



# The Effect of Operating Profit Margin (OPM), Return on Assets (ROA), and Debt-to-Equity Ratio (DER) on Share Prices in Cement Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX)

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## ABSTRACT

This study examines the effect of Operating Profit Margin (OPM), Return on Assets (ROA), and Debt to Equity Ratio (DER) on stock prices in cement sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The research is motivated by the increasing importance of financial performance indicators in influencing investor decisions and market valuation in the manufacturing sector. This study employs a quantitative associative approach using secondary data obtained from the financial statements of three selected companies, namely PT Semen Indonesia (Persero) Tbk, PT Semen Baturaja Tbk, and PT Indocement Tunggul Prakasa Tbk. The sampling technique used is purposive sampling, resulting in 15 observations. Data were analyzed using multiple linear regression with the assistance of SPSS version 26, supported by classical assumption tests. The findings reveal that partially, OPM and ROA have a positive and significant effect on stock prices, indicating that profitability and asset efficiency are key determinants of firm value. In contrast, DER does not have a significant effect, suggesting that capital structure is less considered by investors in this sector. Simultaneously, OPM, ROA, and DER significantly influence stock prices. The coefficient of determination ( $R^2$ ) shows that 42.3% of stock price variation is explained by the model, while the remaining 57.7% is influenced by other factors. These results provide important implications for investors and corporate managers in optimizing financial performance to enhance market value.

## 1. Introduction

The development of manufacturing companies in Indonesia is currently very significant, and their performance is increasingly productive and competitive. Within manufacturing companies, the development of the cement industry is a crucial factor in supporting national development. Cement is a key element in infrastructure development, such as toll roads, buildings, ports, airports, bridges, and various other infrastructure. Companies in the cement sub-sector play a crucial role in national development. This is evident in cement being one of the primary materials in infrastructure development. The rapid development of the cement industry in Indonesia has intensified competition in the cement industry. Therefore, companies are required to improve their performance to face the

intense competition in the cement industry, allowing investors to identify the best companies to invest in. Investment is a current commitment of funds or other resources with the aim of obtaining future profits (Simbolon & Sudjiman, 2020). One aspect assessed by investors is the company's financial performance. In principle, better company performance will increase demand for its shares, which in turn will increase share prices.

Stock prices, or the current value of shares traded on the stock market, are a common tool used by investors to monitor price fluctuations (Kurnia, 2019). Stock prices are a key indicator reflecting a company's performance and value in the eyes of investors. In the investment world, decisions to buy or sell shares are heavily influenced by a company's financial information, particularly regarding

profitability, operational efficiency, and capital structure. For manufacturing companies, particularly in the cement subsector, which plays a crucial role in infrastructure development, financial performance is a key factor determining investment attractiveness. Indicators that can influence stock prices include Operating Profit Margin (OPM), which measures a company's operational efficiency; Return On Assets (ROA), which reflects a company's ability to generate profits from its assets; and Debt To Equity Ratio (DER), which indicates a company's funding structure. These ratios are often used as key parameters in analyzing their impact on stock prices.

Operating Profit Margin (OPM) is a measure of a company's ability to generate profits relative to its sales revenue. Furthermore, OPM is a financial ratio that assesses the efficiency and profitability of a company's core operations. OPM reflects how effectively a company generates profits from its operational activities. A higher OPM indicates a more efficient profit-generating system, leading to higher share prices. Conversely, a lower OPM indicates a less efficient profit-generating system, leading to lower share prices (Fahrudin & Dillak, 2022). Furthermore, Return On Assets (ROA) is a type of ratio that can assess a company's ability to generate profit from the assets used. Performance measurement using Return On Assets (ROA) indicates the ability of capital invested in total assets to generate profit. This ratio is used to measure a company's ability to generate profits by utilizing all

of its assets. The higher the ROA, the more efficient the company's operations are in utilizing its assets to generate profits, which will increase its stock price. Conversely, the lower the ROA, the less efficient the company is in managing its assets, resulting in a decline in stock price (Kamal, 2016).

Next, the Debt To Equity Ratio (DER) is used to measure the level of debt used in relation to a company's total capital. A higher DER indicates a higher dependence on external capital for the company, thus increasing the company's expenses (Alipudin and Oktaviani, 2016). This results in a decline in stock prices. Conversely, a decrease in the DER will result in increased company profits, which will further increase the stock price.

The cement subsector in Indonesia has a major contribution in supporting national development. There are 6 companies that are members of the cement subsector, namely PT Indocement Tunggul Prakasa Tbk (INTP), PT Semen Baturaja Tbk (SMBR), PT Solusi Bangun Indonesia Tbk (SMCB), PT Semen Indonesia Persero Tbk (SMGR), PT Waskita Beton Precast Tbk (WSBP), and PT Wijaya Karya Beton Tbk (WTON). However, only 3 companies are used as the topic of this research, namely PT Semen Indonesia Persero Tbk (SMGR), PT Semen Baturaja Tbk (SMBR), and PT Indocement Tunggul Prakasa Tbk (INTP). The following table shows EBIT data, net profit, total assets and stock prices in 3 cement subsector companies from 2019-2023.

**Table 1.** Data on Ebit, Net Profit, Total Assets, And Share Prices Of Cement Manufacturing Companies Listed On The IDX. 2019-2023

(Data is presented in millions of rupiah unless otherwise stated)

Company Name	year	Ebit (RP)	Net profit (RP)	Total Assets (RP)	Stock Price (full Rupiah)
PT Semen Indonesia Persero TBK (SMGR)	2019	3.195.775	2.371.233	79.807.067	Rp. 11.967
	2020	3.488.650	2.674.343	78.006.244	Rp. 12.425
	2021	3.470.137	2.082.347	76.504.240	Rp. 7.250
	2022	3.298.835	2.499.083	82.960.012	Rp. 6.575
	2023	3.303.760	2.295.601	81.820.529	Rp. 6.400
PT Semen Baturaja TBK (SMBR)	2019	86.572.265	30.073.855	5.571.270.204	Rp. 440
	2020	36.467.602	10.981.673	5.737.175.560	Rp. 1.065
	2021	68.354.164	51.817.305	5.817.745.619	Rp. 620
	2022	102.080.731	77.317.821	5.242.724.933	Rp. 386
	2023	162.583.378	121.572.505	4.856.730.638	Rp. 278
PT Indocement Tunggul Prakasa TBK (INTP)	2019	2.274.427	1.835.305	27.707.749	Rp. 19.025
	2020	2.148.328	1.806.337	27.344.672	Rp. 14.475
	2021	2.234.062	1.788.496	26.136.114	Rp. 12.100
	2022	2.289.309	1.842.434	25.706.169	Rp. 9.900
	2023	2.396.348	1.950.266	29.649.645	Rp. 9.400

Source: Processed Secondary Data, 2025

In the data presented in Table 1, it is known that there are problems related to EBIT at PT Semen Indonesia Persero Tbk (SMGR), which experienced losses in two periods: in 2021 to Rp3.47 trillion, and in 2022, it decreased to Rp3.29 trillion. Meanwhile, the EBIT condition at PT Semen Baturaja Tbk (SMBR) experienced a decline in 2020 to Rp36.46 trillion, for the 2021-2023 period, the condition tends to fluctuate. Meanwhile, the EBIT acquisition at PT Indocement Tunggul Prakasa Tbk (INTP) is relatively more stable, for EBIT and only experienced a decline in the 2020 period to Rp2.14 trillion. This is due to the impact of the Covid-19 pandemic which significantly reduced cement demand, as well as increased operational costs that are not commensurate with sales volume.

For the net profit conditions of the three companies that were the object of research, PT Semen Indonesia Persero Tbk (SMGR) experienced a condition that experienced a decline in two periods, namely in 2021 to Rp 2.08 trillion, and decreased again in 2023, decreasing to Rp 2.29 trillion. Then the net profit condition of PT Semen Baturaja Tbk (SMBR) experienced a decline in 2020 to Rp 10.98 trillion, for the 2021-2023 period tended to fluctuate. Meanwhile, the net profit acquisition of PT Indocement Tunggul Prakasa Tbk (INTP) was relatively more stable, for net profit and only experienced a decline in two periods, namely in 2020 to Rp 1.80 trillion, and in 2021 to Rp 1.78 trillion. This was due to a decrease in production costs, fluctuations in raw material prices, and the impact of a more declining economic condition.

Total Assets at PT Semen Indonesia Persero Tbk (SMGR) decreased in three periods, namely in 2020 to Rp. 78.00 trillion, in the 2021 period it decreased to Rp. 76.50 trillion and in 2023 it decreased again to Rp. 81.82 trillion. Then the condition of Total Assets at PT Semen Baturaja Tbk (SMBR) decreased in 2022 to Rp. 5.24 trillion and in 2023 it decreased to Rp. 4.85 trillion. Meanwhile, the acquisition of Total Assets at PT Indocement Tunggul Prakasa Tbk (INTP) decreased in three periods, namely in 2020 it decreased to Rp. 27.34 trillion, in the 2021 period it decreased to Rp. 26.13 trillion, and in 2022 it experienced another significant decrease to Rp. 25.70 trillion. This is due to a decline in domestic cement demand due to a slowdown in infrastructure

projects and an increase in operational costs that affect profitability and the company's ability to add assets.

The stock price of the cement sub-sector taken from the closing price of 2019-2023 explains that 3 companies namely PT. Semen Indonesia Persero Tbk (SMGR), PT Semen Baturaja Tbk (SMBR), and PT Indocement Tunggul Prakasa Tbk (INTP) where the stock price fluctuates in the cement subsector. The condition of stock price fluctuations can be influenced by many factors so it is necessary to know more about the factors that cause it. This is caused by the company's financial performance which is affected by unstable cement demand, macroeconomic conditions such as inflation and interest rates, changes in government policies related to infrastructure development, the level of competition in the cement industry, to market sentiment and external factors such as the covid-19 pandemic which had weakened the construction sector and industry in general.

## 2. Literature Review

### 2.1 Operating Profit Margin (OPM)

Operating Profit Margin (OPM) measures the percentage of sales revenue remaining after all costs and expenses, such as interest, taxes, preferred stock, and other expenses, have been paid. OPM is derived solely from a company's operating results. Operating profit also reflects the efficiency and effectiveness of a company's operations in generating profit (Gitman, 2009).

According to Syamsuddin (2009), operating profit margin is part of profitability analysis. Profitability is a company's ability to generate profits and increase company growth in both the short and long term. Operating profit margin is the comparison between operating profit and sales. Operating profit margin is a ratio that describes what is usually called pure profit received for each rupiah of sales made. Operating Profit Margin (OPM) is used to measure the percentage of each sale remaining after all costs and expenses other than interest, taxes, and preferred stock dividends. The operating profit margin value can be formulated as follows:

$$\text{Operating Profit Margin} = \frac{\text{EBIT}}{\text{Revenues}} \times 100\%$$

Source: Brigham dan Houston, (2013)

## 2.2 Return On Asset (ROA)

According to Hervita Nenobais et al., (2022), the level of assets used and then returned to profit is measured by a ratio called return on assets. As long as a company generates profits and is skilled at advancing its position in terms of asset utilization, the return on assets (ROA) ratio is used to assess the company's ability to generate profits from capital movements.

According to Ravasadewa & Fuadati, (2018), corporate effectiveness in generating profits at the net profit and asset level is measured by a ratio known as return on assets. If a company can maximize its revenue, it will also have a high ROA value. In other words, the company will generate substantial profits, which is what causes stock prices to rise. An increase in stock value also affects the company's value.

The formula for calculating the Return On Assets (ROA) ratio is as follows:

$$\text{Return On Assets} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \times 100\%$$

Source: Sugiarto et al., (2017)

## 2.3 Debt To Equity Ratio (DER)

According to Suleman et al., (2023), the Debt To Equity Ratio (DER) is the balance between a company's debt and its equity. A higher ratio means less equity compared to its debt. Companies should maintain debt levels that do not exceed equity to avoid excessively high fixed costs. The Debt To Equity Ratio (DER) is a ratio used to analyze or measure the amount of collateral available to borrowers (creditors). In other words, this ratio is used to describe the nominal amount of a company's capital pledged as collateral for debt. (Hanafi & Hali, 2016). The formula for calculating the Debt to Equity Ratio (DER) is as follows:

$$\text{Debt To Equity Ratio} = \frac{\text{Total Hutang}}{\text{Total Ekuitas}} \times 100\%$$

Source: Kasmir, (2018)

## 2.4 Stock Price

The stock price is the selling price listed on the stock exchange at a specific time. The price is determined by market participants, and stock prices

typically fluctuate based on supply and demand (Jogiyanto, 2017). The stock price is the price set by market participants at a specific time in the stock market, based on supply and demand Sartono, (2018). If the stock price changes, shareholders are required to amend the articles of association and authorized capital. Several factors influence stock prices in the capital market, including earnings per share, profit ratios, government-set risk-free interest rates and government deposit rates, and the company's operational stability. Stock prices consist of several prices, one of which is the closing price. The closing price is important because it determines many market factors. One measure of stock price can be seen from its closing price. Stock prices are indicated by their closing price Widodoatmodjo, (2012). So, stock price measurement is the price at closing (closing price).

## 3. Research Methods

### 3.1 Types of Research

This type of research is associative research. Associative research is a study that aims to determine the relationship between two or more variables and has a higher level when compared to descriptive and comparative research (Sugiyono, 2016). In this study, we will look for the relationship between Operating Profit Margin (X1), Return On Assets (X2), and Debt To Equity Ratio (X3) with Stock Price (Y) in cement sub-sector companies listed on the IDX.

### 3.2 Research Instruments

The research instrument used in this study is a table containing data on EBIT, revenue, net profit, total assets, total debt, total capital, and share price from the balance sheet and profit and loss financial statements of cement sub-sector companies listed on the IDX in 2019-2023.

### 3.3 Population and Research Sample

According to Sugiyono, (2016), a population is a generalized area consisting of objects/subjects that have certain qualities and characteristics that are applied by researchers to be studied and conclusions drawn. All financial reports of cement sub-sector companies listed on the IDX from 2019 to 2023, namely for 5 years (30 years).

A research sample is a subset of the population's size and characteristics (Sugiyono,

2016). The sample in this study is the financial statements of three cement sub-sector companies for a five-year period, from 2019 to 2023 (15 years). The sampling technique used in this study was purposive sampling. Purposive sampling is a sampling technique based on specific considerations (Sugiyono, 2016). The sample selection criteria are explained in the table below :

**Table 2** research sample selection criteria

No	Example Criteria	Amount
1	Number of cement sub-sectors	6
2	Number of companies that do not have complete financial reports for the last 5 years	(3)
3	Number of manufacturing companies in the cement sub-sector	3
	Observation Data (Year)	5
	Number of Research Data (3x5)	15

### 3.4 Data Collection Techniques

#### 1. Documentation

According to Sugiyono, (2016), documentation is a method used to collect data and information in the form of books, archives, documents, written figures, and images, in the form of reports and explanations that can support

research. The documentation referred to in this study is the financial reports of three cement sub-sector companies listed on the Indonesia Stock Exchange (IDX). These reports were accessed from ([www.idx.co.id](http://www.idx.co.id)) and the official website of cement manufacturing company PT Semen Indonesia (Persero) Tbk ([www.sig.id](http://www.sig.id)). PT Semen Baturaja Tbk ([www.semenbaturaja.co.id](http://www.semenbaturaja.co.id)). And PT Indocement Tunggal Prakarsa Tbk (<http://www.indocement.co.id>).

#### 2. Literature review

According to Arikunto, (2016) literature review is a data collection method that involves searching for information in books, magazines, journals, and other literature with the aim of establishing a theoretical foundation. The literature review used in this research utilizes journals and related references.

### 3.5 Data Analysis Techniques

This study uses several data analysis techniques, including classical assumption tests (normality test, multicollinearity test, autocorrelation test, heteroscedasticity test), multiple linear regression analysis, correlation coefficient using runs test, determination coefficient, t-test, and F-test (simultaneous). Statistical analysis was performed using SPSS version 2.6 to ensure accurate and reliable results.

## 4. Results and Discussion

### 4.1 Results

#### a. Classical Assumption Test

**Table 3. Results of Classical Assumption Tests**

Test Type	Variable	Result	Criteria	Conclusion
Normality Test	OPM	0.391	Sig > 0.05	Normal
	ROA	0.079	Sig > 0.05	Normal
	DER	0.741	Sig > 0.05	Normal
Multicollinearity Test	OPM	Tolerance = 0.966 VIF = 1.035	Tolerance > 0.10 VIF < 10	No multicollinearity
	ROA	Tolerance = 0.890 VIF = 1.124	Tolerance > 0.10 VIF < 10	No multicollinearity
	DER	Tolerance = 0.901 VIF = 1.110	Tolerance > 0.10 VIF < 10	No multicollinearity
Autocorrelation Test (Durbin-Watson)	-	1.750 < 2.834 > 2.249	du < DW < (4 - du)	Autocorrelation occurs
Runs Test	-	0.986 > 0.05	Sig > 0.05	No autocorrelation
Heteroscedasticity Test	OPM	0.085	Sig > 0.05	No heteroscedasticity
	ROA	0.071	Sig > 0.05	No heteroscedasticity
	DER	0.066	Sig > 0.05	No heteroscedasticity

Data Source Secondary data processed using SPSS v26 (2025)

### a. Normality Test

To determine whether the data is normal, the Shapiro-Wilk test is used using a single sample. A regression model with regularly distributed residuals is considered high quality. The data above successfully passes the test, as evidenced by a P-value of 0.05 ( $\alpha = 5\%$ ). The Operating Profit Margin (OPM) sig. value of 0.391 is greater than 0.05, or a P-value of 0.391 > 0.05. The return on assets (ROA) sig. value is 0.079, meaning a P-value of 0.079 > 0.05. The debt-to-equity ratio (DER) sig. value is 0.741, meaning a P-value of 0.741 > 0.05. This indicates that the data is normally distributed.

### b. Multicollinearity Test

Based on the findings presented in Table 3, the values for both variables, namely capital structure and dividend policy, in the VIF (Variance Inflation Factor) column are lower than 10, while the values in the tolerance column for both variables are higher than 0.10. The analysis results indicate that these two variables do not exhibit signs of multicollinearity.

### c. Autocorrelation Test

Based on the information in Table 3 above, it can be seen that the Durbin-Watson value is 2.834 and the DU value is 1.750. Using the formula  $DU < DW < 4-DU$ , we obtain a value of  $1.750 < 2.834 > 2.249$ , thus concluding that autocorrelation occurs. Therefore, a runs test was used to test for autocorrelation. Based on the results of the Runs Test above, the Asymp. Sig. (2-tailed) value is > 0.05, which is 0.986. This value indicates that the data used in the study do not exhibit autocorrelation.

### d. Heteroscedasticity Test

The SPSS test results in Table 3 above indicate that the data in the study do not exhibit any symptoms or problems of heteroscedasticity. This is evident in the Glejser test, where the OPM variable has a significance value of 0.085, the ROA variable has a significance value of 0.071, and the DER variable has a significance value of 0.066. The heteroscedasticity test results show that the p-value (sig.) for all variables is greater than 0.05 ( $\alpha = 5\%$ ). This indicates the absence of heteroscedasticity.

### b. Multiple Linear Regression

Table 4. Multiple Linear Regression Results

Test Type	Variable	Result	Criteria	Conclusion
Multiple Linear Regression	Constant	424.958	-	-
	OPM	1.627	-	Positive effect
	ROA	4.026	-	Positive effect
	DER	-9.132	-	Negative effect
F-Test (Simultaneous Test)	-	F = 12.691 Sig. = 0.038	Sig < 0.05	Simultaneously significant
t-Test (Partial Test)	OPM	Sig. = 0.029 Coef. = 2.642	Sig < 0.05	Significant (partial effect)
	ROA	Sig. = 0.043 Coef. = 2.466	Sig < 0.05	Significant (partial effect)
	DER	Sig. = 0.544 Coef. = -0.626	Sig > 0.05	Not significant
Correlation Coefficient (R)	-	0.651	0.60–0.79	Strong correlation
Coefficient of Determination (R <sup>2</sup> )	-	0.423	-	42.3% explained variance

From the regression analysis of the data in Table 5 above, the multiple regression equation is as follows:

$$Y = 424.958 + 1.627X_1 + 4.026X_2 - 9.132X_3 + e$$

Based on this equation, the following can be explained:

1. The constant value of 424.958 means that if the Operating Profit Margin (OPM), Return On Assets (ROA), and Debt To Equity Ratio (DER) variables are assumed to be zero (0), the stock price will be 424.958 rupiah.
2. The coefficient value for the Operating Profit Margin (X<sub>1</sub>) variable is 1.627, meaning that every 1% increase in the Operating Profit

Margin (OPM) variable will cause a 1.627 rupiah increase in the stock price.

3. The coefficient value for the return on assets (X2) variable is 4.026, meaning that every 1% increase in the Return On Assets (ROA) variable will cause a 4.026 rupiah increase in the stock price.
4. The coefficient value for the debt-to-equity ratio (X3) is -9.132. This means that every 1% increase in the Debt To Equity Ratio (DER) will result in a decrease in the stock price of 9.132 rupiah.

### c. Correlation and Determination Test

Based on table 4 above, the relationship between Operating Profit Margin (OPM), Return On Assets (ROA), and Debt To Equity Ratio (DER) on stock prices is strong because it is at a value of 0.651. the coefficient of determination (R) is 0.423, meaning that the contribution of the influence of Operating profit margin, Return on assets, and Debt to equity ratio on stock prices in cement sub-sector manufacturing companies listed on the IDX is 42.3%. While the remaining 57.7% is influenced by other factors not examined in this study.

### d. t-Test

#### 1). The Influence Of Operating Profit Margin (OPM) On Stock Prices In Cement Subsector Companies

From table 4 above, it is known that the significance value of the operating profit margin variable is 0.029 which is smaller than the significance level of 0.05 or  $0.029 < 0.05$ . And the calculated t value of 2.642 is greater than the t-table value of 2.200 ( $2.642 > 2.200$ ), so the first hypothesis which states that "Operating profit margin affects stock prices in cement sub-sector manufacturing companies listed on the IDX" is accepted (H1 is accepted). This means that operating profit margin affects stock prices. The results of this study align with those conducted by Sugiarto et al. (2017) and Misrizal (2012), as well as Sumarsid (2010), who stated that Operating Profit Margin (OPM) influences stock prices. However, this contrasts with the results of research conducted by Alfianti (2017) and Nurlia (2017), who stated that Operating Profit Margin (OPM) does not influence stock prices.

#### 2). The Influence Of Return On Assets (ROA) On Stock Prices In Cement Subsector Companies

From Table 4 above, the sig. value of 0.043 is less than 0.05 ( $0.043 < 0.05$ ), with a calculated t-value of 2.466 greater than the t-table value of 2.200 ( $2.466 > 2.200$ ). Therefore, the second hypothesis, stating that "Return On Assets (ROA) affects Stock Prices in cement subsector manufacturing companies listed on the IDX," is accepted (H2 is accepted). This means that Return on Assets does affect Stock Prices. The results of this study align with those conducted by Paramayoga & Fariatin (2023), Jessica et al. (2021), and Maulita & Mujino (2019), which stated that Return on Assets (ROA) influences stock prices. However, this contrasts with the results of studies conducted by Sunaryo & Sulantari (2022) and Lestari & Suryantini (2019), which found that Return on Assets (ROA) had no effect on stock prices.

#### 3). The Influence Of Debt To Equity Ratio (ROA) On Stock Prices In Cement Subsector Companies

The significant value of the Debt To Equity Ratio (DER) is 0.544, which is greater than 0.05 ( $0.544 > 0.05$ ), and the calculated t-value of -0.626 is less than the t-table value of 2.200 ( $-0.626 < 2.200$ ). Therefore, the third hypothesis stating that "the Debt To Equity Ratio (DER) affects stock prices in cement subsector companies listed on the IDX" is rejected (H3 is rejected). This means that the debt to equity ratio has no effect on stock prices. The results of this study align with those conducted by Youriza et al. (2020) and Kulsum (2021), which showed that DER had no significant effect on stock prices. Meanwhile, research conducted by Satria (2022), Hersyanti (2018), and Tumandung et al. (2017) found that DER does affect stock prices.

### e. f-Test

#### 1). The Influence Of Operating Profit Margin (OPM), Return On Assets (ROA), Debt To Equity Ratio (DER) On Stock Prices In Cement Subsector Companies

The test results obtained a calculated F-value of 12.691, greater than the F-table value of 3.59 ( $12.691 > 3.59$ ), and a significance value of

0.038, smaller than the sig. 0.05 value (0.038 < 0.05). Therefore, it can be concluded that hypothesis four, which states that "Operating profit margin, Return on assets, and total debt to equity ratio influence stock prices in cement sub-sector companies listed on the IDX," is accepted (H4 is accepted). This means that Operating Profit Margin, Return on Assets, and Debt to Equity Ratio influence stock prices in cement sub-sector companies listed on the IDX. The results of this study align with research conducted by Gea & Permada (2024), which states that ROA and DER simultaneously influence stock prices.

## 4.2 Discussion

### a. The Effect Of Operating Profit Margin (OPM) On Stock Prices

Operating Profit Margin (OPM) influences stock prices, meaning a company's efficiency in generating profits from its core operational activities directly impacts its stock price in the market. The higher the OPM, the better the company's operational performance and the more attractive it is to investors, ultimately driving stock prices upwards. The results of this study align with those conducted by Sugiarto et al. (2017), Misrizal (2012), and Sumarsid (2010), which stated that Operating Profit Margin (OPM) influences stock prices. However, this contradicts the findings of studies conducted by Alfianti (2017) and Nurlia (2017), which found that Operating Profit Margin (OPM) had no effect on stock prices.

### b. The Effect of Return on Assets (ROA) on Stock Prices

ROA measures a company's ability to generate profits from its assets. The higher the ROA, the more efficiently the company manages its assets to generate profits, which ultimately attracts investor interest and can drive share price increases. The results of this study align with those conducted by Paramayoga & Fariatina (2023), Jessica et al. (2021), and Maulita & Mujino (2019), which stated that Return on Assets (ROA) influences stock prices. However, this contrasts with the results of studies conducted by Sunaryo & Sulantari (2022) and Lestari & Suryantini (2019), which found that Return on Assets (ROA) had no effect on stock prices.

### c. The Effect of Debt to Equity Ratio (DER) on Stock Prices

This indicates that the higher the Debt to Equity Ratio, the higher the company's debt level, which will negatively impact the company's sustainability and, consequently, reduce its profitability. If investor demand for a company's shares is high, it will affect the stock price. It is advisable to maintain debt levels that do not exceed equity to maintain a low cost. This study's findings align with those of Youriza et al. (2020) and Kulsum (2021), which showed that DER has no significant effect on stock prices. Meanwhile, research by Satria (2022), Hersyanti (2018), and Tumandung et al. (2017) indicates that DER does affect stock prices.

## 5. Conclusion

### 5.1 Summary of Key Findings

This study examines the effect of Operating Profit Margin (OPM), Return on Assets (ROA), and Debt to Equity Ratio (DER) on stock prices in cement sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2023 period. The empirical results indicate that OPM and ROA have a positive and statistically significant effect on stock prices, suggesting that profitability and asset efficiency play a crucial role in determining firm value in the capital market. Conversely, DER does not exhibit a significant effect, indicating that capital structure may not be a primary consideration for investors in this sector. Simultaneously, the three independent variables significantly influence stock prices, confirming that financial performance indicators collectively contribute to market valuation. Furthermore, the coefficient of determination ( $R^2$ ) reveals that 42.3% of stock price variation can be explained by the model, while the remaining 57.7% is influenced by other external and internal factors not included in this study.

### 5.2 Theoretical Contributions

This study contributes to the financial management and investment literature by reinforcing the importance of profitability-based indicators, particularly OPM and ROA, in explaining stock price movements. The findings support signaling theory, which suggests that financial performance serves as a signal to investors regarding firm quality and future prospects.

Additionally, the insignificant effect of DER provides nuanced insight into capital structure theory, suggesting that in certain industries—such as the cement sector—investors may prioritize operational performance over leverage considerations. This study thus refines prior empirical findings by highlighting sector-specific dynamics in financial ratio relevance.

### 5.3 Practical and Policy Implications

From a practical perspective, the findings offer important implications for investors, corporate managers, and policymakers. Investors are advised to focus on profitability ratios, particularly OPM and ROA, when making investment decisions, as these indicators significantly influence stock prices. For corporate management, improving operational efficiency and maximizing asset utilization should be prioritized to enhance firm value and attract investors. Companies should also maintain optimal financial structures, even though DER was found to be insignificant, to ensure long-term financial stability. From a policy standpoint, regulators and capital market authorities should enhance transparency and disclosure standards related to financial performance, enabling investors to make more informed decisions.

### 5.4 Limitations of the Study

This study has several limitations that should be acknowledged. First, the sample size is relatively small, consisting of only three companies within the cement sub-sector, which may limit the generalizability of the findings. Second, the study only considers three financial ratios (OPM, ROA, and DER), while other important variables such as macroeconomic factors, market sentiment, and corporate governance were not included. Additionally, the observation period (2019–2023) includes abnormal economic conditions due to the COVID-19 pandemic, which may have influenced financial performance and stock price behavior. Therefore, the results should be interpreted with caution, particularly when applied to different contexts or time periods.

### 5.5 Directions for Future Research

Future research is recommended to expand the scope of analysis by including a larger sample size and covering more sectors to improve

generalizability. Researchers may also incorporate additional variables such as inflation, interest rates, exchange rates, and corporate governance mechanisms to provide a more comprehensive understanding of stock price determinants. Moreover, the use of advanced analytical techniques such as panel data regression, structural equation modeling (SEM), or machine learning approaches could provide deeper insights into complex relationships between financial performance and stock prices. Future studies are also encouraged to explore comparative analysis across industries or countries to identify broader patterns and variations.

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