard deviation of 75.238. This shows that dividend policies between companies vary widely, with some companies such as PRDA tending to pay out very high dividends, while some others such as HEAL are relatively low.

Earning per Share

The results of the table above Earning per Share show a minimum value of 7 and a maximum of 665, with an average value of 117.80 and a standard deviation of 125.267. This reflects the gap in profitability between issuers. Prodia Widyahusada Tbk (PRDA) recorded the highest EPS, especially in 2021, which shows a very large net profit per share. In contrast, Phapros Tbk (PEHA) and Medikaloka Hermina Tbk (HEAL) are at the bottom, reflecting very low profit levels and the possibility of facing profitability pressures.

Price Earning Ratio

The results of the table above Price Earning Ratio have a minimum value of 6 and a maximum of 115, with an average of 29.77 and a standard deviation of 24.783. This shows that stock valuations between issuers vary greatly. Medikaloka Hermina Tbk (HEAL) recorded the highest PER in 2020, reflecting high investor expectations despite relatively low profits. In contrast, issuers such as Tempo Scan Pacific Tbk (TSPC) and Phapros Tbk (PEHA) have lower PERs, indicating more conservative valuations from the market.

Return on Equity

The results of the table above Return on Equity range from 0.0078 (0.78%) to 0.3632 (36.32%), with an average of 0.1545 (15.45%) and a standard deviation of 0.0825. ROE reflects the company's efficiency in generating profit from its own capital. The Sido (SIDO) Herbs and Pharmaceuticals industry consistently showed high ROE over the 2019-2023 period, reflecting strong operational efficiency. In contrast, Phapros Tbk (PEHA) has a very low ROE, even below 1%, indicating potential problems in capital utilization.

Share Price

The results of the table above stock prices show a minimum value of Rp 525 and a maximum of Rp 9,200, with an average of Rp 2,135.48 and a standard deviation of Rp 1,640.259. This shows a large variation in market prices between companies. Prodia Widyahusada Tbk (PRDA) shares recorded the highest prices in 2021 and 2022, reflecting investors' perception of outstanding performance in terms of profits and dividends. In contrast, the share prices of Phapros Tbk (PEHA) and SIDO are among the lowest, reflecting lower market valuations of the company's performance or prospects.

Classical Assumption Test Results

Normality Test Results

Table 2

Kolmogrof-Smirnov Normality Test Results

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		40
Normal Parameters[a,b]	Mean	Normal Parameters[a,b]
	Std. Deviation	718.13342000
Most Extreme Differences	Absolute	Most Extreme Differences
	Positive	.110
	Negative	-.097
Test Statistic		.110
Asymp. Sig. (2-tailed)		.200[c,d]
a. Test distribution is Normal.		
b. Calculated from data.		

Source: Data Analysis Results, 2025

The results of the One-Samples Kolmogorov-Smirnov normality test above show the significance value of Asymp.Sig. (2-tailed) of 0.200. The value of Asymp. Sig (2-tailed) is greater than 0.05 or the significance value is greater than 0.05, so the normality test in this study fulfills the assumption of normality and it is concluded that the data is normally distributed.

Multicollinearity Test Results

This test is useful for testing whether the model is correlated with the independent variables. The good thing is that the model is free from correlation (Ghozali, 2021). The test is carried out by seeing whether the resulting Tolerance> 0.10 and VIF < 10.00 are assumed to be free from multicollinearity.

Table 3
Multicollinearity Test

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-732.037	415.360		-1.762	.087		
	Dividend Per Share	3.993	2.497	.183	1.599	.119	.417	2.396
	Earning Per Share	11.405	1.503	.871	7.588	.000	.416	2.406
	Price Earing Ratio	29.271	5.763	.442	5.079	.000	.722	1.384
	Return On Equity	2472.727	1562.285	.124	1.583	.122	.886	1.128

a. Dependent Variable: Stock Price

Source: Data Analysis Results, 2025

This regression model does not contain multicollinearity problems. This is indicated by all independent variables having a Tolerance value above 0.10 and a VIF value below 10. Thus, each independent variable contributes different information and does not overlap with each other in explaining the dependent variable, namely stock price.

Autocorrelation Test Result

The test is useful for observing whether the residual model is disturbed every period t (previous) (Ghozali, 2021). If there is, it is assumed to be autocorrelation.

Table 4

Autocorrelation Test

Test Runs	
Unstandardized Residual	
Test Value[a]	74.48516
Cases < Test Value	20
Cases >= Test Value	20
Total Cases	40
Number of Runs	19
Z	-.481
Asymp. Sig. (2-tailed)	.631
a. Median	

Source: Data Analysis Results, 2025

Based on the results of the autocorrelation test using the run test, the Asymp. Sig. (2-tailed) of 0.631 which exceeds the significance limit of 0.05. Therefore, it can be concluded that there is no indication of autocorrelation in the data, so the classical assumptions regarding autocorrelation have been met.

Heteroscedasticity Test Results

The test is useful for testing whether the model has residual misalignment for each observation (Ghozali, 2021). If the resulting sig> 0.05, it is assumed to be free from heteroscedasticity if the resulting <0.05, it is assumed that the model has symptoms of heteroscedasticity.

Table 5

Heteroscedasticity Test Results

Coefficients[a]					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	425.749	215.374		1.977	.056
	Dividend Per Share	1.253	1.295	.240	.967	.340
	Earning Per Share	.319	.779	.102	.410	.684
	Price Earing Ratio	3.265	2.988	.206	1.093	.282
	Return On Equity	-333.241	810.082	-.070	-.411	.683
a. Dependent Variable: abres1						

Source: Data Analysis Results, 2025

The heteroscedasticity test is performed using the Glejser method, which regresses the absolute value of the residual against all independent variables. The test results show that all variables have a significance value above 0.05 (DPS = 0.340, EPS = 0.684, PER = 0.282, ROE = 0.683), which means there are no symptoms of heteroscedasticity in the model. Thus, the classical assumption regarding homoscedasticity is met and the regression model is suitable for further analysis.

Hypothesis Test Results

Multiple linear regression results

The analysis aims to estimate the reduction or increase in the dependent variable from the contribution of each independent variable.

Table 6

Multiple linear regression results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-732.037	415.360		-1.762	.087		
	Dividend Per Share	3.993	2.497	.183	1.599	.119	.417	2.396
	Earning Per Share	11.405	1.503	.871	7.588	.000	.416	2.406
	Price Earing Ratio	29.271	5.763	.442	5.079	.000	.722	1.384
	Return On Equity	2472.727	1562.285	.124	1.583	.122	.886	1.128
a. Dependent Variable: Stock Price								

Source: Data Analysis Results, 2025

Through the table, the following equation can be made:

Stock Price = -732.037 + 3.993X1 + 11.405X2 + 29.271X3 + 2472.727X4 + e

The constant (Intercept) of -732.037 indicates that if all independent variables (DPS, EPS, PER, and ROE) are constant or zero, then the stock price is estimated to be at a negative value of Rp -732.037. Practically speaking, this is not realistic in a financial context, but it shows that other factors outside this model also affect the stock price.

The coefficient of Dividend per Share (DPS) is 3.993 and is positive. This means that every 1 unit increase in DPS is predicted to increase the stock price by Rp 3.993, assuming other variables are constant. However, the significance value of 0.119 indicates that the effect is not statistically significant at the 95% confidence level.

The Earning per Share (EPS) coefficient of 11.405 shows a positive and highly significant effect on stock prices (significance value = 0.000). This means that every 1 unit increase in EPS is expected to increase the stock price by Rp 11.405. EPS has the most dominant influence in this model, as indicated by the Standard Beta value of 0.871, the highest among all variables.

The Price Earning Ratio (PER) coefficient of 29.271, also shows a positive and significant effect (significance value = 0.000) on stock prices. This means that an increase in PER by 1 unit will increase the stock price by Rp 29.271. PER is an important indicator in assessing stock valuation in the market.

The Return on Equity (ROE) coefficient is 2472.727, which has a positive directional effect on stock prices. However, this effect is not statistically significant due to significance value of 0.122 (>0.05). This means that although ROE has a potential influence on stock prices, this influence is not strong enough to be statistically concluded in this model.

Test Results (F-Test)

Table 7

F-Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	84814597.227	4	21203649.307	36.898	.000[b]
	Residuals	20112908.748	35	574654.536		
	Total	104927505.975	39			

a. Dependent Variable: Stock Price

b. Predictors: (Constant), Return On Equity, Dividend Per Share, Price Earing Ratio, Earning Per Share

Source: Data Analysis Results, 2025

The test results show a significance value of 0.000 (< 0.05), so the hypothesis is accepted. The above value can be concluded that the independent variable dividend per share, earnings per share, price earning ratio, return on equity has a significant effect simultaneously (together) on the stock price variable.

Conclusion: Hypothesis H_5 is accepted.

Coefficient of determination (R2)

This test is useful for observing the model's ability to explain the dependent variable (Ghozali, 2021). If the result is high, it indicates that the independent variable is able to explain the independent variable maximally. The test results are listed in the following table.

Table 8

Results of the Coefficient of Determination (R2) Test

Model Summary[b]				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.899[a]	.808	.786	758.060
a. Predictors: (Constant), Return On Equity, Dividend Per Share, Price Earing Ratio, Earning Per Share				
b. Dependent Variable: Stock Price				

Source: Data Analysis Results, 2025

The Adjusted R Square value of 0.786 or 78.6% indicates that the independent variables in this model, namely Return on Equity, Dividend per Share, Price Earning Ratio, and Earning per Share, together are able to explain 78.6% of the variation that occurs in the dependent variable, namely Stock Price. In other words, the contribution of the four variables to the model is quite strong and substantial, the remaining 21.4% is explained by other factors.

Test Results (T-Test)

The test is useful for observing the contribution of independent variables to dependent variables partially. The results of SPSS data processing display the results listed in the following table:

Table 9

T-Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-732.037	415.360		-1.762	.087
	Dividend Per Share	3.993	2.497	.183	1.599	.119
	Earning Per Share	11.405	1.503	.871	7.588	.000
	Price Earing Ratio	29.271	5.763	.442	5.079	.000
	Return On Equity	2472.727	1562.285	.124	1.583	.122

a. Dependent Variable: Stock Price

Source: Data Analysis Results, 2025

The test results show that DPS has a significance value of 0.119 (> 0.05), so its effect on stock price is not partially significant. This means that an increase or decrease in dividends per share is not strong enough to directly affect stock prices in this data. This could be due to investors' preference to focus more on earnings or growth rather than dividends.

Conclusion: Hypothesis H_1 is rejected.

EPS shows a significance value of 0.000 (<0.05) with a t-count of 7.588, which means that it has a partially significant effect on stock prices. This shows that the higher the earnings per share generated by the company, the higher the share price, because investors value EPS as a key indicator of the company's financial performance.

Conclusion: Hypothesis H_2 is accepted.

PER also shows a significant effect with a p value = 0.000 and t = 5.079. This indicates that a high PER ratio, which reflects market expectations of earnings growth, contributes to share price formation.

Conclusion: Hypothesis H_3 is accepted.

The test results show a significance value of 0.122 (>0.05), so ROE has no significant partial effect on share prices in this sample. Although ROE is an indicator of profitability, it seems that investors do not respond to it directly enough compared to EPS or PER.

Conclusion: Hypothesis H_4 is rejected.

Discussion

Effect of Dividend Per Share on Stock Price

Based on the results of the t test in this study, a significance value of 0.119 is obtained which is greater than the significance level (α) of 0.05, so H1 is rejected. Thus, it can be concluded that the Dividend per Share (DPS) variable partially has no significant effect on the share price of healthcare sector companies listed on the Indonesia Stock Exchange during the 2019-2023 period. These results indicate that the amount of dividends per share distributed by the company is not strong enough to directly affect stock price movements within the observed period.

This finding is reinforced by the results of previous research as stated by (Nur Abdillah & Muhammad Zakaria, 2021; Sulistiawati & Sjahruddin, 2020), which state that dividends per share partially have no effect on stock prices. This indicates that investors' decisions in valuing or buying shares are not solely based on the amount of dividends distributed per share.

Dividend per Share (DPS) is an indicator of how much profit a company distributes to shareholders for one share owned. While a high DPS is often considered a positive signal of a company's performance and financial health, in practice investors may consider other factors that are more reflective of long-term growth potential, such as net income, business prospects or market expansion.

Effect of Earning Per Share on Stock Price

Based on the results of the t test in this study, a significance value of 0.000 was obtained which is smaller than the significance level (α) of 0.05. This shows that H2 is accepted, which means that the

Earnings per Share (EPS) variable partially has a significant effect on the share price of healthcare sector companies listed on the Indonesia Stock Exchange during the 2019-2023 period. In other words, the amount of earnings per share generated by the company has a strong relationship with the increase or decrease in the company's share price in the market.

These results are in line with previous research conducted by (Amiputra et al., 2021; Bustani et al., 2021), which both concluded that Earnings per Share partially has a positive effect on stock prices. This finding confirms that EPS is one of the important fundamental indicators in assessing the company's financial performance and is the main concern for investors in making investment decisions.

Earnings per Share (EPS) describes the company's ability to generate net income for each outstanding share. EPS is one of the profitability indicators that is highly considered by the market because it reflects the company's operational efficiency and the potential profits that can be enjoyed by shareholders. The higher the EPS, the greater the profit that will theoretically be obtained by investors, and this gives a positive signal to the potential growth in the value of the company's shares.

Effect of Price Earning Ratio on Stock Price

Based on the results of the t test conducted in this study, a significance value of 0.000 was obtained, which is smaller than the significance level (α) of 0.05. Therefore, H3 is accepted, so it can be concluded that the Price Earning Ratio (PER) variable partially has a significant effect on stock prices in healthcare sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. This finding shows that changes in PER value are statistically able to explain changes in stock prices in this sector.

The results of this study are reinforced by previous research conducted by (Kusjono & Nurazzahrm, 2023; Mudzakar & Wardanny, 2021), who both found that the Price Earning Ratio partially has a significant effect on stock prices. This confirms that PER is an indicator that is widely considered by investors in evaluating the stock market value of a company relative to the net profit generated.

Price Earning Ratio (PER) itself is a ratio that compares the stock market price to earnings per share (EPS), which reflects investors' expectations of future earnings growth. A high PER indicates that investors are willing to pay a higher share price for every one dollar of earnings, usually because they expect strong earnings growth in the future. Therefore, PER is often used as an indicator of market confidence in a company's performance and prospects.

Effect of Return On Equity on Stock Price

Based on the results of the t test conducted in this study, a significance value of 0.122 was obtained which is greater than the significance level (α) of 0.05. Thus, H0 is accepted and H4 is rejected, which means that the Return on Equity (ROE) variable partially has no significant effect on stock prices in healthcare sector companies listed on the Indonesia Stock Exchange during the 2019-2023 period. These results indicate that the rate of return on shareholders' equity has not been able to have a direct influence on fluctuations in stock prices in this sector during the period studied.

This finding is consistent with the results of previous research conducted by (Purwaningsih & Widjanarko, 2022; Tj et al., 2022), which state that ROE partially has no significant effect on stock prices. This suggests that although ROE is an important indicator of profitability, investors in the

healthcare sector may consider other factors that are more relevant or dominant in determining stock market value.

Return on Equity (ROE) is a profitability ratio that measures the company's ability to generate net income from its own capital used, so this ratio shows the efficient use of funds from shareholders. A high ROE is generally considered an indicator that management is able to manage capital well to generate profits. However, in the context of the capital market, high ROE may not necessarily influence investors' decisions, especially if profit growth is not accompanied by strong growth prospects or if the risk in the sector is still considered high.

Effect of DPS, EPS, PER, ROE on Share Price

Based on the results of the F test in this study, a significance value of 0.000 is obtained which is smaller than the significance level (α) of 0.05. Thus, H0 is rejected and H5 is accepted, which means that the variables Dividend per Share (DPS), Earnings per Share (EPS), Price Earning Ratio (PER), and Return on Equity (ROE) simultaneously have a significant effect on stock prices in healthcare sector companies listed on the Indonesia Stock Exchange for the 2019-2023 period. This means that the four variables together have the ability to explain changes in the company's share price in this sector.

These results show that although partially not all variables show a significant influence, when tested simultaneously, the combination of these fundamental variables collectively makes a significant contribution to stock price movements. This suggests that investors tend to consider various financial indicators together in the investment decision-making process, rather than just looking at one aspect separately.

The study was conducted to examine the effect of the independent variable on the dependent variable. The independent variables are DPS, EPS, PER, and ROE and the dependent variable is stock price. The results of data processing state that it has met the requirements of the classical assumption test, namely normally distributed data, no autocorrelation, free heteroscedasticity, and no multicollinearity.

E. Conclusion

The study was conducted to examine the effect of independent variables on the dependent variable. The independent variables are DPS, EPS, PER, and ROE and the dependent variable is stock price. The results of data processing state that it has met the requirements of the classical assumption test, namely the data is normally distributed, there is no autocorrelation, free from heteroscedasticity, and there is no multicollinearity.

Based on the results of partial testing, dividends per share do not have a significant effect on stock prices, earnings per share have a significant effect on stock prices, price earning ratio has a significant effect on stock prices, return on equity does not have a significant effect on stock prices. Based on the results of simultaneous testing, the variables dividends per share, earnings per share, price earning ratio, and return on equity have a significant effect on stock prices.

The study concluded that earnings per share (EPS) and price earning ratio (PER) have a significant effect on stock prices. Investors tend to consider earnings per share and price earning ratio

as indicators in assessing a company. Earning per share describes the company's profitability per share. The price earning ratio describes market expectations of future profit growth. These two factors are the main considerations in making investment decisions. The study also concluded that dividends per share and return on equity do not have a significant effect on stock prices, investors do not prioritize dividend payments and return on equity (ROE) in assessing stock prices. Factors such as earnings growth and stock value (EPS and PER) may be considered more relevant in determining stock prices than dividends per share or return on equity.

Suggestions

For companies, by integrating the four aspects as a basis for performance, as a form of reward to investors, as a valuation indicator and as a measure of efficiency. companies can build investor confidence, create long-term value and ensure sustainable growth and also communicate transparently about the company's plans and achievements to maintain good relations with shareholders.

For investors, it is important to pay closer attention and conduct in-depth evaluations before making investment decisions, especially by monitoring stock price movements.

For further researchers, research should be carried out in different sectors or in sub-sectors, it is better to extend the research period to 10 to 15 years in order to make comparisons with previous research, and add moderating variables or replace other variables that can affect stock prices.

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