SIMBA

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Analysis of the Influence of LQ45 Company Financial Ratios on Stock Returns with Dividend Payout Ratio (DPR) as a Mediator

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Abstrak

Analisis fundamental berbasis rasio keuangan merupakan salah satu cara untuk mengindikasikan perubahan fluktuasi Stock Return yang dimiliki perusahaan. Dengan mengacu pada Tujuan dilaksanakannya penelitian ini dimana mencoba mengindentifikasikan hubungan rasio keuangan terhadap Stock Return dengan menggunakan Dividend Payout Ratio (DPR) sebagai mediasi pada perusahaan yang tergabung dalam LQ45 Pada periode 2019-2024. Laporan keuangan yang diakses dari situs IDX merupakan salah satu sumber penelitian ini dan termasuk data sekunder. Penelitian ini termasuk penelitian deskriptif kuantitatif dan diolah menggunakan SPSS 29. Hasil dari pengujian menyimpulkan bahwa ROA berpengaruh signifikan terhadap DPR, sendangkan CR dan DER tidak memiliki pengaruh. Hubungan Return On Asset dengan Stock Return adalah signifikan, sedangkan Curretn Ratio (CR) dan juga Debt to Equity Ratio (DER) belum memiliki hubungan yang signifikan mengenai hubungan dengan Stock Return, sedangkan Dividend Pay Out Ratio (DPR) memiliki pengaruh signifikan terhadap Stock Return. DPR mampu dijadikan sebagai mediator untuk hubungan Return On Asset (ROA) terhadap Stock Return ,Namun untuk hubungan CR dan DER terhadap Stock Return Dividend Pay Out Ratio (DPR) belum mampu menjadi mediator.

Kata Kunci: Retrun Stock,Rasio Keuangan Perusahaan, Dividen

Abstract

Fundamental analysis based on financial ratios is one way to show changes in the fluctuations in a company's stock returns. Referring to the objective of this research, which attempts to identify the relationship between financial ratios and Stock Returns using the Dividend Payout Ratio (DPR) as a mediator in companies included in the LQ45 in the 2019-2024 period. The data used in this study is secondary data from financial reports available on the IDX website. This research is a quantitative descriptive research and is processed using SPSS 29. The test results concluded that ROA significantly influences DPR, while CR and DER have no effect. Return on Assets (ROA) significantly influences stock returns, while the Current Ratio (CR) and Debt to Equity Ratio (DER) do not significantly influence stock returns. Dividend Payout Ratio (DPR)

significantly influences stock returns. DPR is able to be used as a mediator for the relationship between Return on Assets (ROA) and Stock Return, however, for the relationship between CR and DER and Stock Return Dividend Payout Ratio (DPR), it is not yet able to be a mediator.
***Keywords**: Stock Return, Company Financial Ratios, Dividends*

A. INTRODUCTION

The expansion of Indonesia's capital market has made it a major financial institution driving economic expansion, and many investors are involved in stock trading. Law Number 8 of 1995 outlines the key role of capital markets in driving the country's economic development. The value of a stock in the stock market reflects its activity. Investors consider stock prices as their primary criterion when deciding how much money to invest. Furthermore, the condition of the company can also be reflected in its share price (Athiy Dina Roshihana, 2023). The financial performance of a business is very important for investors. The company's continuously improving financial performance report should increase the stock price and provide returns to investors, because stock returns are calculated by subtracting the current stock price from the previous day's stock price (Sauasan, 2020).

A number of influencing factors can cause a company's performance to fluctuate each year. From 2021 to 2024, the IHSG performance data shows fluctuations, allowing us to observe these volatile returns:

Table 1. IHSG Movement in the Last 4 Years

TAHUN	IHSG AKHIR TAHUN	PEROLEHAN TAHUNAN
2021	6,600.68	Nilai awal
2022	6,850.52	250
2023	7,303.89	453
2024	7,036.57	(267)

Source: Indonesian Stock Exchange website, data has been processed

There are a number of factors that can influence stock returns, and these factors can be categorized as internal or external factors. Internal factors that influence stock returns include changes in company performance, which can be detected through financial measurements and fundamental analysis. Since stock returns are the difference in decline between current and previous stock prices, a continuous improvement in a company's financial performance is interpreted as strengthening and increasing its stock price, which will affect the benefits (returns) for investors (Sauasan, 2020).

B. METHOD

In this analysis, LQ45 companies were involved in this research for the period 2019 to 2024, the companies must be listed on the Indonesia Stock Exchange (IDX). A total of 195 study data, covering 43 companies, were selected through purposive sampling. LQ45 companies that have published complete annual financial reports and distributed dividends during the study period meet the requirements. Information was collected through documentation, and Meanwhile, the source of the company's financial reports was obtained by accessing the official page of the Indonesia Stock Exchange (IDX) on the browser www.idx.co.id.

1. Variables and Operational Definitions of Variables

The independent variables in this study consist of ROA, CR, and DER.

Return On Asset (ROA)

Companies with consistently high Return on Assets (ROA) will have an advantage over their competitors in the future, claim Parawansa et al. (2021).

$$\text{ROA} = = \frac{Net\ profit}{Total\ Assets}$$

Current Ratio (CR)

According to (Munthe et al., 2022), the current ratio is a quantitative measure needed to measure liquidity. A company's financial commitment to quickly settle its financial commitments is often associated with liquidity.

$$CR = \frac{Current\ assets}{Current\ Debt}$$

Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) is used to determine the portion of funds contributed by creditors compared to the amount of funds prepared by the business (Purnomo, 2023).

$$DER = \frac{Total\ Debt}{total\ capital}$$

Stock return as a dependent variable in this study.

Stock return

Stock returns, according to Arramdhani (2020), can be understood as a measure of returns on stock transactions invested and received in the form of cash incentives over a certain period of time.

$$\text{Stock Return} = \frac{Pt - Pt-1}{Pt-1}$$

Variabel Mediasi dalam penelitian ini yaitu Dividend Payout Ratio (DPR)

Dividend Payout Ratio (DPR)

This ratio indicates how an organization manages the amount of dividends paid increasing dividends are a sign of business success (Karmilah & Komara, 2024).

$$DPR = \frac{Dividend}{Net\ profit}$$

C. RESULTS AND DISCUSSIONS

1. Multiple Linear Regression Analysis

Based on calculations with SPSS 29, this the results of the multiple linear regression equation :

Table 2

Multiple Linear Regression Test Results

Coefficients[a]

Model		Unstandardized Coefficients	
		B	Std. Error
1	(Constant)	0.105	0.072
	ROA	0.630	0.346
	CR	0.006	0.023
	DER	0.010	0.013
	DPR	-0.281	0.081

Dependent Variable: Stock Return

Source: Secondary data processed with SPSS 29.

By looking at the results above, a multiple linear regression equation is obtained with the following results:

Stock Return =0,105+0,630ROA+0.006CR+0.010DER−0.281DPR + e

2. Model Feasibility Test

The functional accuracy of a regression model can be tested by conducting an F test and also a determination test.

Uji F

The purpose of this test, according to Ghozali (2021), is to explain the relationship between two independent variables. The results of this test are measured using the same probability value, namely 0.05, and compared with its significance value. This The results of the F-statistic test :

Table 3

Results of the F-Statistic Test

ANOVA[a]

Model	F	Sig.
Regression	3.365	.011[b]

a. Dependent Variable: STOCK RETURN

b. Predictors: (Constant), DPR, DER, ROA, CR

Source: Secondary data processed with SPSS 29.

The F test results for this research model show that the F table is 2.66, the F estimate is 3.365, and the significance level is 0.011. It can be concluded that the variables Return on Assets (ROA), Current Ratio (CR), Debt to Equity Ratio (DER), and Dividend Payout Ratio (DPR) simultaneously significantly affect Stock Returns, with test results showing that the significance value is smaller than the probability of 0.05 and the calculated F is also greater than the F table.

Multiple Determination Coefficient (R2)

To measure the limitations of the dependent variable's ability to explain its variations, a coefficient of determination test is required.

Table 4.
Determination Test (R2)

Model Summary			
Model	R	R Square	Adjusted R Square
1	.270[a]	0.073	**0.051**

a. Predictors: (Constant), DPR, DER, ROA, CR

Source: Secondary data processed with SPSS 29.

Based on the R2 determination test table, the ROA, CR, DER, and DPR variables have an influence of 5.1% on the dependent variable, namely stock returns, with an Adjusted R Square value of 0.051. There are other elements that influence the remaining 94.9 percent that are not covered or explained in this study.

Uji t

Using sig as a comparison tool, this test establishes and confirms whether a hypothesis has been proposed or rejected. In this study, the t-test used probabilities of 10% and 5%, or 0.05. There are two models available for this t-test.

Model I DPR = $\alpha + \beta 1ROA + \beta 2CR + \beta 3DER + e$

Table 5
Results of the t-Statistic Test for Model I
Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.460	0.059		7.849	0.000
ROA	1.209	0.314	0.312	3.854	0.000
CR	-0.003	0.022	-0.011	-0.119	0.905
DER	-0.002	0.012	-0.017	-0.193	0.847

a. Dependent Variable: DPR

Source: Secondary data processed with SPSS 29.

Based on the results of the statistical t-test calculations, the following explanation can be drawn:

1. A significance value of 0.000, which is less than 0.05, was obtained from the ROA t-test. This indicates that the Dividend Payout Ratio is influenced by ROA. The first hypothesis is accepted.
2. CR has a significance value of 0.905, which is higher than the 0.05 probability, according to the t-test results. Consequently, CR has little effect on the dividend payout ratio. The second hypothesis is refuted.
3. The DER value of 0.847 is greater than 0.05, according to the t-test results. Therefore, it can be concluded that the Dividend Payout Ratio is not affected by the Debt-to-Equity Ratio. The third hypothesis is refuted.

The results of the t-statistic test for model II can be seen in the table below:

Model II Stock Return = $\alpha + \beta 1ROA + \beta 2CR + \beta 3DER + \beta 4DPR + e$

Table 6
Results of the t-Statistic Test for Model II

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	0.105	0.072		1.460	0.146
ROA	0.630	0.346	0.156	1.824	0.070
CR	0.006	0.023	0.024	0.264	0.792
DER	0.010	0.013	0.072	0.805	0.422
DPR	-0.281	0.081	-0.270	-3.484	0.001

a. Dependent Variable: Stock Return

Source: Secondary data processed with SPSS 29.

4. The t-statistic test results indicate that ROA has a substantial impact on stock returns, with a significance level of 0.07, which is less than 0.10. so it can be concluded that ROA has an impact on stock returns. The fourth hypothesis is accepted.
5. Based on the t-statistic test results, CR has no significant impact on stock returns, as evidenced by the CR significance value of 0.792, which is higher than the probability of 0.05. Thus, it can be confirmed that stock returns are not affected by the current ratio (CR). The fifth hypothesis is rejected.
6. At a DER significance value of 0.422, the DER significance value is also higher than 0.05. Thus, it can be concluded that stock returns are not affected by the debt-to-equity ratio (DER). The sixth hypothesis is rejected.
7. The probability of 0.05 is greater than the DPR significance value of 0.001. The seventh hypothesis is accepted. Stock returns are significantly affected by DPR.

The Sobel test in this study uses an online calculator called Quantypsy. When the resulting p-value has a value of less than 0.05, the hypothesis of this study is accepted, but if the resulting p-value is greater, it will be rejected.

ROA →DPR→Stock Return

Table 7
Mediation Test Results

	Input	Test Statistic	Std. Error	p - value
a	1.209	-2.57730679	0.13181551	0.00995735
b	-0.281			
Sa	0.314			
Sb	0.081			

Source: results of data processing of the Quantypsy application

The Sobel test value is obtained from the equation X1 (Return On Asset) Z (Dividend Payout Ratio) Y (Stock Return). The p-value of the Sobel test is 0.00995735, which indicates a significance level below 0.05. Thus, the relationship between Return on Assets (ROA) and Stock Returns can be represented by the Dividend Payout Ratio, which can mediate or act as a mediating variable. Hypothesis 8 is accepted.

CR →DPR→Stock Return

Table 8
Mediation Test Results

	Input	Test Statistic	Std. Error	p - value
a	-0.003	0.13625841	0.00618677	0.891617
b	-0.281			
Sa	0.022			
Sb	0.081			

Source: results of data processing of the Quantypsy application

The p-value of the Sobel test is 0.891617, which indicates a significance higher than 0.05. Thus, the relationship between the Current Ratio (CR) and Stock Returns cannot be mediated by the Dividend Payout Ratio, nor can it act as a mediating variable. Therefore, Hypothesis 9 is rejected.

DER →DPR→Stock Return

Table 9
Mediation Test Results

	Input	Test Statistic	Std. Error	p - value
a	-0.002	0.16647466	0.00337589	0.86778342
b	-0.281			
Sa	0.02			
Sb	0.081			

Source: results of data processing of the Quantypsy application

This finding indicates that the Dividend Payout Ratio cannot mediate or become a mediating variable in the relationship between the Debt to Equity Ratio (DER) and Stock Returns.

1. **The Effect of Return on Assets (ROA) on the Dividend Payout Ratio**

Shareholders have high expectations that dividend payments will be made in line with the company's profit growth because profitable companies also have larger cash reserves.

2. **The Effect of Current Ratio (CR) on the Dividen Payour Ratio**

A high current ratio doesn't necessarily mean high dividends will be distributed to shareholders. A company can use cash for its own purposes, such as funding business growth.

3. **The Effect of Debt to Equtiy Ratio (DER) on the Dividen Payour Ratio (DPR)**

Companies with significant debt will have a high DER. The likelihood of paying large dividends is naturally lower when debt levels are high. This is due to the tendency of companies to pay off debt with available funds first.

4. **The Effect of Return On Asset (ROA) on the Stock Return**

Investors are attracted to a high ratio because it indicates a business's strong financial performance. Stock prices will rise when there is strong investor demand, which in turn influences stock demand. Ultimately, this high stock price will result in higher stock returns.

5. **The Effect of Current Ratio (CR) on the Stock Return**

A company's ability to pay its short-term debt isn't always indicated by a high current ratio (CR). Simply put, the company may not be managing its assets effectively. A company that has a high value about theri current ratio its not means that will give high return.

6. The Effect of Debt to Equtiy Ratio (DER) on the Stock Return

Investors' differing opinions about the significance of debt to a business may be the reason why the debt-to-equity ratio does not have a noticeable impact on stock returns. Given the company's debt repayment obligations and the insolvency risk borne by investors, some investors will view a high debt-to-equity ratio as a burden on the business.

7. The Effect of Dividend Payout Ratio (DPR) on the Return Saham

If a company distributes most of its profits to shareholders, it will have a negative impact on the stock returns received by shareholders in the future, because there will be less funds available for company expansion, which will impact the company's reputation and stock price.

8. The role of the Dividend Payout Ratio (DPR) as a mediating variable between the relationship between Return On Asset (ROA) , terhadap Return Saham

The percentage of a business's profits distributed to investors is known as dividends. This profitability ratio indicates that high dividend payments indicate better business performance. Stock returns are greatly influenced by the Dividend Payout Ratio (DPR) because high dividend distributions influence investor interest and stock demand.

9. The role of Dividend Payout Ratio (DPR) as a mediating variable between the relationship between Current Ratio (CR) terhadap Return Saham

The Dividend Payout Ratio (DPR) cannot function as a mediating variable against the Current Ratio (CR) because this ratio does not reflect the level of liquidity of a company, but rather the policies that have been set by the company, in particular the decision to distribute dividends periodically while prioritizing investment funding for company expansion.

10. The role of Dividend Payout Ratio (DPR) as a mediating variable between the relationship between Debt to Equtiy Ratio (DER) terhadap Return Saham

The Dividend Payout Ratio (DPR) cannot be used as a mediating variable for several reasons, one of which is that this ratio tends to be more stable in the long term compared to stock returns which are constantly changing or fluctuating due to market influences.

D. CONCLUSION

Based on the test results, CR and DER have a small influence on DPR, while ROA has a significant influence. Return on Assets (ROA) has a significant influence on stock returns but stock returns not influence by Current Ratio (CR) or Debt to Equity Ratio (DER). On the other hand, Stock Returns are significantly influenced by the Dividend Payout Ratio (DPR). Dividend Payout Ratio (DPR) has not been able to mediate the relationship between CR, DER, and stock returns, but can be used as a mediator of the relationship between ROA and stock returns.

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