ANALYSIS OF THE INFLUENCE OF FINANCIAL RATIOS ON IDXTECHNO'S SHARE PRICE IN 2020-2023

Widiastuti Murtiningrum[1], Nabila Syahrani[2]
widiastuti.murtiningrum@perbanas.id
Perbanas Institute Jakarta, Indonesia

Abstract – *This study aims to analyze the effect of return on equity, current ratio, debt to equity ratio and total asset turnover on IDXTECHNO's share price. The sampling technique used in this study is purposive sampling. The sample used in the study as many as ten companies include; Digital Mediatama Maxima Tbk, Nusantara Voucher Distribution Tbk, Elang Mahkota Teknologi Tbk, M Cash Integrasi Tbk, Multipolar Technology Tbk, NFC Indonesia Tbk, Solusi Sinergi Digital Tbk, Anabatic Technologies Tbk, Cashlez Worldwide Indonesia Tbk, Telefast Indonesia Tbk. The data used in this study was obtained from the financial and annual statements of software and IT industry technology companies 2020-2023. The analysis technique used in the study was panel data regression using the Eviews 12 application to test the research hypothesis. The results of the study using the Common Effect Model found that the variables return on equity, current ratio and debt to equity ratio had no significant effect on the stock price and total asset turnover had a significant effect on the IDXTECHNO share price*

Keywords: *Return on Equity, Current Ratio, Debt to Equity Ratio, Total Asset Turnover, Stock Price*

I. INTRODUCTION

In the current era of globalization, digital transformation has had a revolutionary impact, especially in the ease of access to information which is now very fast and practical. This phenomenon has major implications for the financial sector, especially in the investment sector. Thanks to technological advancements, people can now easily obtain information about investments through various digital platforms, ranging from official websites, financial applications, to economic news portals. This ease of access not only opens up great opportunities for the public to understand and engage in investment activities in the capital market, but also becomes a vital channel for companies to obtain additional capital for operational and business expansion. Stock prices tend to fluctuate, influenced by internal factors such as financial performance and management policies, as well as external factors that include macroeconomics, market sentiment, and industry developments. Rising stock prices generally reflect investor confidence in a company's growth potential and profits, driving increased demand. Conversely, a decline in stock prices indicates investor doubts or concerns about the company's stability or performance, or the presence of negative market sentiment.

The 2020 - 2023 period is a clear example of this dynamic. In 2020-2021, technology stocks recorded a significant growth surge, mainly triggered by the COVID-19 pandemic. Although there was initially a decline in global stock indices due to the crisis, the pandemic actually drove massive digital transformation. Restrictions on activities encourage people to take advantage of technology, which increases the demand and income of technology companies, as well as triggering the acquisition of issuers and the digital adaptation of various companies in Indonesia (IDX, 2021). However, in 2022-2023, the trend reversed direction and technology sector stocks declined, mainly due to the policy of raising the benchmark interest rate. This interest rate hike increases borrowing costs for technology companies that still need large funding for development, while diverting investor interest to safer assets, thus depressing the share price of this sector which is considered high-risk (Adhitya, 2024). Given the complexity of macroeconomic factors and market sentiment that affect the stock price of the technology sector, the company's fundamental performance is also an important consideration for investors. Analyze financial ratios such as Return on Equity (ROE) which shows

how efficient the company's own capital is used. The higher this ratio, the stronger the company's position (Kasmir, 2021), Current Ratio (CR), this ratio is used to measure how capable a company is in paying its short-term obligations or debts that will mature when it is billed in its entirety (Kasmir, 2021) Debt to Equity Ratio (DER), this ratio is used in assessing the ratio of debt to equity. In other words, DER functions to find out every rupiah of the company's own capital that is used as debt collateral. This ratio shows the feasibility and risk of a company (Kashmir 2021) and Total Asset Turnover (TATO), a ratio used to measure the turnover of all assets a company owns and shows how much sales are generated from each rupiah of assets (Kashmir, 2021).

II. LITERATURE REVIEW

In this section, the researcher explains the theory of signal theory, return on equity, current ratio, debt to equity ratio and total asset turnover.

Signal Theory

In the information economy, signal theory explains how parties with information are better able to convey it to others, which is very relevant in the financial sector. This theory focuses on how positive signals from both financial and non-financial companies can build investor confidence and trigger stock price increases. By delivering transparent signals, companies not only communicate their health and future prospects to capital markets and investors, but also actively shape market perceptions and minimize uncertainty that could damage their reputation (Widnyana & Purbawangsa, 2024).

Return on Equity

Return on equity is used to measure a company's ability to profit from the use of its own capital (Hutabarat, 2023). Moreover. ROE also shows how effectively the company generates profits for shareholders (Brigham and Ehrhardt, 2017). Shareholders' equity represents the portion of assets attributable to shareholders after deducting all liabilities, reflecting the net assets available for investment (Lesmana et al., 2022). A higher ROE indicates that the company is generating more profit from the equity invested, which is generally seen as a positive sign by investors (Thian, 2022).

Current Ratio

Current ratio is a liquidity ratio that functions to measure a company's ability to meet all of its short-term obligations (Hutabarat, 2023). Good corporate liquidity conditions are judged not only by how large current assets it has, but also by the company's ability to achieve and maintain certain liquidity standards, such as a ratio of current assets to current liabilities of 200% or 2:1 (Thian, 2022). The current ratio can also be considered a measure of a company's margin of safety. The current ratio is calculated by comparing total current assets with total current liabilities.

Debt to Equity Ratio

The debt to equity ratio can be used to determine the comparison of funds from creditors with funds from company owners (Hutabarat, 2023). A high Debt to Equity Ratio (DER) indicates a lower proportion of owner's equity available to serve as collateral for debt, potentially increasing the risk exposure for creditors in the event of financial distress. When a company's debt exceeds its operating capital, it may signal a solvency issue, suggesting that the company may struggle to meet its long-term obligations (Fitriani, 2024).

Total Asset Turnover

Total asset turnover is used to measure how much sales are generated from each rupiah owned in total assets. The lower the TATO, the more the company has excess total assets, which can be interpreted as the company is less than optimal in utilizing the total existing assets to create sales (Thian, 2022). This ratio is particularly important for creditors, shareholders, and company management, as it reflects the company's overall operational efficiency in asset utilization (Fitriana, 2024).

Based on the research theory that has been carried out by previous research, the hypothesis in this study is as follows:
H1: Return on Equity has a positive effect on the stock price.
H2: Current Ratio has a positive effect on stock prices.
H3: Debt to Equity Ratio has a negative effect on stock prices.
H4: Total Asset Turnover has a positive effect on the stock price.

III. METHODS

This study uses quantitative research with an associative method. It uses four independent variables, namely return on equity, current ratio, debt to equity ratio and total asset turnover, while the bound variable uses the stock price. The financial ratio data used in this study is annual data for the 2020-2023 period and price data in the study uses closing prices. The population in this study is 47 technology companies listed on the Indonesia Stock Exchange, Based on sample criteria for 4 years with annual data, as many as 40 sample data can be used. Classical assumption tests such as normality test, Multicollinearity test, Heteroscedasticity test, and Autocorrelation test, panel data regression, T test, F test and determination coefficients are used.

IV. RESULTS AND DISCUSSION

Statistics Descriptive

Table 1. Statistics Descriptive

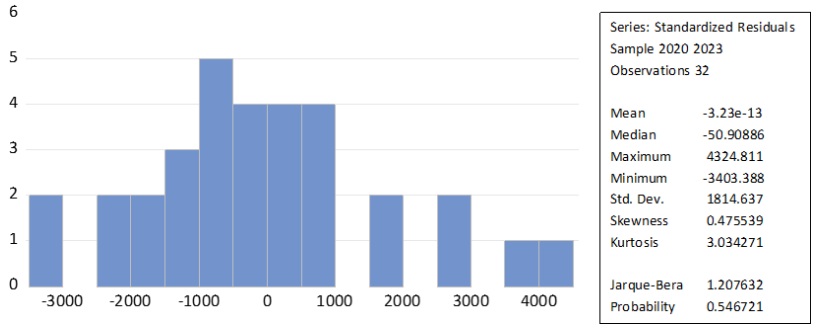
	Stock Prices	ROE	CR	DER	TATO
Mean	2.147.000	0.131880	1.922956	0.979850	2.436595
Median	647.5000	0.066531	1.736496	0.753026	1.720947
Maximum	9525.000	0.953871	3.824726	3.373539	6.442964
Minimum,	71.00000	-0.535592	0.011795	0.220663	0.028086

Source: Researcher (2025)

From Table 1, the minimum return on equity variable is -4.88 from Anabatic Technologies Tbk in 2021, the maximum value is 0.95 from Solusi Sinergi Digital Tbk in 2022 and the average value is -0.07. The minimum current ratio variable is 0.011 from Solusi Sinergi Digital Tbk in 2023, the maximum value is 36 from Telefast Indonesia Tbk in 2023 and the average value is 4.07. The minimum value debt to equity ratio variable of 0.08 was obtained from Nusantara Voucher Distribution Tbk in 2022, a maximum value of 78.6 from Anabatic Technologies Tbk in 2021 and an average value of 3.9. The total asset turnover is 0.02 from Solusi Sinergi Digital Tbk in 2023, the maximum value is 6.44 from M Cash Integrasi Tbk in 2022 and the average value is 2.44. As for the stock price variable, there is a minimum value of 110 obtained from Cashlez Worldwide Indonesia Tbk in 2023, a maximum value of 9.525 obtained from M Cash Integrasi Tbk in 2021 and an average value of 2.280heteroscedasticity and autocorrelation.

Classic Assumption Test

Figure 1 Normality Test



Source: Researcher (2025)

In Figure 1, it can be seen that the results of the Jarque-Bera histogram test have a probability value of 0.264 greater than the significant value of 0.05 so that it can be said that the data is distributed normally.

Multikolinearitas Test

Table 2 Multikolinearitas Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	309594.7	3.295566	NA
ROE	280887.1	2.489423	2.474631
CR	2878.264	1.520857	1.028648
DER	1453.217	2.767899	2.532342
TATO	25472.96	2.400028	1.039375

Source: Researcher (2025)

Based on the output results, it can be seen that the Centered VIF value of the four independent variables is less than 10 so that there is no problem of multicollinearity in the regression model.

Table 3 Heteroskedastisitas Test

F- Statistic	1.097791	Prob. F(14.25)	0.4049
Obs*R-squared	15.22857	Prob. Chi-Square(14)	0.3527

Source: Researcher (2025)

Based on the output results of Prob. Chi-Square at Obs*R-squared is 0.3527 then a value of more than 0.05 then the hypothesis is accepted which means there are no problems with the regression model.

Table 4 Autocorrelation Test

Deskripsi	**Nilai**
Durbin Watson (d)	1.9768
dL	1.2848
dU	1.7209
4 - dU	2.2791

Source: Researcher (2025)

Based on the results of the Durbin Watson test output, the common effect regression result is 1.9768. Meanwhile, from the DW table with a significance of 0.05 and the amount of data (n) = 40, and k = 4 (k is the number of independent variables), a dL value of 1.2848 and dU of 1.7209 were obtained. So the results of dU < d < 4 – dU (1.7209 < 1.9768 < 2.2791) then the regression model did not have autocorrelation problems.

Regression Data Panel

Table 5 Best Model Testing

Uji Model Terbaik	**Probabilitas**	**Hasil**

F-Chow	0.1750	CEM
Hausman	0.0497	FEM
Lagrange Multiplier	0.4329	CEM
Terpilih	CEM	

Source: Researcher (2025)

Tabel 6 Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	402.4053	556.4124	0.723214	0.4744
ROE	540.0289	529.9878	1.018946	0.3152
CR	-51.26242	52.79455	-0.970980	0.3382
DER	7.362783	38.12108	0.193142	0.8480
TATO	935.6714	159.6025	5.862511	0.0000

Source: Researcher (2025)

In the chow test, the prob value of 0.1750 is greater than the significant value of 0.05, so the chosen model is a common effect model. The prob value during the thirst test of 0.0497 is smaller than the significant value of 0.05 so that the selected model is a fixed effect model. Because the results of the f-chow and thirst tests showed different results, the test was continued with the lagrange multiplier test. The prob value in the LM Both test of 0.7868 is greater than the significant value of 0.05 so that the selected model is a common effect model. Thus, it is known that the best model used in this study is the Common Effect Model

Tabel 6 *Common Effect Model*

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	402.4053	556.4124	0.723214	0.4744
ROE	540.0289	529.9878	1.018946	0.3152
CR	-51.26242	52.79455	-0.970980	0.3382
DER	7.362783	38.12108	0.193142	0.8480
TATO	935.6714	159.6025	5.862511	0.0000

Source: Researcher (2025)

Based on Table 6, the regression equation can be formulated as follows:
Stock Price = 402.4053 + 540.028ROE – 51.262CR + 7.362DER + 935.671TATO + e.

T test

Table 7 T test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	402.4053	556.4124	0.723214	0.4744
ROE	540.0289	529.9878	1.018946	0.3152
CR	-51.26242	52.79455	-0.970980	0.3382
DER	7.362783	38.12108	0.193142	0.8480
TATO	935.6714	159.6025	5.862511	0.0000

Source: Researcher (2025)

Based on the table, it can be seen that:

- The ROE variable has a probability value of 0.4744 more than 0.05 then H1 is rejected. Thus, it can be concluded that there is no significant influence of ROE on stock prices. This is due to the uniquely dynamic nature of the technology industry, driven by innovation and rapid market expansion. Many technology companies adopt strategies of heavy investment in research and development and aggressive expansion, which can lead to negative or unstable net income in the short term, a crucial step in achieving scale and future dominance. Therefore, investors see the value of technology companies in their capacity for continued growth and innovation, prioritizing this potential over profitability.
- The CR variable has a probability value of 0.3152 more than 0.05, then H2 is rejected. Thus, it can be concluded that there is no significant influence of CR on stock prices. This is because

companies in this sector generally have high liquidity ratios, indicating they are not experiencing significant liquidity challenges. In other words, a company's ability to meet its short-term obligations is generally accepted and no longer represents new information of particular interest to investors. Because adequate liquidity has become a fundamental assumption, CR is no longer considered a primary signal in investment decision-making. Instead, investors' attention will shift predominantly to the company's aggressive growth potential and operational efficiency. They will focus more on how the company innovates, expands market share, acquires users, or implements digitalization strategies that promise long-term returns.

- The DER variable has a probability value of 0.8480 more than 0.05 then H3 is rejected. Thus, it can be concluded that there is no significant influence of DER on stock prices. While a high DER theoretically indicates risk, in the technology sector, it often reflects long-term investment financing for innovation and expansion. Investors focus on how the debt is productively used to drive growth and create future value, so the DER level itself is not a primary determinant of their investment decisions. As long as the debt is directed toward prospective expansion and innovation, investors tend to understand and accept a high DER level as part of a growth strategy, so the DER is not a primary determinant of investment decisions or stock price movements.
- The TATO variable has a probability value of 0.0000 less than 0.05, then H0 is accepted and H4 is rejected. Thus, it can be concluded that there is a partial significant influence of TATO on stock prices. This aligns with the theory that states that the higher the TATO, the more capable a company is of leveraging its assets to increase revenue and growth, thereby increasing demand for its stock price. A high TATO indicates a technology company's efficiency in optimizing its assets to generate sales. This can be a positive signal for investors. For technology companies, a high TATO indicates the company's ability to generate maximum output, even in the form of intangible assets such as software or digital platforms. Therefore, a high TATO is viewed as a positive signal by investors because it reflects the company's operational effectiveness, which can increase stock prices.

Uji F

Table 8 F Test

F-statistic	9.289509
Prob(F-stastistic)	0.000032

Source: Researcher (2025)

From Table 8, it can be seen that the Prob(F-statistic) value of 0.000032 is less than the significant value of 0.05, indicating that the value of independent variables consisting of ROE, CR, DER and TATO is feasible to explain the share price on IDXTECHNO 2020-2023. Therefore, it can be said that the ROE variable is the same. CR. DER and TATO have a simultaneous effect on the Stock Price.

Koefisien Determinasi

Table 9 Coefficient of Determination

R-squared	0.514954
Adjusted R-squared	0.459520

Source: Researcher (2025)

Table 9 shows the Adjusted R-squared value showing that the ability of independent variables consisting of ROE, CR, DER and TATO to explain the influence on stock prices was 45.95 percent and the remaining 54.05 percent was influenced by other variables other than the variables studied.

V. CONCLUSION

Based on the results of the research conducted in this research, it can be concluded that the Return on Equity (ROE), Current Ratio (CR) and Debt to Equity Ratio (DER) and Total Asset Turnover (TATO) at IDXTECHNO listed on the Indonesia Stock Exchange during the research period can be concluded as follows:

- The return on equity has no effect on the IDXTECHNO share price. It can be concluded that technology companies have characteristics that focus on growth and innovation rather than short-term profits, making the company's net profit unstable. Investors in the technology sector focus more on operational efficiency and future potential, so that changes in ROE are not an indicator of the rise and fall of stock prices in this sector.
- The current ratio has no effect on the IDXTECHNO share price. It can be concluded that the ability of a company that already has safe liquidity so that investors no longer becomes a positive signal because the company meets liquidity standards and makes CR not the main factor that affects the change in the share price of companies in this sector.
- The debt to equity ratio has no effect on the IDXTECNO share price. It can be concluded that technology companies tend to prioritize growth and innovation over debt structures, so they are flexible in funding. High debt can be used for expansion without directly increasing risk or lowering the value of the company. As long as a company is able to manage its debt well and has bright growth prospects, DER is not the main factor that determines the rise and fall of stock prices in the technology sector.
- Total asset turnover has an effect on the IDXTECHNO share price. This is because technology companies that focus on growth and expansion make TATO an assessment of the company's efficiency in utilizing assets to generate revenue. This efficiency is the main indicator of the company's performance and growth prospects in the technology sector, so it is highly considered by investors in determining stock prices. So the change in TATO becomes an indicator that determines the change in the stock price.

REFERENCES

Adhitya. (2024). Sensitif Pada Suku Bunga, Sektor Saham Teknologi Terburuk di 2023. Indo Premier Sekuritas. https://www.indopremier.com/ipotnews/newsDetail.php?jdl=Sensitif_Pada_Suku_Bunga__Sektor_Saham_Teknologi_Terburuk_di_2023&news_id=176061&group_news=IPOTNEWS&news_date=&taging_subtype=PG002&name=&search=y_general&q=,&halaman=1

Aulia, L. L., Ruhadi, R., & Setyowati, D. H. (2021). Pengaruh TATO dan CR terhadap ROA pada Perusahaan Subsektor Food and Beverage yang Terdaftar di BEI. Indonesian Journal of Economics and Management, 1(3), 675–684. https://doi.org/10.35313/ijem.v1i3.3136

Brigham, E. F., & Ehrhardt, M. C. (2017). Financial Management: Theory and Practice (15th ed.). Cengage Learning.

Harinurdin, E. (2023). The Influence of Financial Ratio and Company Reputation on Company Stock Prices Financial Sector. ICVEAST, 47. https://doi.org/10.3390/proceedings2022083047

Hutabarat, F. (2023). Analisis Laporan Keuangan: Perspektif Warren Buffet. Deepublish.

IDX. (2021). Outperforming Expectations Amidst uncertainties. https://www.idx.co.id/Media/11311/2021-completed.pdf

Ismanto, H., & Pebruary, S. (2021). Aplikasi SPSS dan Eviews dalam Analisis Data Penelitian. Deepublish.

Kasmir. (2021). Analisis Laporan Keuangan. Rajawali Pers.

Kasmir. (2022). Pengantar Metodologi Penelitian Untuk Ilmu Manajemen, Akuntansi dan Bisnis. PT RajaGrafindo Persada.

Otoritas Jasa Keuangan. (2024). Saham. Sikapiuangmu.Ojk.Go.Id. https://sikapiuangmu.ojk.go.id/FrontEnd/CMS/Category/

Priyatno, D. (2022). Olah Data Sendiri Analisis Regresi Linier Dengan SPSS dan Analisis Regresi Data Panel Dengan Eviews. In Hukum Perumahan.

Thian, A. (2022). Analisis Laporan Keuangan. Andi. https://www.google.co.id/books/edition/Analisis_Laporan_Keuangan/lvFZEAAAQBAJ?hl=en&gbpv=1

Widnyana, I. W., & Purbawangsa, I. B. A. (2024). TEORI-TEORI KEUANGAN Konsep dan Aplikasi Praktis (1st ed.). Wawasan Ilmu.