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THE EFFECT OF EARNING PER SHARE (EPS), RETURN ON ASSETS (ROA), AND DEBT TO EQUITY RATIO (DER) ON STOCK PRICES WITH DIVIDEND POLICY AS A MODERATING VARIABLE

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ABSTRACT

This study aims to analyze the effect of Earnings Per Share (EPS), Return on Assets (ROA), and Debt to Equity Ratio (DER) on stock prices, and examine the role of dividend policy as a moderating variable in consumer goods companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2023 period. This study uses a quantitative approach with an explanatory research design. The population consisted of 270 companies, with a sample of 47 companies selected through a purposive sampling method, resulting in 141 observations. Data analysis used panel data regression with the Fixed Effect Model (FEM) approach and Moderated Regression Analysis (MRA) using EViews 12. The results showed that EPS had a positive and significant effect on stock prices, while ROA and DER each had a negative and significant effect. Simultaneously, all variables had a significant effect with an R^2 value of 97.46%. However, dividend policy was not proven to moderate the effect of EPS, ROA, or DER on stock prices. This finding indicates that investors respond more directly to a company's fundamental information without considering its interaction with dividend policy.

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INTRODUCTION

The capital market plays a strategic role in driving national economic growth by intermediating parties in need of funds with those with excess funds. The development of the Indonesian capital market in recent years has shown an encouraging trend, reflected in the surge in the number of domestic investors from 7.49 million in 2021 to 11.43 million in 2023 (Dewi Lubis et al., 2024). This phenomenon indicates increasing

public awareness of investing amidst global economic pressures such as inflation, the Fed's tight monetary policy, and volatility in international commodity prices.

On the other hand, the Jakarta Composite Index (JCI) experienced significant volatility during the 2021–2023 period. The JCI weakened to 5,985 in mid-2021 due to pressure from the COVID-19 pandemic, but gradually strengthened to reach 6,850 by the end of 2023. These fluctuations reflect the complexity of factors influencing stock price movements, ranging from macroeconomic conditions to a company's fundamental performance. Within the framework of fundamental analysis, financial ratios such as Earnings Per Share *(EPS),* Return on Assets *(ROA), and* Debt to Equity Ratio (DER) are commonly used by investors to assess the prospects and fair value of a company's shares (Dewi Lubis et al., 2024) .

The consumer goods sector is a relevant and interesting subject to study due to its defensive nature and significant contribution to the national economy. However, an anomalous phenomenon has attracted attention during the 2021–2023 period. PT Indofood Sukses Makmur Tbk (INDF) recorded a decline in net profit from IDR 7.66 trillion in 2021 to IDR 6.36 trillion in 2022 due to increased financial burdens. However, its share price remained stable at around IDR 6,000–7,000 per share. (Mollway, 2021) . In contrast, PT Mayora Indah Tbk (MYOR) consistently distributed cash dividends despite a decline in profitability in 2024, which is thought to be a positive signal for investors, preventing significant stock price corrections. (PT Mayora Indah Tbk, 2023) . This phenomenon strengthens the relevance *of Signaling Theory.* (Spence, 1973) in explaining how financial information and dividend policy shape investor perceptions in the capital market.

A review of previous research revealed significant inconsistencies in the results. For the EPS variable, (Sundoro et al., 2023) and (Wijaya & Siswanti, 2023) found a positive and significant influence on stock prices, while (Sarinni, 2024) found no significant effect on the ROA variable. (Sinurat et al., 2025) and (Siahaan et al., 2023) shows a significant positive effect, in contrast to findings in certain sectors and periods that showed the opposite. Regarding the DER variable, (Febby Trinanda Partomuan & Simamora, 2021) found a significant influence on stock prices, whereas (Zulkarnain et al., 2022) found no significant effect. This inconsistency indicates the possibility of other variables influencing or moderating the relationship between financial ratios and stock prices.

In short, most previous studies have only examined the direct influence of EPS, ROA, and DER on stock prices without considering factors that may strengthen or weaken this relationship. Although some studies have used dividend policy as an intervening variable, (Nurjaman et al., 2025) , there has been no comprehensive study that places dividend policy as a moderating variable in the consumer goods sector during the post-pandemic recovery period of 2021–2023. Therefore, this study aims to analyze the effect of EPS, ROA, and DER on stock prices and examine whether dividend policy can moderate this relationship in consumer goods companies listed on the Indonesia Stock Exchange during the 2021–2023 period. The novelty of this study lies in the use of dividend policy as a moderating, rather than an intervening, variable, with a focus on a sector and period that have not been widely studied in previous literature.

LITERATURE REVIEW

Signaling Theory

Signaling Theory *was* developed by Michael Spence in 1973, explaining how parties who have more information (management) convey signals to outside parties (investors) to reduce information asymmetry (Spence, 1973) . In the context of this study, high EPS and ROA are positive signals for investors, while a high DER is a negative signal because it reflects greater financial risk. A stable dividend policy acts as a moderating signal that can strengthen positive investor perceptions (Nur et al., 2024).

Stock Price

Share prices are an important indicator of a company's success in managing its business, which is determined by the supply and demand mechanism in the capital market (Rafi et al., 2024). Stock prices are the prices that occur in the stock market at a specific time, determined by market participants and influenced by the supply and demand for the shares in question in the capital market (Arifin & Munandar, 2024). In this study, stock prices were measured using the closing price at the end of each year because it is considered capable of representing investor perceptions at the end of the trading period (Arifin & Munandar, 2024).

Earnings Per Share (EPS)

EPS is a profitability ratio that describes a company's ability to generate profit per share. The higher the EPS, the greater the profit earned by shareholders, thereby increasing the stock's attractiveness in the market (Stephen Harlan & Henryanto Wijaya, 2022). *Earnings per share* is a form of net profit per share earned by shareholders. The higher the EPS ratio, the better its effect (Sari et al., 2020). Earnings per share is an important ratio that determines a company's fair share price.

Return on Assets (ROA)

ROA is a profitability ratio that measures a company's effectiveness in generating net income through the utilization of total assets. The higher the ROA, the better the company's performance in managing its assets, potentially increasing investor confidence and stock prices (Nasution & Sahla, 2021). *Return on Assets* is a ratio that indicates how much assets contribute to generating net income. In other words, this ratio is used to measure how much net profit will be generated from each rupiah of funds invested in total assets (Audrey, 2023).

Debt to Equity Ratio (DER)

DER) is a ratio comparing a company's total debt to its equity. This ratio reflects the company's level of dependence on debt to finance its operations. A high DER indicates greater financial risk, which can send a negative signal to investors and lead to a decline in stock prices (Sudaryo et al., 2021). *Debt to Equity Ratio* (DER) is a financial ratio that shows the relative proportion of equity

and debt used to finance a company's assets and is used to measure the soundness of a company's investment structure (Mustaqim, 2020).

Dividend Policy

Dividend policy is a management decision regarding the proportion of profits to be distributed to shareholders. This policy is measured using *the Dividend Payout Ratio* (DPR), which is the ratio of dividends per share to earnings per share. A stable or increasing DPR is considered a positive signal to investors regarding the company's future prospects (Nirawati et al., 2022). Dividend policy is an integral part of company performance related to the company's internal expenses, so that its impact on company value or share price can be known (Handayani & Herawati, 2024).

Research Hypothesis

Based on theoretical studies and previous research, the hypotheses in this study are: (H1) EPS affects stock prices; (H2) ROA affects stock prices; (H3) DER affects stock prices; (H4) Dividend policy moderates the effect of EPS on stock prices; (H5) Dividend policy moderates the effect of ROA on stock prices; (H6) Dividend policy moderates the effect of DER on stock prices.

METHODS

This study uses a quantitative approach with an explanatory research design that aims to explain the causal relationship between variables. The population includes 270 consumer goods sector companies listed on the IDX for the 2021–2023 period. The sampling technique used purposive sampling with the following criteria: (1) consistently publishing financial reports; (2) using the rupiah currency; (3) having positive profits; and (4) distributing dividends consecutively during the study period. From these criteria, 47 sample companies were obtained with a total of 141 observations (47 companies × 3 years).

This study uses a quantitative approach with an explanatory research design aimed at explaining causal relationships between variables. The population includes 270 consumer goods companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2023 period. The sampling technique used purposive sampling with specific criteria as presented in Table 1 below.

Table 1. Sample Selection Criteria and Results

No	Sample Selection Criteria	Amount
1	Population: Consumer goods sector companies listed on the IDX for the 2021–2023 period	270
2	Companies that did not publish annual financial reports consistently during the study period	(50)
3	Companies that do not use the rupiah currency in their financial reports	(15)
4	Companies that did not have positive profits during the study period	(100)
5	Companies that did not distribute dividends consecutively during the 2021–2023 period	(58)
	Research Sample	47
	Total Observations (47 companies × 3 years)	141

Source: Processed data, 2025

Based on Table 1, 47 sample companies from the consumer goods sector were obtained, with a total of 141 observations over the three-year study period. Secondary data were obtained from annual financial reports and stock price data published on the official IDX website (www.idx.co.id) and the official websites of each sample company. The operational definition and measurement of each variable in this study are presented in Table 2 below.

Table 2. Operational Definitions of Research Variables

No	Variables	Operational definition	Indicator	Amount
1	Stock Price (Y)	Stock price is the price per share that has been determined and listed on the stock exchange at a certain time, and is influenced by market players, namely market demand and supply (Alamsyah & Fuadati, 2021) .	The stock price used in this study is the closing stock price *at* the end of each year.	Ratio
2	*Earning Per Share* (X1)	EPS is a ratio that shows how much profit a company makes compared to the weighted average number of shares outstanding (Nurita, 2022) .	$\text{EPS} = \frac{Net\ Income\ After\ Taxes}{Outstanding\ Shares}$	Ratio
3	*Return on Assets* (X2)	*Return on Assets* (ROA) is a type of profitability ratio that can assess a company's ability to generate profits from the assets used (Fitroh & Fauziah, 2022) .	$\text{ROA} = \frac{Net\ Income}{Total\ Asset}$	Ratio
4	*Debt to Equity Ratio* (X3)	DER is a ratio that measures how much debt a company has compared to its equity (Aryani et al., 2024) .	$\text{DER} = \frac{Total\ Liabilities}{Total\ Equity}$	Ratio
5	Dividend Policy (Z)	Dividend policy is an inseparable part of the company's financing decisions. (Wiweko & Martianis LT, 2020) .	$\text{DPR} = \frac{Dividen\ Per\ Share}{Earning\ Per\ Share}$	Ratio

Data analysis used panel data regression with the help of EViews 12. The selection of the best model was carried out through three stages of testing, namely the Chow Test to choose between *the Common Effect Model* (CEM) and *the Fixed Effect Model* (FEM), and the Hausman Test to choose between the FEM and *the Random Effect Model* (REM). The results of both tests determined *the Fixed Effect Model* (FEM) as the most appropriate model. Testing the role of moderation used *Moderated Regression Analysis* (MRA) with the following equation.

$Y = a + \beta_1 X1 + \beta_2 X2 + \beta_3 X3 + \beta_4 Z + \beta_5$

Information:
Y = Stock Price
α = Constant
$\beta_1 - \beta_7$ = Regression Coefficient
X1 = EPS
X2 = ROA
X3 = DER
Z = Dividend Policy (DPR)

X1.Z = EPS × Dividend Policy Interaction
X2.Z = ROA × Dividend Policy Interaction
X3.Z = DER × Dividend Policy Interaction
ε = *Error Term.*

The classical assumption tests conducted include: (1) normality test using Jarque-Bera with probability value criteria > 0.05; (2) multicollinearity test using *Variance Inflation Factor* (VIF) with VIF value criteria < 10; and (3) heteroscedasticity test using Glejser method with probability value criteria > 0.05. Hypothesis testing uses t test (partial) and F test (simultaneous) at a significance level of 5% (α = 0.05).

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistical analysis was conducted to provide a general overview of the data distribution of all research variables including *EPS, ROA, DER,* dividend policy and stock price as seen from the average value, standard deviation, maximum and minimum. The following are the results of a descriptive analysis of the research conducted.

Table 3. Results of Descriptive Analysis Test

	EPS	ROA	DER	Dividend Requirement	Stock price
Mean	227.2722	0.102704	2.305546	0.508511	2445.589
Median	99.60000	0.080000	0.570000	0.330000	1015,000
Maximum	2913.230	0.440000	190.3100	7,300,000	30600.00
Minimum	0.050000	0.001254	2.60E-07	0.020000	95,00000
Std. Dev.	412.8716	0.070535	15.99307	0.699188	3966.473

Source: Eviews 12 output, processed 2025

Based on the descriptive statistics, the EPS variable has an average value of 227.2722 with a standard deviation of 412.8716. This indicates that the company's ability to generate earnings per share tends to vary across sample companies. The ROA variable has an average value of 0.102704 with a standard deviation of 0.070535, indicating that the average company is able to generate profits of 10.27% of its total assets with a relatively low level of data variation.

The DER variable has an average value of 2.305546 with a standard deviation of 15.99307. This condition indicates that the level of corporate debt usage is relatively high and has significant variation between companies. Furthermore, the dividend policy variable, proxied by DPR, has an average value of 0.508511 with a standard deviation of 0.699188, indicating that the average company distributes 50.85% of its profits to shareholders.

Meanwhile, the stock price variable had an average value of 2,445.589 with a standard deviation of 3,966.473. This indicates that stock price variation among companies in the research sample is relatively high. In general, the descriptive statistics show differences in the financial conditions of companies in the consumer goods sector during the study period.

Selection of Panel Data Regression Models

Before estimating panel data regression, model selection is first carried out through three stages of testing, namely the Chow test, the Hausman test, and the Lagrange multiplier test.

Chow Test

The Chow test was conducted to determine the more appropriate model between *the common effects model* (CEM) and *the fixed effects model* (FEM). The results of the Chow test are presented in the following table:

Table 4. Chow Test Results

Effects Test	Statistics	df	Prob.
Cross-section F	24.744699	(46.87)	0.0000
Cross-section Chi-square	372.944592	46	0.0000

Source: Eviews 12 output, processed 2025

The cross-section F probability value was 0.0000. Because the probability value was less than 0.05, the selected model was *the fixed effect model* (FEM). Then, the Hausman test was performed.

Hausman Test

The Hausman test was conducted to determine the more appropriate model between *the fixed effects model* (FEM) and *the random effects model* (REM). The results of the Hausman test are presented in the following table:

Table 5. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. df	Prob.
Random cross-section	27.842258	7	0.0002

Source: Eviews 12 output, processed 2025

Based on the Hausman test results in Table 5, a probability value of 0.0002 was obtained. Because this probability value is less than 0.05, the selected model is *the fixed effect model* (FEM).

Classical Assumption Test

Classical assumption tests essentially include normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests. In this study, the model selected based on the Hausman test is *the fixed effects model* (FEM) with the *Ordinary Least Squares* (OLS) approach.

Normality Test

The normality test aims to determine whether the residuals in a regression model have a normal distribution. In this study, the Jarque-Bera test was used. If the probability value is greater than 0.05, the residuals are considered normally distributed. The normality test can be seen in the following figure:

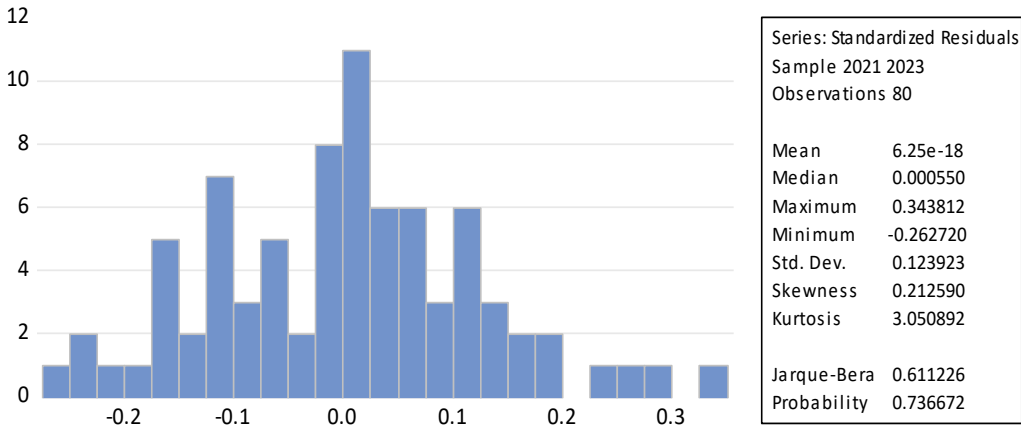

Figure 1. Normality Test Results
Source: Eviews 12 output, processed 2025

Based on Figure 1, the results of the normality test show a Jarque-Bera value of 0.611226 with a probability value of 0.736672. Therefore, it can be concluded that the model in this study is normally distributed, because the probability value of 0.736672 > 0.05.

Multicollinearity test

The multicollinearity test aims to determine whether there is a relationship or correlation between independent variables in a regression model. A regression model is considered good when there is no correlation or multicollinearity between the independent variables. To test for multicollinearity, the VIF *(variance inflation factor) value can be seen* , with the VIF value being less than 10. The results of the multicollinearity test are shown in the following table:

Table 6. Multicollinearity Test Results

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
X1	0.007085	26.06221	1.638180
X2	0.035288	46.00265	2.557861
X3	0.174933	18.86542	6.549125
Z	1.961828	35.32448	7.853987
X1_Z	1.02E-05	4.601536	2.735278
X2_Z	50.21924	12.62949	5.459097
X3_Z	1.639716	17.27451	9.569512
C	0.450188	86.95378	NA

Source: Eviews 12 output, processed 2025

Based on table 6, the results of the multicollinearity test show that *the Centered Variance Inflation Factors* (VIF) value for each variable is no more than 10. Therefore, it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroscedasticity test

The heteroscedasticity test aims to determine whether a regression model exhibits unequal variances between residuals from one observation to another. One way to determine the presence of heteroscedasticity in a multiple linear regression model is to use the Glesjer test. This test is performed by regressing the independent variable *against* the residuals in the regression model. If the probability value for each variable is greater than 0.05, it indicates no heteroscedasticity in the regression model, and vice versa. The results of the heteroscedasticity test are shown in the following table:

Table 7. Heteroscedasticity Test Results

F-statistic	0.880711Prob. F (7.72)	0.5261
Obs*R-squared	6.309705Chi-Square Prob. (7)	0.5041
Scaled explained SS	5.124597Chi-Square Prob. (7)	0.6448

Source: *eviews 12 output, processed 2025*

Based on table 7, the results of the heteroscedasticity test using the Glejser method show that the Chi-Square Prob. value (Obs*R-squared) of 0.5041 is greater than the significance level of 0.05, so it can be concluded that there is no heteroscedasticity in the regression model.

Panel Data Regression Analysis

The panel data model chosen was a *fixed effects model.* The equation used in this study is: *Moderate regression analysis* (MRA) was used to determine the effect of EPS, ROA, and DER on stock prices, while also testing whether dividend policy can moderate this relationship. The results of the panel data regression analysis are presented in the following table:

Table 8. Results of Panel Data Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.569455	1.058105	3.373442	0.0016
X1	0.538438	0.164815	3.266924	0.0022
X2	-0.395845	0.173030	-2.287729	0.0274
X3	-0.601566	0.241389	-2.492104	0.0168
Z	-1.314569	0.522348	-2.516651	0.0159
X1_Z	0.006983	0.003863	1.807787	0.0780
X2_Z	1.929438	4.465086	0.432117	0.6679
X3_Z	0.694619	0.473650	1.466526	0.1501

Source: Eviews 12 output, processed 2025

Based on the results of the panel data regression analysis in table 8, the regression equation formed is as follows:

Y = 3.56945529422 + 0.538438352853*X1 - 0.395844699993*X2 - 0.601565567606*X3 - 1.31456855481*Z + 0.0069833377466*X1_Z + 1.92943815945*X2_Z + 0.694619397897*X3_Z + e

Hypothesis Testing

T-test

The t-statistic test is used to determine the partial effect of each independent variable on the dependent variable. The decision-making criteria in the t-test are: if the probability value is <0.05, then the hypothesis is accepted, so the independent variable is declared to have an effect on the dependent variable . If the probability value is >0.05, then the hypothesis is rejected, so the independent variable is declared to have no effect on the dependent variable. The results of the t-test in this study can be seen in the following table:

Table 9. T-Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.569455	1.058105	3.373442	0.0016
X1	0.538438	0.164815	3.266924	0.0022
X2	-0.395845	0.173030	-2.287729	0.0274
X3	-0.601566	0.241389	-2.492104	0.0168
Z	-1.314569	0.522348	-2.516651	0.0159
X1_Z	0.006983	0.003863	1.807787	0.0780
X2_Z	1.929438	4.465086	0.432117	0.6679
X3_Z	0.694619	0.473650	1.466526	0.1501

Source: Eviews 12 output, processed 2025

Based on the results of the t-test, it shows that Earning Per Share (EPS) has a positive and significant effect on stock prices with a probability value of 0.0022 <0.05 and a coefficient of 0.538438. Return on Assets (ROA) has a negative and significant effect on stock prices with a probability value of 0.0274 <0.05 and a coefficient of -0.395845. In addition, Debt to Equity Ratio (DER) also has a negative and significant effect on stock prices with a probability value of 0.0168 <0.05 and a coefficient of -0.601566. Meanwhile, dividend policy is unable to moderate the effect of EPS, ROA, or DER on stock prices because each interaction variable has a probability value of 0.0780, 0.6679, and 0.1501 which is greater than 0.05. Thus, the first, second, and third hypotheses are accepted, while the fourth, fifth, and sixth hypotheses are rejected.

F test

The F-statistic test is used to determine the effect of independent variables simultaneously on the dependent variable with a significance level of 0.05. Decision making is based on the Prob (F-statistic) value, where if the probability value is <0.05, then the independent variables together have a significant effect on the dependent variable. Conversely, if the probability value is >0.05, then the independent variables simultaneously do not have a significant effect on the

dependent variable. The results of the F-test in this study are presented in the following table.

Table 10. F Test Results

R-squared	0.974595Mean dependent variable	6.502672
Adjusted R-squared	0.951048SD dependent var	0.777476
SE of regression	0.172017Akaike info criterion	-0.375898
Sum squared residual	1.213187Schwarz criterion	0.785339
Log likelihood	54.03594Hannan-Quinn criter.	0.089675
F-statistic	41.39024Durbin-Watson stat	3.286359
Prob(F-statistic)	0.000000	

Source: *Eviews 12 output, 2025*

Based on table 10, the F-statistic value is 41.39024 with a probability value of 0.000000. Since the probability value of 0.000000 <0.05, it can be concluded that the variables EPS, ROA, DER, Dividend Policy, as well as the interaction variables EPS_dividend policy, ROA_dividend policy and DER_dividend policy simultaneously have a significant effect on stock prices.

Test the coefficient of determination (R^2)

The coefficient of determination ($R2$) measures the model's ability to explain variations in the dependent variable. A small R2 value indicates that the independent variables' ability to explain the dependent variable is very limited. Conversely, if the R2 value approaches 1, the independent variables are considered to provide a strong explanation for the dependent variable. The R2 value is measured by observing the R Square value. The results of the coefficient of determination test are as follows:

Table 11. Results of Determination Test ($R2$)

R-squared	0.974595Mean dependent variable	6.502672
Adjusted R-squared	0.951048SD dependent var	0.777476
SE of regression	0.172017Akaike info criterion	-0.375898
Sum squared residual	1.213187Schwarz criterion	0.785339
Log likelihood	54.03594Hannan-Quinn criter.	0.089675
F-statistic	41.39024Durbin-Watson stat	3.286359
Prob (F-statistic)	0.000000	

Source: Eviews 12 output, processed 2025

Based on Table 11, the R-squared value is 0.974595 or 97.46%. This indicates that the variables EPS, ROA, DER, dividend policy, as well as the interaction variables EPS_dividend policy, ROA_dividend policy and DER_dividend policy are able to explain 97.46% of stock price variations, while the remaining 2.54% is explained by other variables not included in this research model.

Discussion

The Effect of EPS on Stock Prices

Based on the results of the first hypothesis test, the EPS variable obtained a probability value of 0.0022 < 0.05, with a positive coefficient value of 0.538438. This indicates that EPS has a positive and significant effect on stock prices in consumer goods companies listed on the Indonesia Stock Exchange for the 2021-2023 period, thus H1 is accepted.

These results indicate that the higher the EPS value, the more likely a company's share price will increase. This occurs because EPS reflects a company's ability to generate profits for each outstanding share. The higher the EPS, the greater the profits earned by investors, thus increasing investor interest in purchasing the company's shares. This increased demand for shares ultimately drives up the share price in the market. In accordance with *signaling theory,* information regarding high EPS provides a positive signal to investors regarding the company's good performance and promising future prospects. This positive signal encourages investors to invest, thus impacting the share price increase.

The results of this study align with those of Sundoro, Anggraini, and Pradiptya (Sundoro et al., 2023) , who found that EPS positively impacted stock prices of manufacturing companies listed on the IDX during the 2018–2021 period. Furthermore, research by Wijaya and Siswanti (Wijaya & Siswanti, 2023) demonstrated that EPS partially had a positive and significant impact on stock prices in the basic and chemical industry sub-sectors. These findings contradict Sarinni's research (Nurjaman et al., 2025) , which found that EPS had no significant impact on stock prices at PT. Bank Rakyat Indonesia Agroniaga Tbk.

The Effect of ROA on Stock Prices

Based on the results of the second hypothesis test, the ROA variable obtained a probability value of 0.0274 < 0.05, with a negative coefficient value of -0.395845. This indicates that ROA has a negative and significant effect on stock prices in consumer goods companies listed on the Indonesia Stock Exchange during the 2021-2023 period, thus H2 is accepted.

These results indicate that ROA significantly influences stock prices, but with a negative relationship. A negative coefficient indicates that each increase in ROA is accompanied by a decrease in stock prices. In theory, this result is contrary to general expectations, as ROA typically reflects a company's ability to generate profits from its assets. However, under certain conditions, increasing ROA is not always positively responded to by investors, for example, when profit increases are unsustainable, external factors are present, or investors consider other indicators more when making investment decisions. In accordance with *signaling theory,* information regarding increasing ROA without being accompanied by a perception of strong performance or stable prospects can send a negative signal to investors. This can reduce investor interest in the company's shares, resulting in a decline in share prices.

The results of this study are inconsistent with those of Sinurat et al. (Sinurat et al., 2025) , which found that ROA had a positive and significant effect on stock prices of banking companies on the IDX during the 2023–2024 period,

and those of Siahaan et al. (Siahaan et al., 2023) , which showed a positive and significant effect on stock prices. However, the negative direction of the relationship in this study may be due to the different characteristics of the sector and the research period, where the increase in ROA in consumer goods companies during the 2021–2023 period was not immediately responded positively by the market.

The Effect of DER on Stock Prices

Based on the results of the third hypothesis test, the DER variable obtained a probability value of 0.0168 < 0.05, with a negative coefficient value of -0.601566. This indicates that DER has a negative and significant effect on stock prices in consumer goods companies listed on the Indonesia Stock Exchange for the 2021-2023 period, thus H3 is accepted.

These results indicate that *the debt-to-equity ratio* significantly influences stock prices, with a negative relationship, indicating that the higher a company's debt level, the lower its stock price tends to be. This can occur because a high DER reflects a company's heavy reliance on debt, which can increase financial risk and the interest burden the company must bear. This higher risk makes investors more cautious when investing. In accordance with *signaling theory,* information about a high DER sends a negative signal to investors regarding the company's financial condition. This signal can reduce investor interest in purchasing shares, thus impacting the stock price in the market.

The results of this study align with those of Partomuan and Simamora (Febby Trinanda Partomuan & Simamora, 2021) , who found that DER had a partial effect on stock prices in construction sub-sector companies listed on the IDX Value 30 for the 2015–2019 period. Furthermore, research by Nurjaman, Suriani, and Chahyono (Nurjaman et al., 2025) also showed that DER negatively affected stock prices in banking sector companies on the IDX. These results differ from the findings of Zulkarnain, Azzahra, and Sjukun, who showed that DER had no significant effect on stock prices.

Dividend Policy Does Not Moderate the Effect of EPS on Stock Prices

Based on the results of the fourth hypothesis test, the interaction variable between EPS and dividend policy (X1_Z) obtained a probability value of 0.0780 > 0.05, so it can be concluded that dividend policy is not able to moderate the effect of EPS on stock prices in consumer goods sector companies listed on the Indonesia Stock Exchange for the 2021-2023 period, so H4 is rejected.

These results indicate that dividend policy is unable to moderate the effect of *earnings per share* (EPS) on stock prices. This suggests that a company's high or low dividend policy neither strengthens nor weakens the relationship between EPS and stock prices. According to *signaling theory,* dividend policy should provide an additional signal to investors. However, in this study, this signal was not strong enough to influence the relationship between EPS and stock prices. Therefore, dividend policy was not proven to be a moderating variable in the effect of EPS on stock prices.

The results of this study align with those of Napisah and Soeparyono (Napisah & Deia Soeparyono, 2023), who examined dividend policy as a

moderating variable in LQ45 companies listed on the IDX for the 2017–2021 period. They found that dividend policy failed to strengthen the relationship between EPS and stock prices . This suggests that investors tend to respond directly to EPS without considering its interaction with dividend policy when making investment decisions.

Dividend Policy Does Not Moderate the Effect of ROA on Stock Prices

Based on the results of the fifth hypothesis test, the interaction variable between ROA and dividend policy (X2_Z) obtained a probability value of 0.6679 > 0.05, so it can be concluded that dividend policy is not able to moderate the effect of ROA on stock prices in consumer goods sector companies listed on the Indonesia Stock Exchange for the 2021-2023 period, so H5 is rejected.

These results indicate that even though the company has a high level of profitability (ROA) balanced by a dividend policy, this has not been able to exert a stronger influence on stock prices. ROA reflects a company's ability to generate profits, while dividend policy indicates the distribution of profits to shareholders. However, in this study, dividend policy was unable to moderate the effect of ROA on stock prices. This indicates that a high or low dividend policy does not strengthen or weaken the relationship between ROA and stock prices. In accordance with *signaling theory,* the signal from dividend policy is not strong enough to influence investor response to company profitability information.

The results of this study are not in line with the research of Kholifatur Ramadhani , Lita Permata Sari, and Ida (Ramadhani et al., 2022) which found that dividend policy moderated the relationship between ROA and stock prices in LQ45 companies in the 2017–2021 period. This difference may be due to differences in sectors and research periods. For the consumer goods companies sampled in the 2021–2023 period, dividend policy signals were not strong enough to strengthen investor responses to profitability information reflected in ROA.

Dividend Policy Does Not Moderate the Effect of DER on Stock Prices

Based on the results of the fifth hypothesis test, the interaction variable between DER and dividend policy (X3_Z) obtained a probability value of 0.1501 > 0.05, so it can be concluded that dividend policy is not able to moderate the effect of DER on stock prices in consumer goods sector companies listed on the Indonesia Stock Exchange for the 2021-2023 period, so H6 is rejected.

These results indicate that even though a company has a high *Debt-to-Equity Ratio* (DER) balanced by a dividend policy, it is unable to exert a stronger influence on stock prices. DER reflects the company's level of debt utilization, while dividend policy indicates the distribution of profits to shareholders. However, in this study, dividend policy was unable to moderate the effect of DER on stock prices. This indicates that a high or low dividend policy cannot strengthen or weaken the relationship between DER and stock prices. In accordance with *signaling theory,* the signal from dividend policy is not strong enough to influence investor response to debt structure information.

The results of this study align with those of Wirdayeni, Elfiswandi, and Pratiwi (Wirdayeni et al., 2024) , who examined dividend policy as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2018–2022 period. They found that dividend policy failed to significantly strengthen the relationship between leverage (DER) and stock prices. This is because when a company has a high debt level, investors tend not to consider dividend policy as a factor that can alter their perception of the company's leverage risk.

CONCLUSIONS

Based on the results of the analysis and discussion of the research, it can be concluded that Earning Per Share (EPS) has a positive and significant effect on stock prices with a probability value of 0.0022 <0.05 and a coefficient of 0.538438. Return on Assets (ROA) has a negative and significant effect on stock prices with a probability value of 0.0274 <0.05 and a coefficient of -0.395845. In addition, Debt to Equity Ratio (DER) also has a negative and significant effect on stock prices with a probability value of 0.0168 <0.05 and a coefficient of -0.601566. Meanwhile, dividend policy is unable to moderate the effect of EPS, ROA, or DER on stock prices because each interaction variable has a probability value of 0.0780, 0.6679, and 0.1501 which is greater than 0.05. Thus, the first, second, and third hypotheses are accepted, while the fourth, fifth, and sixth hypotheses are rejected.

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