

ABSTRACT

Company performance is one of the considerations for potential investors before making investment decisions, because the higher the value of a company, the higher its share price. This study aims to analyze the effect of ROA, ROE, and NPM on stock prices.

A positive ROA indicates that of the total assets used to operate. ROE shows the efficient use of own capital, the higher this ratio, the better. The higher the NPM, the more productive and efficient the company's performance will be in reducing costs to increase profits from sales.

The population of this study consists of Telecommunications Sub-Sector Companies listed on the Indonesia Stock Exchange from 2018 to 2022. Purposive Sampling is a technique for deciding research samples, 11 companies were obtained with the 2018-2022 period so there were 55 samples. The data analysis method in this study was panel data regression analysis using Eviews software version 12.

Result of this study indicate that ROA, ROE, and NPM simultaneously show a 16% effect on stock prices and partially ROA, ROE, and NPM are significant factors that influence stock prices. The implication is that a company that has a rate of return on assets, a rate of return through capital and liability management, and a high level of income contributes to an increase in profits thereby increasing stock prices.

Suggestions for further research are to be able to add and test several other variables that are thought to affect stock prices such as Financial Value Added (FVA), Market Value Added (MVA), Economic Value Added (EVA), and other variables. Further research can also add years to the object of research or use other sectors besides the banking sector such as the retail, transportation, or other sectors.

Keyword: Stock Price, ROA, ROE, NPM