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Profitability, Dividend of Payout Ratio and Growth Net Cash Flow on Stock Return

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Abstract

Return is the return or profit desired by investors in investing. In order for the investment to be carried out in accordance with expectations, investors need to analyze the financial ratios in the financial statements. In this study the ratios used are Return On Asset, Dividend Payout Ratio and net cash flow growth. The purpose of this study was to determine how the effect of Return On Assets, Dividend Payout Ratio and net cash flow growth on stock returns in LQ-45 companies on the Indonesia Stock Exchange in the 2017-2019 period. The number of samples included in the criteria was 36 companies with purposive sampling technique. The data used is secondary data in the form of annual financial reports obtained from the website www.idx.co.id. Data processing uses Eviews 11 with panel data regression model. The results showed that the Return on Assets and Dividend Payout Ratio had an effect on stock returns, while the Growth Net Cash Flow had no effect on stock returns.

Keywords: *profitability, dividend payout ratio, growth net cash flow, stock returns.*

1. Introduction

The rapid economic development in Indonesia requires companies to maximize their resources to be able to run their company operations optimally, to be able to generate maximum profits. Companies are required to be able to compete in the current economic situation in their respective sectors. For the company to survive in facing this competition, capital has an important role in the company's survival.

Sources of company capital can be obtained from various sources. Sources of capital can come from internal companies and external companies. Capital that comes from internal is capital that is generated from every activity carried out by the company such as retained earnings and the accumulated depreciation. Meanwhile, external capital is capital that comes from interconnected external parties such as banks, cooperatives, creditors, suppliers, and the capital market (Riyanto 2002). The capital market is one way of obtaining a source of company capital where there are meetings or transactions between investors (owners of capital) and issuers or borrowers (Tandelilin, 2010).

Investing in the capital market has a very high risk, the investor will get a profit if the company where the investor makes a profit, and vice versa if the company where the investment suffers a loss, the investor will lose. Therefore, to obtain information on the companies where investors invest, financial statements are needed as data to be analyzed in making investment decisions. One thing that investors can pay attention to is how the company's stock returns are performing, which can be seen from the company's financial statements (Alexander: 2013).

According to Home and Wachoviz (1998: 26), share returns are returns as benefits associated with the owner including last year's cash dividends paid, along with an appreciation of market costs or additional capital gains are realized at the end of the year.

Stock return is the expectation of investors from funds invested in stocks, where the results are in the form of yield and capital gain (loss) (Hartono, 2010: 198). Stock return is the level of return enjoyed by investors on their investment (Ang: 2007). The difference in the current investment price is higher than the previous period, there will be a capital gain, otherwise, there will be a capital loss. Current income and capital gains are elements of stock returns (Halim: 2005). Current income is a periodic benefit such as dividends (Widodo: 2007).

The stock returns received always fluctuate every year because the company and the economy are not always stable. Therefore, the financial statements of company performance, in the form of analysis using financial ratios contained in the financial statements, can provide information for investors, so that the aim of investors to get a high return on their investment can be achieved.

As is the case, not a few companies' stock returns have decreased or have negative returns. On February 9, 2019, several companies in the LQ-45 index experienced a decline of more than 5%, which caused a decrease in the Jakarta Composite Index (JCI) to decrease by 0.23%. One of them is the return of PT Adaro Energy (ADRO), which experienced the highest return decline among the LQ-45 index, which was down 6.12%. Under ADRO, there were shares of Medco Energi (MEDC) which decreased by 5.45%, Erajaya Swasembada (ERAA) fell by 4.37%, and Indika Energy (INDY) which fell 3.76% (https://www.cnbcindonesia.com).

The decline in stock returns can be caused by various factors. Factors that can affect stock returns, both fundamental and technical information include profitability, Dividend Payout Ratio (DPR), and Net Cash Flow (Sudiyatno and Irsad: 2011).

Profitability is a calculation of the ability of a company to use its assets to generate profit in that period productively in its activities so that profitability can be determined by looking at the profit earned compared to the total assets of the company. When profitability increases, the stock price will increase as well as the stock returns that are obtained also get bigger (Munawir: 2014).

The dividend payout ratio is a ratio that shows the percentage of dividends that investors will receive from their investment returns, the dividend payout ratio calculation can be done by comparing dividends per share with earnings per share (Ang: 2007). Companies with a high dividend payout ratio will attract the attention of investors to buy company shares so that the company's stock price rises and affect positive stock returns (Amarjit: 2010).

Growth Net cash flow or growth in net cash flow is cash inflows and outflows originating from investing, operating, and financing activities. This net cash flow is obtained from income from Operating Cash Flow reduced by Funding Cash Flow and Investment Cash Flow to obtain a Net Cash Flow flow (Syafri: 2004).

This research is motivated by (Ade Affinanda: 2015) saying that there is a positive influence between return on assets on company stock returns and Cerlienia Juwita (2013) states that ROA has a partially significant effect on stock returns. Furthermore, Aldo Carlo (2014). states that dividend payout has a significant effect on stock returns. Rihfenti Ernayani, C Prihandoyo, Abdiannur said that cash flow has a simultaneous effect on stock returns. Shinta Ayu and Arief Yulianto (2015) changes in cash flow have no partial or simultaneous effect on stock returns.

Based on this background, the researcher is interested in research to test how the effect of profitability on stock returns, the dividend payout ratio on stock returns, and net cash flow on stock returns.

2. LITERATURE REVIEW

Signaling Theory

Signaling theory, where the company provides a signal to users of financial statements, this signal provides information that is carried out by management to realize the wishes of the company owner. The signal itself can be in the form of promotion or other information that states the company is better than other companies. Managers provide information through financial reports where management applies conservatism accounting policies to prevent the company from taking action to increase profits and to help users of financial reports to present earnings and assets not overstated (too high) (Jama'an, 2008).
Stock Return is related to Signaling Theory. Signaling Theory provides an overview, information, and notes in the past and present that are presented in the form of financial statements. This information is very useful and beneficial for investors and all business stakeholders. The theory related to Stock Returns is the Signaling theory which the market responds to. The information to be used as an analysis tool must be accurate, relevant, and complete so that it supports investment decisions in the capital market. The information released will tell investors what decisions to make. If the information is positive, it is hoped that the market will respond well (Jogiyanto, 2000: 392).

Stock returns
Return is the result obtained from an investment. Meanwhile, shares are proof of ownership of the assets of the company that issued shares. By owning shares in a company, investors will have the right to the company's income and assets, after deducting the payment of all company obligations (Fahmi, 2011).
Stock return is the profit obtained based on the investor's share ownership of the investment, which consists of dividends and capital gain/loss. By owning shares in a company, investors have the right to income and wealth in that company (Corrado and Jodan, 2000; 5). Investors will always expect a high stock return, the higher the stock price in a company, it will have an impact on the higher the rate of return or the level of profit that investors will get.

Profitability on Stock Return
Profitability is defined as a measure of how much profit is obtained from share capital, sales level, and assets or wealth owned by the company. Profitability measures how much net profit is obtained from all assets owned and invested in a company (Bringham and Houston: 2009). High profitability is a measure of the success of a company in obtaining profits and also as an indicator that shows the good performance of the company. In this study, researchers used Return On Assets (ROA) as an indicator of profitability.
The profitability of a company in measuring the ability to generate profits can use Gross Profit Margin (GPM), Net Profit Margin (NPM), Return On Asset (ROA), and Return On Equity (ROE) (Harmono: 2011). Proxy profitability using Return on Assets (ROA) is a financial ratio that is used to measure the ability or returns of a company is utilizing its assets to gain profit (Kasmir: 2014).
Return On Asset (ROA) is a measure of how much net income is obtained from all assets (assets) owned by the company. When ROA increases, the performance of a company will be better and will have an impact on the company's stock price also increasing. With the increase in Return on Assets, it shows that the performance is getting better so that it can provide profits for the company and will later invite investors to buy shares. And vice versa when the Return on Assets decreases, the company gets a loss, which later investors will not see the company's shares and of course the stock price will be low, if the stock price is low it will affect the stock returns that the company receives will also be low (Acep Edison: 2019).

Research conducted by Ariyanti and Mawardi (2016) states that ROA has a positive effect on stock returns, but in research conducted by Lilis Purnamasari (2016) says the opposite is where Return On Assets does no effect on stock returns.
H1: Profitability effect on Stock Return.

Dividend Payout Ratio on Stock Return

Dividend Payout Ratio (DPR) is the company's ability to pay or realize dividends that come from net income and are paid to shareholders. The dividend ratio in this study uses the Dividend Payout Ratio (Wira, 2012). Dividend Payout Ratio is a percentage of income that will be paid to investors as cash dividends (Riyanto: 1995).
The theory of bird in the hand is one of the theories in dividend policy. This theory was developed by Myron Gordon (1956) and John Liner (1962) which states that investors prefer cash dividends than promised returns on investment because receiving cash dividends is a form of certainty that will reduce risk. Investors do not want to invest in a company if it receives dividends over a long period. Investors will be more willing to pay dividends at this point.
Current dividend payments occur because there is an assumption that getting dividends today has less risk than getting capital gains in the future. Capital gains can provide high returns compared to current dividends, in addition to the risk of uncertainty about the company's future cash flows (Atmaja: 2008)
The amount of dividend payout paid to investors will increase the funds invested by investors which will increase in company returns so that they can get better profits. This is by the thoughts put forward by Brav et al in 2003 which said that if the Dividend Payout Ratio will increase the share price because investors have certainty about dividend distribution from the investment they make, this will increase the demand or interest in buying the company's shares and will increase return the company's stock.
Research conducted by Binsar Sihombing (Mufti Ariani: 2017) Dividend Payout Ratio has a significant positive effect on stock returns. In line with research conducted by Aldo Carlo (2014) which states that the dividend payout ratio affects stock returns.
H2: Dividend Payout Ratio Affects Stock Return

Net Cash Flow Growth on Stock Return

The financial statements consist of statements of financial position, profit/loss statements, changes in equity, cash flow statements, and notes to financial statements. A cash flow statement is a financial report that provides information about cash receipts and disbursements of a company during a period (PSAK 1: 2016). What is presented in the cash flow statement includes the amount of cash received, such as cash income and cash investments from owners as well as the amount of cash disbursed by the company, such as expenses to be incurred, debt payments, and taking prives. Cash flow is a flow that can be classified into three activities, namely operating activities, investing activities, and financing activities.
Cash flow from operating activities is always associated with net income which will be assessed from the annual profit growth. Operating cash flow affects net income when operating cash flow in the accounting period is positive or has a positive value, if the cash flow is positive, the net profit to be received will also increase because the company gets additional cash from these operating activities. According to Subramanyam and Wild (2008: 104).
Cash flows from investing activities represent cash flows from transactions that affect investments in fixed assets and the proceeds from other investments. the main investment

activity is at the time of buying and selling land, building equipment, and assets that cannot be bought and resold. Investment activities also include buying and selling of non-tradable financials such as giving and collecting loans and investing activities, namely the acquisition and disposal of long-term assets and investments not included in cash equivalents (Syakur: 2009).

Funding activities are activities that result in changes in the composition of the company's capital and loans. Then the disclosure of cash flows arises based on transactions that are useful for predicting claims on future cash flows by investors (Syakur: 2009).

Net cash flow is the cash flow available to companies and investors from the results of operations after deducting investment and funding, net cash flow is an important indicator to see the company's performance. Where high or large net cash flow can support the company's operational activities in the future and welfare investors with guaranteed dividend distribution after the company has invested in other assets (Penman, 2001).

Net cash flow is cash generated by the company in one period, which is the difference between revenue and expenditure made during the company's operational activities. This net cash flow can be distributed by the company to investors if the company has carried out various investment activities in the company's fixed assets and working capital (Brigham and Houston: 2012).

Companies that have high operating activities will generate cash flow values from large operating activities so that they will provide a high level of sales for the company and are expected to be able to provide profits and a high stock return rate. While cash flow from investing and financing activities is large, the company prioritizes paying long-term debt and investment so that investors will assess that the stock returns that occur will be small.

Changes in cash flow are used by investors for making investment decisions that are reflected in the stock returns that will be obtained. Changes in cash flows involve operating cash flows, investing cash flows, and funding cash flows, with a small change in cash flow, even negative or minus, which will give a small impact on stock returns. Research conducted by Anif Sarifudin (2016) and Nurcahyati (2017) states that simultaneously net cash flow affects stock returns.

H3: Net Cash Flow affects the Stock Return

3. Methodology

This research is explanatory research. Explanatory research is research that aims to find out how and why this phenomenon can occur. So that it will get clarity of phenomena that occur empirically and try to find answers to the causal relationship between variables through hypothesis testing (Nuryaman and Veronica 2015).

The research objects used were companies that were included in the LQ-45 listed during the 2017-2019 period. This study uses secondary data sourced from the company's annual report LQ-45 which can be accessed at www.idx.co.id.

Sampling was carried out by purposive sampling, which is sampling according to predetermined criteria and can describe the specific population used in the study (Acep Edison, 2018). Companies that meet the criteria of companies that always enter LQ-45 during the 2017-2019 period, companies that always pay dividends during the 2017-2019 period, companies publish their financial reports every year, and companies that do not suffer losses during the 2017-2019 period. The population of the company was 45, then carried out purposive sampling with criteria at the top, m aka the number of companies that meet the criteria are as many as 37 during the three -year period of observation and the total observation of as many as 111 samples.

The dependent variable is a variable that is considered a problem carried out in research and the independent variable is a variable that can affect the independent variable where when changes in the value of the independent variable can cause changes in the variance of the dependent value Nuryaman and Veronica (2015: 43). The study is the variable dependent i.e. stock return variable and independent in the study is that Profitability, Dividend Payout Ratio, and Net Cash Flow.

Table 1. Measurement Variable

Variable	Symbol	Indicator
Stock Return	RS	$R_{it} = \frac{P_t - P_{t-1}}{P_{t-1}}$
Profitabilities	ROA	$\frac{net\ profit\ after\ tax}{total\ asset}\ x\ 100$
Dividend Payout Ratio	DPR	$\frac{dividen\ per\ shar}{earning\ per\ share}$
Net Cash Flow	NCF	$\frac{AK\ -AK\ (t-1)}{AK\ (T-1)}\ x\ 100$

Source: (Jogiyanto, 2003), Tandelilin (2010)

The test method uses the Classical Assumption Test, Multiple Linear Regression Test, and t-test using Eviews Software. The regression equation for this study uses multiple regression with the concept:

$$Stock\ Return = \alpha + \beta_1 ROA + \beta_2 DPR + \beta_3 NCF + e$$

4. Results and Discussion

4.1 Results

Table 2. Return on Asset

	2017	2018	2019
Mean	8,96	9,46	4,10
Min	0,45	0,92	0,42
Max	37.05	46.66	16.94

Source: processed in 2020

Value profitability that proxied use Return on Assets. The ROA value obtained during the observation period resulted in the company with the highest Return On Asset (ROA) rate from the sample taken as many as 36 companies on the LQ-45 Index listed on the Indonesia Stock Exchange with the value of Return On Asset is UNVR with a ratio value of 37.05% in 2017, in 2018 it was 46.66% and in 2019 it was 16%. while the lowest Return On Asset in 2017 was ANTM company with a value of 0.45%. In 2018, there was a BBTN company with a value of 0.92% and in 2019 the company with the lowest ROA was BBTN company with a value of 0.42%. the average value of each company is fluctuating.

Table 3. Dividend Payout Ratio

	2017	2018	2019
Mean	0,45	0,45	0,49
Min	0.10	0.04	0.05

Max	1.00	1.38	1.76

Source: processed in 2020

Based on the data contained in the table can be seen the average Dividend Payout Ratio (DPR) in the observation that from 2017 to 2019 the company the experience fluctuation, except company ASII, BBTN, ANTM, ICBP, INDF, I NDY, SMGR for companies that apply Dividend Payout Ratio policy is the same for each company every year.
In the year 2017, the company that has the level of Dividend Payout Ratio (DPR) is the highest obtained by company ITMG to value ratio of 1:00. While, companies with DPR lowest in the year 2017 is the company INKP to value ratio of 0.10. In the year 2018, the Company had levels of Dividend Payout Ratio (DPR), the highest earned by the company INTP to value ratio of 1:38. While companies with DPR lowest in the year 2018 is the company TKIM to value ratio of 0:04. In the year 2019, the company has a rate of Dividend Payout Ratio (DPR), the highest earned by the company INTP to value ratio of 1.76. While, companies with DPR lowest in the year 2019 is the company SRIL to value ratio of 0:05.

Table 4. Net Cash Flow

	2017	018	2019
Mean	-1,05	-4,49	2,52
Min	-25.28	-89.09	-8.98
Max	9.50	6.55	66.51

Source: processed in 2020

The net cash flow growth of almost all companies in the observed year had negative growth. In the year 2017, the company with growing flows of cash Highest owned by the company INKP with growing flows of cash by 9:50. While for companies with growing flows of cash lows owned by the company INDY with growing flows of cash -25.28. In 2018, the company with the highest cash flow growth was owned by the UNVR company with a cash flow growth of 6.55. While for companies with growing flows of cash lows owned by the company BMRI with growing flows of cash -89.09. In 2019, the company with the highest cash flow growth was owned by the ITMG company with a cash flow growth of 66.51. While, for companies with growing flows of cash lows owned by the company BMRI with growing flows of cash -8.98.

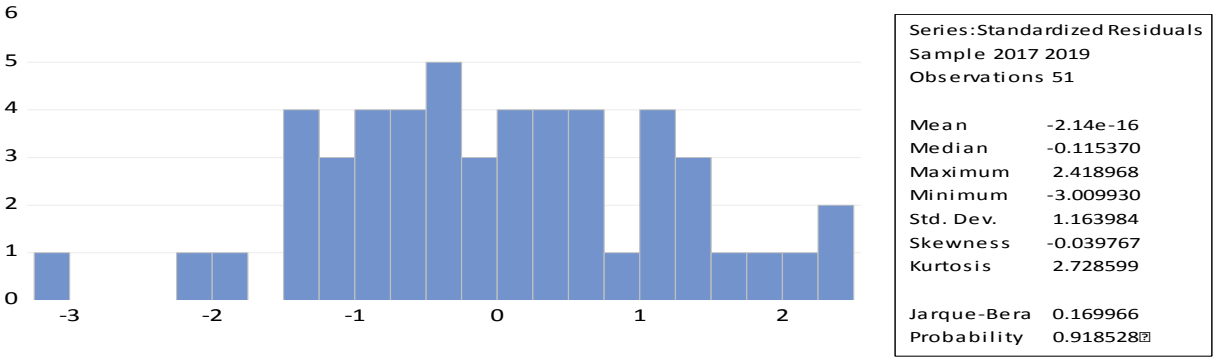

Figure 1. Normality Test
Source: processed 2020

The results of the normality test show the probability value of 0.918528 and greater than 0.05, it can be concluded that the data is normally distributed.

Table 5. Multicolinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
ROA	0.000103	2.407159	1.253713
PAYOUT	0.066234	4.112632	1.257096
PERUBAHAN_KAS	3.07E-05	1.009202	1.003024
C	0.016920	3.370766	NA
F-statistic	1.144259	Prob. F(2,102)	0.3225
Obs*R-squared	2.369962	Prob. Chi-Square(2)	0.3058

Source: processed 2020

The ROA multicorelity test results in 1.253713, Dividend Payout Ratio of 1.257096, and Net Cash Flow of 1.003024, all of which show less than 10 so there is no correlation symptom. While, autocorrelation test using Breusch-Godfrey showed the value of F at 0.3225 or > 0.05 and it can be concluded free from symptoms autocorrelation.

Table 6. Heteroscedasticity test

F-statistic	1.001904	Prob. F(9,98)	0.4438
Obs*R-squared	9.099953	Prob. Chi-Square(9)	0.4281
Scaled explained SS	69.54702	Prob. Chi-Square(9)	0.0000

Source: processed 2020

The heteroscedasticity test using methods white show the value of the probability of 0.4438 or greater than 0.05, it can be concluded free from symptoms Heteroscedasticity.

4.2 Regression Model

Table 7. Regression Test (CEM)

variable	Coefficient	Std. error	t- statistic	Prob.
ROA	0.068663	0.025093	2.736288	0.0087
DPR	-2.572450	0.597877	-4.302641	0.0001
NCF	-0.017616	0.025778	-0.683370	0.4977
C	-0.828969	0.306285	-2.706523	0.0094

Root MSE	1.152516	R-squared	0.301092
Mean dependent var	-1.459315	Adjusted R-squared	0.256481
S.D. dependent var	1.392314	S.E. of regression	1.200558
Akaike info criterion	3.278634	Sum squared resid	67.74294
Schwarz criterion	3.430150	Log likelihood	79.60518
Hannan-Quinn criter.	3.336533	F-statistic	6.749270
Durbin-Watson stat	2.189199	Prob(F-statistic)	0.000704

Source: processed 2020

Results of the test of regression can be described model of multiple regression at the bottom of this:

$$\text{Stock Return} = -0.828969 + 0.068663\ \text{ROA} - 2.572450\ \text{DPR} - 0.017616\ \text{NCF}$$

In the illustrative model of regression showed variable independently is 0 (zero), then the growth of profit amounted to 0.828969At the Adjusted R-Squared value which has been corrected by means of a standard error. The adjusted R-Square value is 0.256481. while the value of the standard model of regression is at 1.200558 shown in the table "SE of regression". The value is much smaller compared with the value of the primary dependent variable is the value of 1.392314 which can be interpreted as a model of regression that is valid at the model of predictors. In the test of the coefficient of determination that has seen shows total ROA, Parliament, and the NCF in the interpreting stock return is at 25.64%, while the remaining 74.36 interpreted by factors another factor other that is not applied in the study of this.

Table 8. Test Result (t-test)

Variable	Prob.	Results
ROA	0.0087	H1 is accepted, there is an influence between ROA and Stock Return.
DPR	0.0001	H2 is accepted, there is an influence between the DPR and the Stock Return.
NCF	0.4977	H3 is rejected, there is no influence between NCF and Stock Return.

Results Test F shows the value of Statistics Prob. F of 0.0087 is smaller than <0.05 which indicates that ROA affects significantly to stock Return, then the value of Statistics Prob. F at 0.0001 which is shown on the variable DPR is smaller than <0.05 which shows that the Parliament affect significantly on Stock Return.

4.3 Discussion

Effect of Return On Assets on Stock Returns

Based on the test results that have been done on the profitability variable indicates a value of 0.0087> 0.05 with value t arithmetic amounted to 2.736288 bigger than the t table with a value of 1.65950 that could otherwise affect the profitability of stock returns.

The success in finding the income that the company receives from the use of its assets will affect the interest of investors in buying company shares so that the share price will increase. With the increase in the company's stock price, the return that the company receives from these shares will also increase (Munawir: 2014). Income will have an impact on increasing or decreasing profitability. Profitability during the observation period decreased so that stock returns also fell. It can be seen that changes in profitability that occur can affect stock returns.

The results of this study are in line with the research conducted by Ariyanti and Mawardi who said that the return on assets affects stock returns. Likewise, research by Ade Afiananda (2015) states that return on assets affects stock returns.

Effect of Dividend Payout Ratio on Stock Returns

The test results of this study Dividend Payout Ratio has a probability value of 0.0001 or less than 0.05 with t count 4.302641 greater of the t table 1.65950 and it can be concluded if the Dividend Payout Ratio Effect Against stock return.

The company has a good or high Dividend Payout Ratio; it will attract the attention of investors to purchase shares of the company because investors have certainty about the reciprocity of their investment. With an increase in share purchases, it will have an impact on the return that the company receives from its shares (Breve: 2014).

In line with the profitability achieved by the company has decreased, the Dividend Payout Ratio has decreased. During the observation period of 2017-2019, the Dividend Payout Ratio

has decreased and this has an impact on declining hospitals. Then it can be seen that changes in the Dividend Payout Ratio will affect changes in Stock Returns.
Research conducted by Mufti Ariani (2017) and Aldo Carlo (2014) said similar things that the Dividend Payout Ratio has an effect on company stock returns.

Effect of Net Cash Flow Growth on Stock Returns

The probability value of Net Cash Flow in this study is 0.4977> 0.05 and the value of t count <t table, namely. With a value of t count, 0.683370 and t table 1.65950 and a probability greater than 0.05 indicates that the growth of Net Cash Flow has no effect on the company's stock returns.
A decrease in the net cash flow a company gets can occur because the company increases the amount of investment the company makes. With the increase in company investment, it will increase the confidence of investors to buy company shares with the consideration that the increase in investment will increase the gain obtained by investors, with the interest of investors in buying company shares, the return on shares received by the company will also increase (Evi: 2012).
The growth in net cash flows that occurred during the observation period decreased. This indicates a concern about the company's inability to pay dividends to investors, so that investors are less interested in buying shares of the company, thus impacting stock returns. However, in conditions of increasing cash flow growth, companies may use idle cash to invest, so that even though the Net Cash Flow condition is good, investors do not want to buy shares so that the Stock Returns has decreased.
The results of this study contradict research conducted by Anif Sarifudin (2016) and Nurcahyati (2017) which states that changes in net cash flow affect stock returns. However, this research is also in line with research by Shinta Ayu (2015) which states that cash flow affects stock returns. in net cash flows that occurred during the observation period decreased. This indicates a concern about the company's inability to pay dividends to investors, so that investors are less interested in buying shares of the company, thus impacting stock returns. However, in conditions of increasing cash flow growth, companies may use idle cash to invest, so that even though the Net Cash Flow condition is good, investors do not want to buy shares so that the Stock Returns has decreased.
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5. Conclusion

During the 2017-2017 observation period, profitability, Dividend Payout Ratio, Net Cash Flow, and Stock Returns decreased. The results of research that have been carried out through statistical testing, it can be concluded that profitability and dividend payout ratio affect stock returns, while net cash flow does not affect stock returns. The amount of the contribution of the profitability variable, Dividend Payout Ratio and Net Cash Flow to Stock Returns is 30.1%, while the remaining 69.9% is another factor that the authors did not examine in this study.
For investors or potential investors before investing, it is better if you do an analysis first of the ratios that show the company's performance, especially ROA and DPR because according to the research conducted, these two variables affect stock returns. Companies must pay attention to financial ratios which will be used as consideration for investors. The more investors who invest in the company by buying the company's shares will have an impact on

the increase in the company's stock price so that the stock return to be received will also increase.

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