

ABSTRACT

The telecommunications industry is believed to have a brilliant prospect amid a digital-based industry presence. The telecommunications industry in the country is projected to have an average growth of 11-12% in 2017, both in terms of market and income. Growth that has doubled from gross domestic product (GDP) will be supported by several things, including the widespread 4G handset penetration, soaring internet penetration, and the trend of data usage for increasingly aggressive internet activities.

This study aims to determine the effect of EPS, ROA, ROE, and TATO on the Share Price of Telecommunications sub-sector companies both simultaneously and partially. This study uses two types of variables, namely the independent variable consists of financial ratios EPS, ROA, ROE, and TATO and the dependent variable is the Stock Price.

The population of this research is the telecommunications sub-sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2008-2017 using purposive sampling technique for sampling and obtained as many as 5 companies that consistently publish financial statements in full. The model of analysis in this study is multiple linear regression analysis using SPSS version 25 software.

The results of this study indicate that the EPS, ROA, ROE, and TATO variables simultaneously influence the Stock Price. Partially EPS, ROA, and ROE have no significant effect on stock prices. And the TATO variable has a significant influence on the Stock Price.

Based on the results of this study, investor participation wants to invest in the telecommunications sub-sector, so investors need to pay attention to the Total Asset Turnover (TATO) that is obtained because it supports a positive share price. In running its business, the company needs to pay attention to TATO. The higher the TATO ratio shows the good management to manage its assets so that it earns profit. High profits will attract investors to buy shares in the company.

Keywords: Stock Price, Earning Per Share (EPS), Return on Asset (ROA), Return on Equity (ROE), Total Asset Turnover (TATO)