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Analysis of Profitability Ratios on Stock Returns in Healthcare Service Providers on IDX (2020–2024)

Rendy Septyadi, Diana Sari
Universitas Widyatama, Indonesia
Email: rendy.septyadi@widyatama.ac.id, diana.sari@widyatama.ac.id

Abstract.
This study aims to analyze the influence of Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Earnings per Share (EPS) on stock returns in healthcare service provider companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. A quantitative approach with multiple linear regression methods was employed. The sample consists of seven healthcare companies selected using purposive sampling criteria, including consistent publication of audited annual financial reports and accessible stock return data. Classical assumption tests were conducted to ensure model validity, followed by t-tests, F-tests, and the coefficient of determination (R^2) to examine the partial and simultaneous effects of the independent variables on stock returns. The results show that Return on Assets (ROA) and Earnings per Share (EPS) have a positive and significant impact on stock returns, indicating that asset utilization efficiency and earnings potential per share are key considerations for investors. In contrast, Return on Equity (ROE) and Net Profit Margin (NPM) do not exhibit significant effects, suggesting that capital effectiveness and operational efficiency have not been fully appreciated by the market in this sector. These findings suggest that the Indonesian stock market is not yet fully efficient in the semi-strong form and provide theoretical support for the application of signaling theory and market efficiency theory in the healthcare sector.

Keywords: Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Earning Per Share (EPS), Stocks Return.

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INTRODUCTION

Investing in capital markets remains a key strategy for wealth management amid global pressures such as trade wars, inflation, and post-COVID-19 pandemic disruptions, thanks to its competitive yield potential and ability to reflect the company's economic value. In Indonesia, digital transformation and increasing financial literacy are driving a surge in the number of investors, from around 1 million in 2018 to more than 11 million in 2024 (Indonesian Central Securities Depositodian, 2024), reflecting a shift in people's financial culture towards investing in productive assets.

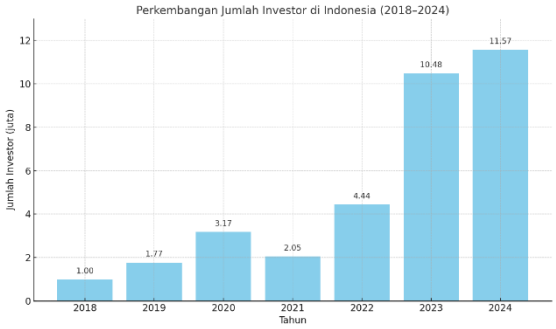

Figure 1. Development of the Number of Investors in Indonesia

Stock return is the main indicator in assessing investment effectiveness because it reflects the growth of stock value, consisting of capital gains and dividends (Tandelilin, 2017), and is a projection of the market's reaction to new information (Fama, 1970). In decision-making, investors consider the relationship between returns and risks (risk-return tradeoff), including volatility, macroeconomics, and regulatory factors (Brigham & Houston, 2016). Therefore, understanding fundamental indicators such as ROA, ROE, NPM, and EPS is crucial in developing an optimal investment strategy (Irnawati & Hasanah, 2025).

Previous research has shown that the influence of financial indicators on stock returns is sectoral and contextual. Nugraheni and Sunarsih (2025) found that ROA and ROE are significant in the energy sector, while Samalam & Mangantar (2018) observed the same in the insurance sector. Other research by Wijayanto and Pangestu (2020), Dawam et al. (2021), Nenobais & Niha (2022), and Gunadi et al. (2020) shows that ROA, ROE, EPS, and NPM remain relevant in predicting returns in various sectors. The healthcare sector that was hit hard by the pandemic experienced a surge in demand, digitalization, and increased investment, making it interesting to study in particular. However, macroeconomic factors such as inflation and interest rates also moderate the relationship between financial performance and stock returns (Sidiq et al., 2024), but specific studies of this sector in Indonesia are still limited.

Based on this urgency, this study aims to analyze the influence of ROA, ROE, NPM, and EPS on stock returns in health service providers on the IDX for the 2020–2024 period. The research was conducted with an explanatory quantitative approach and was limited to internal financial variables, without including external factors such as investor psychology or macroeconomics. This study is expected to contribute to the development of data-driven

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investment literature and practices. Theoretically, this study refers to the Signaling Theory which explains that financial information is an important signal for investors (Spence, 1973; Brigham & Houston, 2016; Nugraha & Kurnia, 2017), Market Efficiency Theory which emphasizes prices reflecting public information (Fama, 1970; Hasnawati & Hidayat, 2019; Utami, 2018), Portfolio Theory that highlights the importance of diversification based on risk and return analysis (Markowitz, 1952; Azzaki & Haryono, 2021; Tambunan, 2020), as well as Profitability Ratio Theory which views ROA, ROE, EPS, and NPM as key indicators in assessing the company's performance and prospects (Sanjaya & Rizky, 2018; Khaeruddin et al., 2023; Gunadi et al., 2020; Shabrina, 2019; Nurhaliza & Harmain, 2022).

MATERIALS AND METHODS

This study focused on healthcare companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period, specifically those that consistently published annual financial statements and had available stock return data. Using a quantitative, causal research approach, the study aimed to test the influence of financial ratios—Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Earnings per Share (EPS)—on stock returns (Sugiyono, 2019). Multiple linear regression analysis was conducted using SPSS or EViews software to examine the simultaneous and partial effects between variables (Ghozali, 2021), with the goal of providing data-driven recommendations for investors and company management.

Variable operationalization is the process of translating theoretical concepts into measurable indicators. In this study, the variables were operationalized as follows:

Table 1. Operational Research Variables

Variable	Indicators/Measurements	Unit
ROA	(Net Profit / Total Assets) × 100%	Percentage (%)
ROE	(Net Profit / Equity) × 100%	Percentage (%)
NPM	(Net Profit / Net Sales) × 100%	Percentage (%)
EPS	Net Profit / Number of Shares Outstanding	Rupiah per Share
Return Saham	((Final Stock Price − Initial Price) / Initial Price) × 100%	Percentage (%)

This research used secondary data obtained from reliable sources such as the Indonesia Stock Exchange (www.idx.co.id), RTI Business, Yahoo Finance, and the annual reports published on the official websites of each company. The data were selected because they were economical, efficient, and systematically available, including audited financial statements and historical stock price data. Data collection was conducted documentally by searching, downloading, and filtering data according to the research criteria for the 2021–2024 period.

The documentation method served as the data collection technique, involving the retrieval of numerical data from annual financial statements and historical share prices of the sample companies through the Indonesia Stock Exchange's official website and other financial

data platforms to ensure accuracy and relevance.

The sample was determined using purposive sampling, which selects companies based on criteria aligned with the research objectives (Sekaran & Bougie, 2016). The criteria included companies registered and active on the IDX during 2021–2024, possessing complete annual financial statements, not conducting IPOs during the period, and having sufficient share price data for calculating share returns. This approach ensured that only companies meeting analysis feasibility were included.

Data analysis was performed using multiple linear regression to test the influence of ROA, ROE, NPM, and EPS on stock returns (Gujarati & Porter, 2020). Prior to regression, classical assumption tests—including normality, multicollinearity, heteroscedasticity, and autocorrelation—were conducted. Subsequently, hypothesis testing was carried out using t-tests (for partial effects), F-tests (for simultaneous effects), and the coefficient of determination (R^2) to determine the proportion of stock return variability explained by the independent variables. This method provided a systematic and accurate assessment of the impact of financial fundamentals on stock returns in the healthcare sector.

RESULTS AND DISCUSSION

Overview and Descriptive Data of Research Objects

1. Overview of Research Object

This study analyzes data on the influence of independent variables including Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Earnings per Share (EPS) on stock returns in 7 issuers in the healthcare sector (MIKA, SILO, HEAL, SAME, CARE, PRIM, PRDA) listed on the IDX in the 2020–2024 period. The discussion included the descriptive statistics of each variable, the classical assumption test of multiple linear regression, the results of regression estimation, the interpretation of the coefficient (including R^2 and the significance of the model), and ended with a discussion of the findings of this study in relation to the theoretical framework and findings of previous research.

2. Variable ROA (Return on Assets)

Return on Assets (ROA) is a profitability ratio used to assess how effective a company's management is in utilizing its assets to generate net profit. ROA is obtained by dividing net profit after tax by total assets, where the higher the ROA indicates the more efficient the company is in converting assets into profits (Amalya, 2018).

Table 2. ROA Data for 2020-2024

No	Issuer Name	***Return of Assets*** **(ROA) %**					
		2020	**2021**	**2022**	**2023**	**2024**	**Average**
1	MIKA	13,46%	19,84%	15,81%	13,57%	14,87%	15,51%
2	SILO	1,49%	27,53%	7,35%	31,36%	16,69%	16,88%
3	HEAL	10,20%	17,10%	5,00%	6,40%	6,50%	9,04%
4	SAME	13,12%	3,12%	0,19%	0,33%	0,37%	3,43%

No	Issuer Name	*Return of Assets* (ROA) %					
		2020	2021	2022	2023	2024	Average
5	CARE	-2,21%	-2,21%	-2,21%	-2,68%	-2,00%	-2,26%
6	FARTHERS	12,04%	42,87%	13,92%	9,58%	9,51%	17,58%
7	PREMIUM	4,00%	6,70%	2,10%	-1,30%	-1,70%	1,96%
Average							8,88%

Based on data from the last five years, PT Prodia Widyahusada Tbk (PRDA) recorded the highest ROA performance in the healthcare sector with an average of 17.58%, supported by a significant surge of up to 42.87% in 2021 due to the high demand for laboratory services during the pandemic. PRDA's operational efficiency and business focus also support this achievement. In contrast, PT Metro Healthcare Indonesia Tbk (CARE) recorded the lowest average ROA of -2.26%, reflecting difficulties in generating profits from its assets, possibly due to high operating expenses or investments that have not yielded results.

3. Overview of ROE (Return on Equity) Variables

Return on Equity (ROE) is the main profitability ratio used to measure a company's ability to generate profits from the capital invested by shareholders. ROE is calculated by dividing net profit after tax by total equity, where the higher the ROE value indicates the greater the profit earned on the funds invested by the company owner (Wiagustini & Almira, 2020).

Table 3. ROE Data for 2020-2024

No	Issuer Name	*Return of Equity* (ROE) %					
		2020	2021	2022	2023	2024	Average
1	MIKA	16,33%	20,74%	16,44%	13,88%	15,22%	16,52%
2	SILO	1,95%	10,46%	10,01%	5,30%	8,53%	7,25%
3	HEAL	18,70%	29,60%	8,10%	10,80%	11,70%	15,78%
4	SAME	3,47%	3,47%	0,24%	0,45%	0,50%	1,63%
5	CARE	-2,92%	-2,92%	-2,92%	-3,58%	-2,66%	-3,00%
6	FARTHERS	13,48%	24,69%	13,93%	9,58%	9,51%	14,24%
7	PREMIUM	4,30%	7,80%	2,20%	-12,30%	-1,90%	0,02%
Average							7,49%

From the ROE data for 2020–2024, PT Hermina Tbk (HEAL) recorded the highest average ROE of 15.78%, with a peak in 2021 of 29.60%, driven by a surge in demand for hospital services during the pandemic. This performance reflects the efficiency of equity management and an effective expansion strategy. On the other hand, PT Metro Healthcare Indonesia Tbk (CARE) recorded the lowest average ROE of -3.00%, with the entire ROE value being in the negative zone, showing the company's inability to generate profits from its own capital. This indicates a serious challenge in creating value for shareholders.

4. Overview of NPM (Net Profit Margin) Variables

Net Profit Margin (NPM) is a financial ratio used to measure how much net profit a company generates from each net sales unit. NPM is calculated by dividing net profit by net sales and multiplied by 100 to obtain a percentage of profit margin. This ratio reflects operational efficiency and management effectiveness in controlling costs and expenses, which directly affects the company's profitability (Wiyanto & Muslimin, 2025).

Table 4. NPM Data for 2020-2024

No	Issuer Name	*Net Profit Margin* (NPM) %					
		2020	2021	2022	2023	2024	Average
1	MIKA	27,00%	31,27%	27,02%	23,37%	25,18%	26,77%
2	SILO	1,76%	7,46%	7,46%	11,14%	7,78%	7,12%
3	HEAL	14,60%	22,30%	7,70%	9,70%	10,20%	12,90%
4	SAME	12,13%	12,13%	0,69%	1,16%	1,21%	5,46%
5	CARE	-35,92%	-35,92%	-35,92%	-45,71%	-25,17%	-35,73%
6	FARTHERS	14,35%	23,50%	17,03%	11,67%	11,99%	15,71%
7	PREMIUM	14,60%	12,60%	8,20%	-1,00%	-6,20%	5,64%
Average							5,41%

Based on NPM data for 2020–2024, PT Mitra Keluarga Karyasehat Tbk (MIKA) recorded the highest average NPM of 26.77%, reflecting the operational efficiency and success of the premium healthcare model implemented, with a peak of 31.27% in 2021. On the other hand, PT Metro Healthcare Indonesia Tbk (CARE) recorded the lowest average NPM of -35.73%, even reaching -45.71% in 2023, showing a sustainable net loss due to high operating expenses and an inefficient financial structure.

5. Overview of EPS (Earning Per Share) Variables

Earning Per Share (EPS) is a commonly used financial indicator to measure a company's profitability level from the perspective of ordinary shareholders. EPS is calculated by dividing net profit after tax by the number of shares outstanding, thus showing the amount of profit obtained for each share owned by investors (Balqis, 2021). This ratio is important because it gives investors a real picture of the actual profits generated from the capital they invest.

Table 5. EPS Data for 2020-2024

No	Issuer Name	*Earning Per Share* (NPM) Rp					
		2020	2021	2022	2023	2024	Average
1	MIKA	59,00	86,00	72,00	65,00	82,00	72,80
2	SILO	71,52	52,12	70,74	293,27	69,49	111,43
3	HEAL	31,91	68,22	20,64	38,16	36,11	39,01
4	SAME	2,59	81,53	0,56	1,04	1,20	17,38
5	CARE	-2,81	-2,81	-2,81	-3,34	-2,42	-2,84
6	FARTHERS	286,66	664,78	396,42	277,20	288,21	382,65
7	PREMIUM	11,30	22,20	6,36	-0,81	-5,42	6,73

No	Issuer Name	*Earning Per Share* (NPM) Rp					
		2020	2021	2022	2023	2024	Average
Average							89,59

Based on EPS data for 2020-2024, PT Prodia Widyahusada Tbk (PRDA) recorded the highest average EPS of 382.65 rupiah per share, far above the industry average of around 89.59, with the highest surge of 664.78 in 2021 due to the high demand for laboratory services during the pandemic. The consistency of profit and the stability of the number of shares make PRDA efficient in generating profits per share. On the other hand, PT Metro Healthcare Indonesia Tbk (CARE) recorded the lowest average EPS of -2.84 rupiah, reflecting ongoing losses due to high cost expenses, low revenue, and financial management inefficiencies, so that it has not been able to provide added value for shareholders.

6. Overview of Stock Return Variables

Stock returns are a key indicator in evaluating investment performance over a given period, as they reflect the gains or losses that investors make from changes in stock prices and earnings during ownership. This return is important as a reference to assess the effectiveness of investment strategies and becomes the basis for decision-making in the capital market (Puspitaningtyas, 2015).

Table 6. Stock Return Data for 2020-2024

No	Issuer Name	Return Saham (%)					
		2020	2021	2022	2023	2024	Average
1	MIKA	5,00%	-22,07%	26,59%	-4,68%	-5,58%	-0,15%
2	SILO	-16,67%	64,90%	21,81%	78,69%	45,95%	38,94%
3	HEAL	3,82%	33,75%	41,55%	-4,18%	24,90%	19,97%
4	SAME	60,44%	54,49%	-20,21%	9,79%	-14,29%	18,04%
5	CARE	-5,29%	71,67%	-10,19%	-67,61%	15,24%	0,76%
6	FARTHERS	-11,92%	173,00%	-36,54%	0,00%	-46,53%	15,60%
7	PREMIUM	-33,71%	90,48%	-56,31%	-50,00%	-25,33%	-14,98%
Average							11,17%

Based on stock return data for the 2020-2024 period, PT Siloam International Hospitals Tbk (SILO) recorded the highest average return of 38.94%, with significant spikes in 2023 (78.69%) and 2021 (64.90%). This performance reflects market confidence in revenue growth, service expansion, and support from the Lippo group. On the other hand, PT Prima Cakrawala Abadi Tbk (PRIM) recorded the lowest average return of -14.98%, with sharp declines in 2022 and 2023, -56.31% and -50.00%, respectively, indicating negative market sentiment towards its business prospects. SILO is considered attractive in terms of stock value growth, while PRIM faces serious challenges in restoring investor confidence.

Statistics Descriptive

This study uses a multiple linear regression model to analyze the effect of profitability ratio on stock returns in seven healthcare sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period. Samples were determined through purposive sampling methods based on specific criteria, resulting in a total of 35 observations. Descriptive statistical analysis was carried out to evaluate the characteristics of the data, including the maximum, minimum, average, and standard deviation values of each variable. The results of the analysis showed that the average ROA was 8% per year with a standard deviation of 10%, a minimum value of -3%, and a maximum of 43%. ROE shows a similar pattern with an average of 7.4%, a minimum of –12%, a maximum of 30%, and a standard deviation of 9%. NPM averaged 5% in the range from -46% to 31%, reflecting a large variation in net profit efficiency between issuers. EPS shows a wide range, with an average of IDR 89 per share, a minimum value of around IDR -5.42, and a maximum of IDR 664, reflecting the difference in financial performance and business scale between companies. Meanwhile, the average annual stock return reached 24% with a standard deviation of 41%, a minimum value of -68%, and a maximum of 173%. This high volatility of returns illustrates the impact of market fluctuations during the pandemic and recovery period on the stock performance of healthcare sector companies.

Table 7. Descriptive Statistics of Research Variables

Variabel	N	Minimum Score	Nilai Maximum	Mean Value	Standard Deviation
Stock Price (Y)	35	-0.68	1.73	0.24114	0.408705
LENGTH (X1)	35	-0.03	0.43	0.08886	0.104762
ROE (X2)	35	-0.12	0.3	0.07457	0.091083
NPM (X3)	35	-0.46	0.31	0.054	0.192326
EPS (X4)	35	-5.42	664.78	89.59457	144.215643

1. Classic Assumption Test

Multiple regression analysis calculations forget about classical assumption testing to ensure the validity of the estimation model. The classical assumption tests carried out include normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests.

a. Normality Test

The normality test in this study used the Kolmogorov-Smirnov (K-S) method to test whether the regression residual was normally distributed. The results showed a significance value (p-value) greater than 0.05 ($p > 0.05$), so there was not enough evidence to reject the normality hypothesis. Thus, the assumption of normality is met, which ensures the validity of the inferential analysis on the regression model.

Table 8. Normality Test

Metric	Value	Interpretasi
Kolmogorov-Smirnov	0.104	Data spreads in normal spreads
Signifikansi (p-value)	0.200	

b. Multicollinearity Test

The multicollinearity test was performed to detect a high correlation between independent variables in the regression model, which was measured through the Variance Inflation Factor (VIF) value. In this study, all independent variables—ROA, ROE, NPM, and EPS—had VIF values below 10, indicating the absence of significant multicollinearity. This means that the regression model is free from interference due to overlapping information between variables in explaining stock returns.

Table 9. Multicollinearity Test

Variabel	VIF Value	Interpretasi
LENGTH (X1)	3.272	No Multicollinearity
ROE (X2)	2.949	No Multicollinearity
NPM (X3)	2.355	No Multicollinearity
EPS (X4)	1.993	No Multicollinearity

c. Heteroscedasticity Test

The heteroscedasticity test in this study used the Breusch-Pagan method to detect whether the residual variant is not constant between observations. The test results showed a significance value of more than 0.05, which means that there were no significant symptoms of heteroscedasticity in the model. Thus, the residual variant is considered stable, and the regression model is free of variant bias, so that the resulting estimate can be interpreted reliably and validly.

Table 10. Heteroscedasticity Test

Metric	Value	Interpretasi
F Value	0.214	Data spreads in normal spreads

Signifikansi (p-value)	0.646

d. Autocorrelation Test

Autocorrelation tests are carried out to detect the presence of residual relationships from sequential observations, especially in time series or panel data. In this study, testing using Durbin-Watson (DW) statistics yielded a score of 1.803, which is close to the 2nd mark. This value indicates the absence of significant autocorrelations, either positive or negative, so that the non-autocorrelation assumption is met. Thus, the residuals between observations are independent, and the regression parameter estimation can be considered valid without distortion due to serial correlation.

Table 11. Autocorrelation Test

Metric	Value	Interpretasi
Durbin Watson	1.803	There is no positive or negative autocorrelation of data

Based on classical assumption testing, it can be concluded that the constructed multiple linear regression model has met the assumptions of normality, homocedasticity, and non-autocorrelation. Overall, therefore, the model is considered worthy of further analysis with multiple linear regression.

2. Multiple Regression Analysis Results

Multiple linear regression analysis was used to test the simultaneous and partial influence of ROA, ROE, NPM, and EPS on stock returns. Multiple regression calculations were performed using the Ordinary Least Squares (OLS) method. This method is based on the calculation of the lowest square root value of the error as the value of the coefficient. So, the multiple linear regression equation obtained by taking the value of the calculation coefficient from the OLS method is as follows:

$$y=0.031+2.193\ ROA-1.343\ ROE+0.625\ NPM+0.001\ EPS+e$$

3. Interpretation of Feasibility and Significance of the Model

To assess the quality of the OLS regression model, it is necessary to check the feasibility and significance of the model simultaneously. One of the indicators of model feasibility is the determination coefficient (R^2), which shows the proportion of variability of dependent variables that can be explained by independent variables. In this study, the R^2 value of 61% showed that the model built was able to explain 61% of the variation in stock returns based on the variables ROA, ROE, NPM, and EPS. The rest, which is 39%, is explained by other factors outside the model that were not included in the analysis.

Table 12. Model feasibility test

Metric	Value	Interpretasi
R Square	66.2%	Independent variables exert simultaneous influence
Adjusted R Square	61.7%	

Once the model is declared feasible, the next step is to test the significance of the influence of the variables simultaneously using the F-test. The test results show that the F-count is greater than the F-table and the p-value < 0.05, which means that the regression model is statistically significant in explaining the stock return. Thus, the variables ROA, ROE, NPM, and EPS simultaneously have a significant effect on stock returns. These results indicate that the selection of independent variables in the model is appropriate and that the relationships found do not occur by chance.

Table 13. F Test (simultaneous)

Metric	Value	Interpretasi
F stat	14.675	Independent variables exert simultaneous influence
Signifikansi (p-value)	0.001	

4. Interpretation of the Influence of Independent Variables

Variables that simultaneously have an influence on stock returns can be interpreted as having a partial or partial influence. Partial effect checking can be done with the T test. The T test calculates the t-value that is built from the beta coefficient value of each model. The value t is then calculated as a probability value to determine the conclusion. A p-value of < 0.05 indicates that a variable has a real or significant influence.

Table 14. T test (partially)

Variabel	Coeficin	t-count	Significance	Interpretasi
(Konstanta)	0.031	0.489	0.629	
LENGTH	2.193	2.926	0.006	Signifikan
ROE	-1.343	-1.642	0.111	Insignificant
NPM	0,625	1.804	0.081	Insignificant
EPS	0.001	2.153	0.039	Signifikan

Based on the results of the t-test in Table 14, two independent variables that have been proven to have a significant effect on stock returns are ROA and EPS. The ROA coefficient (β_1 = 2.193) indicates that an increase in ROA of 1% will increase stock returns by 2.193 points, indicating that the efficiency of using assets in generating profits is appreciated by investors

through an increase in stock value. Meanwhile, the EPS coefficient (β_4 = 0.001) indicates that an increase in EPS of IDR 1 per share will increase the stock return by 0.001 points; so that an increase in EPS of IDR 100 can increase stock returns by 0.1 points. This reflects that the market is responding positively to increased earnings per share as it signals dividend and growth potential. On the other hand, ROE (β_2 = –1.343) and NPM (β_3 = 0.625) showed no statistically significant effect ($p > 0.05$), although the direction of the coefficients reflected both negative and positive influences respectively. Therefore, the impact of ROE and NPM on stock returns is considered inconsistent after taking into account other variables in the model, so their interpretation must be done with caution.

Discussion of Research Results

Based on the regression results, it was found that Return on Assets (ROA) and Earnings per Share (EPS) had a positive and significant influence on stock returns, while Return on Equity (ROE) and Net Profit Margin (NPM) did not show a significant influence. These findings show that investors in the healthcare sector pay more attention to profitability as reflected through asset use effectiveness (ROA) and earnings per share (EPS), compared to return on capital (ROE) and profit margin efficiency (NPM). The significant influence of ROA on stock returns is in line with signal theory and fundamental analysis, where ROA reflects management's effectiveness in converting assets into profits. This result is in line with the research of Ismarinanda & Bawono (2022) which found that ROA has a significant effect on stock returns in the consumer goods sector. Similarly, EPS has proven to have a significant positive effect, as it reflects the welfare of shareholders and is a positive signal for the market, according to the findings of Sari & Trisnawati (2022) and Egam (2017). Although there are studies such as Maulita & Arifin (2018) that state the opposite, the dominance of positive results supports that EPS is an important indicator in predicting stock returns. On the other hand, ROE did not show a significant impact, likely due to high volatility at the beginning of the pandemic and the influence of capital structures that could manipulate ROE without reflecting actual operational performance. Investors tend to trust ROA and EPS which are considered purer. These results are consistent with the study of Sriwahyuni & Saputra (2017). Likewise, NPM is insignificant, allegedly because investors consider the amount of absolute profit more than the margin percentage, as well as differences in cost structure between companies that make it difficult to compare NPM (Kariza, 2017; Wangarry & Poputra, 2015).

The difference in findings between studies confirms that the influence of financial indicators on stock returns is sectoral and contextual. This study found that the combination of ROA and EPS was significant, while ROE and NPM were not, which was similar to the results of Ismarinanda & Bawono (2022) but different from Dawam et al. (2021) and Sari & Trisnawati (2022). This variation shows that in the 2020–2024 period, especially after the COVID-19 pandemic, healthcare sector investors are more focused on asset efficiency and earnings per share as determinants of stock returns.

CONCLUSIONS

Based on the results of the analysis, this study concludes that simultaneously the variables Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), and Earnings per Share (EPS) have a significant effect on the stock returns of companies in the health services sector on the IDX for the 2020-2024 period, with a determination coefficient of 61.7%. Partially, only ROA and EPS have been shown to have a significant positive effect, indicating that investors make asset profitability and earnings per share the main reference in their investment decisions. In contrast, ROE and NPM did not show a significant impact, allegedly due to volatility during the pandemic as well as investors' preference for absolute profit over margin. These findings support signaling theory and fundamental analysis that emphasizes the importance of profitability as a positive signal for the market. Based on this, investors are advised to focus on ROA and EPS when analyzing healthcare sector stocks, while companies should improve asset efficiency and the stability of net income per share. Future research can broaden the scope of the sector, extend the observation period, and consider macroeconomic variables to provide a more comprehensive understanding of the relationship between financial indicators and stock returns.

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