

## Share Price Trigger in Manufacturing Companies on The Indonesia Stock Exchange

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### Abstract

This study aims to examine the effect of Earning Per Share (EPS), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Total Asset Turnover (TATO) on stock prices in manufacturing companies in the food and beverages sector listed on the Indonesia Stock Exchange (IDX) with an observation period of 2018-2022. The population and sample in this study are the quarterly financial statements of manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange. The sampling method used is purposive sampling, with a total sample of 252 quarterly financial statements from 12 companies. The data used in this research is secondary data. Then, the data collected was tested by multiple linear regression analysis, which was processed using the SPSS version 18 application. The results showed that EPS and NPM have a positive and significant effect on stock prices, while GPM has no significant effect on stock prices, and TATO has a negative and significant impact on stock prices. Simultaneously, EPS, NPM, GPM, and TATO positively and significantly affect stock prices with a coefficient of determination of 67.4%.

**Keywords** : Manufacturing Companies, Stock Exchanges, Stock Prices.

**JEL Classification** : G11, G17, G14

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## 1. Introduction

The global economy, including Indonesia, which was sluggish due to the COVID-19 pandemic, is starting to show positive movement with several adjustments. Last December 2019, when the COVID-19 pandemic first appeared in Wuhan, China, economic conditions were still optimistic. However, around mid-March 2020, the economy began to decline, along with the spread of the pandemic throughout the world, including Indonesia. Many people have lost their income and jobs due to the weakening national economy. Loss of income dramatically affects the community's difficulty in meeting their daily needs. In conditions like this, investment is significant because

investment can be used as an alternative to getting additional income beyond the monthly salary to meet daily needs.

According to Badruzaman (2017), investing in stocks is one of the investment alternatives that investors are interested in. Stocks are known to have high-risk-high return characteristics. This means that stocks are a type of investment that is quite high risk even though it promises relatively large profits. Stock prices are an essential factor in investing in stocks and must be considered because the price of shares traded on the stock exchange is closely related to the company's achievements (Sanjaya, 2018). Fundamental analysis tries to predict future stock prices by estimating the value of the essential factors that affect stock prices in the future and applying the relationship between these variables to obtain an estimated stock price. The fundamental factors that influence stock prices are micro fundamentals (sales and company financial performance) and macro essential factors (government policies, inflation, interest rate growth, and so on (Mujiono, 2018).

Moreover, this study will discuss the micro factors of the company's financial performance aspects as measured using financial ratios. The company's financial performance that can affect stock prices include Earning per Share (EPS), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Total Asset Turnover (TATO). Arifian and Hardi (2017) explain that earnings per share or earnings per Share (EPS) is a company's ability to distribute profits earned to shareholders. Earnings per share can be used as important information for investors. A high EPS indicates that the company can provide a profit level to shareholders, whereas a lower EPS offers a low profit level for shareholders. EPS describes the rupiah earned for each common share and the company's future earnings prospects. An increase in EPS will encourage investors to increase the amount of capital invested in the company so that the demand for these share increases, boosting share prices. Hery (2017) Net Profit Margin is the ratio used to measure the percentage of net profit on net sales. The higher the NPM value, the better; high profits will attract investors to invest their capital, which causes stock prices to increase. This ratio is significant for operations managers because it reflects the company's sales pricing strategy and ability to control operating expenses. The greater the NPM, the more productive the company's performance will be, thereby increasing investor confidence to invest. Gross Profit Margin shows the profit relative to the company by way of net sales minus the cost of goods sold. This ratio is a way to apply the cost of goods sold (Septiana, 2019). A high GPM value indicates the company's ability to generate profits at a certain level of sales. The higher the GPM, the higher the profits or profits generated by the company; this can increase investor confidence in the company, ultimately raising stock prices and vice versa.

Total Asset Turnover (TATO) is a ratio used to see how much a company can generate sales using its assets. A good asset turnover is an asset turnover that increases every year. Increased asset turnover means that the company can manage assets properly, resulting in high sales. Conversely, if asset turnover tends to be minor, the company cannot manage assets to generate sales (Sari, 2020). A high TATO value indicates that a company is in good condition to attract investors to buy shares. In this study, one company sector was chosen, which is included in the Consumer Goods Industry category listed on the Indonesia Stock Exchange. Companies that fall into this category are stable companies despite the global crisis. This can be seen from the company's stock price index, one of the five sectoral indices on the Indonesia Stock Exchange, which has a reasonably high stock price level. However, the fluctuating economic conditions resulted in the instability of the company's financial performance and stock prices. It can be seen in table 1.

The data in Table 1 shows that the financial performance and stock prices experienced by manufacturing companies in the food and beverages sector experienced fluctuations from 2018-2022. This can be seen in the company's first financial ratio, namely EPS, which initially 2018 obtained a value of IDR 228.69. Then, in 2019, it experienced a significant decrease of IDR 206.40. From 2020 to 2021, EPS increased successively, but in 2022, EPS again decreased by IDR 269.33. Next are the financial ratios of NPM and GPM. Both ratios experienced the same trend of increasing and decreasing. From 2018-2020, NPM and GPM showed stable values of 0.12 and 0.36, respectively. However, in 2021, there will be an increase of 1%, and in 2022, it will again experience a decrease in the value of the initial ratio, namely 0.12 and 0.36. Then, in TATO's financial ratios, it can be seen that there has been a significant decline from year to year. In 2018, the TATO value was 1.25 times and then decreased to 0.95 times in 2022. Finally, the stock prices of manufacturing companies in the food

and beverages sector experienced fluctuations. This can be seen in 2018 when the average share price was Rp. 3,917, then has increased until 2020 to Rp. 4,611, and in 2022, the price will decrease to 4,217.

**Table 1.** Average Development of Financial Performance and Share Prices of Manufacturing Companies in the Food and Beverages Sector in 2018-2022

Variable	2018	2019	Average 2020	2021	2022
EPS	228.690	206.400	218.830	272.690	269.330
NPM	0.120	0.120	0.120	0.130	0.120
GPM	0.360	0.360	0.360	0.370	0.360
TATO	1.250	1.190	1.170	1.150	0.950
SHARE PRICE	3.917	3.926	4.351	4.611	4.217

## 2. Hypotheses Development

Earnings Per Share (EPS) is the company's ability to distribute the profits earned by the company to shareholders (Jiang et al., 2021; Zheng & He, 2021). Earnings per share can be used as important information for investors. A high EPS indicates that the company can provide a level of profit to shareholders, whereas a lower EPS provides a low level of profit to shareholders. EPS describes the amount of rupiah earned for each share of common stock and the company's earnings prospects in the future. An increase in EPS will encourage investors to increase the amount of capital invested in the company, so that the demand for these shares increases which results in an increase in share prices (Brown et al., 2019; J. Chen et al., 2020). From the source results, EPS has a positive and significant effect on stock prices, indicating that Earnings per share (EPS) is a picture of the company in obtaining company profits. The higher the company's profit, the higher the value of EPS owned by the company (Fathonah & Khanifah, 2013; Kusuma, 2016).

H<sub>1</sub> indicated that EPS has a positive and significant effect on stock prices.

Net Profit Margin is a ratio used to measure the percentage of net profit on net sales (Fernandez- Perez et al., 2021a; Le et al., 2020). The higher the NPM value, the better, high profits will attract investors to invest, which causes stock prices to increase. This ratio is very important for operations managers because it reflects the company's sales pricing strategy and its ability to control operating expenses. The greater the NPM, the more productive the company's performance will be, so that it will increase investor confidence to invest in the company (Bilal & Oyedele, 2020; Fernandez-Perez et al., 2021a; Le et al., 2020). The results from previous research, which states that NPM has a positive and significant effect on stock price (Dewi & Solihin, 2020; Rimbani, 2016).

H<sub>2</sub> indicated that NPM has a positive and significant effect on stock prices.

Gross Profit Margin shows the profit relative to the company, by means of net sales minus cost of goods sold. This ratio is a way to apply the cost of goods sold. A high GPM value indicates the company's ability to generate profits at a certain level of sales. The higher the GPM, the higher the profit or profit generated by the company, this can increase investor confidence in the company, in the end it will increase stock prices and vice versa (Jiang et al., 2021; Zheng & He, 2021). Previous research stated that GPM has no significant effect on stock prices (Maciel, 2021; Sari, 2020).

H<sub>3</sub> indicated that GPM has no significant effect on stock prices.

Total Asset Turnover (TATO) is a ratio used to see the extent to which a company's ability to create sales uses all its assets (T.-Y. Chen et al., 2021; Parlindungan et al., 2019). Good asset turnover is asset turnover that increases every year. Increased asset turnover means that the company is able to manage assets well which results in high sales (Y. Chen, 2021; Fang et al., 2021). Conversely, if asset turnover tends to be small, this indicates that the company is not able to manage assets to generate sales (Maciel, 2021; Sari, 2020). The results from previous research stated that TATO has a negative and significant effect on stock prices (Kusuma, 2016; Parlindungan et al., 2019).

H<sub>4</sub> indicated that TATO has a significant effect on stock prices.

## 3. Method, Data, and Analysis

This research uses empirical data from the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)), which focuses on manufacturing companies in the food and beverage sector listed on the Indonesia Stock

Exchange. The data taken from this research is data from 2018 to 2022. The reason for choosing this research location is that researchers want to do more research related to variables that can affect stock prices. This is because previous research found that there were still many differences in research results regarding the variables that could affect stock prices. The type of data used in this study consists of quantitative data, namely figures derived from stock price data and financial reports from quarters 1 to 4 of manufacturing companies in the food and beverages sector for 2018-2022. This study uses secondary data in the form of documents and written information related to the object of research obtained from [www.idx.co.id](http://www.idx.co.id). Population is a generalized area consisting of things/subjects with certain qualities and characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2019). The population in this study was 546 quarterly financial reports for the 2018-2022 period from 26 manufacturing companies in the food and beverage sector in Indonesia. The sample is part of the number and characteristics possessed by the population. In this study, purposive sampling. Purposive sampling is a sampling technique with certain considerations Sugiyono (2019). The sampling criteria are as follows. Moreover, Table 2 shows the quarterly financial statements of food and beverage companies used as research samples for the 2018 -2022 period.

**Table 2.** Number of Quarterly Financial Statements of Food and Beverage Companies for the 2018 -2022 Period Used as Research Samples.

Criteria	Number of Companies	Number of Samples
Food and beverage companies listed on the IDX from 2018-2022.	26	546
Companies that do not have complete quarterly financial reports for the 2018-2022 period.	(1)	(21)
Companies that do not have complete data related to research variables	(5)	(105)
Companies that experience losses	(8)	(168)
Food and beverage companies listed on the IDX from 2018-2022.	26	546

Based on Table 2, 252 quarterly financial reports from 12 food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) meet the criteria for being sampled. The data collection technique in this study is a documentation technique. Documentation is a technique in which researchers record and collect secondary data from the quarterly financial reports of food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX). Financial report data is obtained through the official website of the Indonesia Stock Exchange, namely [www.idx.co.id](http://www.idx.co.id).

Furthermore, the data analysis technique used is multiple linear regression analysis. Multiple linear regression analysis is an extension of simple linear regression, which increases the number of independent variables from one to two or more. Data analysis will be carried out with the help of the SPSS version 18 program. The regression model is used to determine the effect of the independent variables, namely Earning Per Share (EPS), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Total Asset Turnover (TATO) on stock prices as the dependent variable. The equation used is as follows: equation 1.

$$Y = \alpha + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + e \quad (1)$$

where, Y = Stock Price,  $\alpha$  = Constant,  $\beta_1$ - $\beta_4$  = Regression coefficient of variable  $X_1$ - $X_4$

$X_1$  = Earnings Per Share (EPS),  $X_2$  = Net Profit Margin (NPM),  $X_3$  = Gross Profit Margin (GPM),  $X_4$  = Total Asset Turnover (TATO), and e = errors

The regression model used in testing the hypothesis must avoid the possibility of classic assumption deviations. The traditional regression assumptions in this study consist of normality, multicollinearity, heteroscedasticity, and autocorrelation tests. The design of the regression model test in this study uses analysis of the coefficient of determination (R<sup>2</sup>), simultaneous significance test (F test), and partial significant test (t-test).

#### 4. Results

This study used a sample of 252 quarterly financial reports obtained from 12 manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange for five years and

three months (2018-2022 period). The initial stage of the analysis process in this study is to know in advance the results of earnings per Share (EPS), Net Profit Margin (NPM), Gross Profit Margin (GPM), Total Asset Turnover (TATO), and stock prices per manufacturing company. Meanwhile, SPSS program assistance was used in data processing to determine the hypothesis test between EPS, NPM, GPM, and TATO on stock.

**Table 3.** Multiple Linear Analysis Results.

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	19,896	7,413		2,684	,008
EPS	3,728	,250	,707	14,926	,000
NPM	37,348	14,894	,157	2,508	,013
GPM	15,306	11,633	,074	1,316	,189
TATO	-26,727	5,261	-,220	-5,080	,000
R square	,674				
R square adjusted	,669				

Based on the processing results from the SPSS program, the multiple linear regression model between variables X and Y can be transformed into the following equation model:

$$Y = \alpha + \beta_1(X_1) + \beta_2(X_2) + \beta_3(X_3) + \beta_4(X_4) + e$$

$$Y = 19.896 + 3.728 (X_1) + 37.348 (X_2) + 15.306 (X_3) - 26.727 (X_4) + e$$

The following will explain the interpretation of the multiple linear regression equation from the equation model above.

From the multiple linear regression equation above, it can be seen that the constant value for the stock price is 19.896. This means that if EPS, NPM, GPM, and TATO are constant, then the stock price is 19.896.

#### **Effect of EPS on stock prices**

From the multiple linear regression equation above, it can be seen that the regression coefficient of the EPS variable is 3.728 and is positive, which means that if there is an increase in EPS of one unit, it will cause an increase in stock prices of 3.728.

#### **Effect of NPM on stock prices**

From the multiple linear regression equation above, it can be seen that the regression coefficient of the NPM variable is 37.348 and is positive, which means that if there is an increase in NPM by one unit, it will cause an increase in stock prices by 37.348.

#### **Effect of GPM on stock prices**

From the multiple linear regression equation above, it can be seen that the regression coefficient of the GPM variable is 15.306 and is positive, which means that if there is an increase in GPM by one unit, it will cause an increase in stock prices by 15.306.

#### **Effect of TATO on stock prices**

From the multiple linear regression equation above, it can be seen that the regression coefficient of the TATO variable is -26.727 and is negative, which means that if there is an increase in TATO by one unit, it will cause a decrease in stock prices of 26.727.

#### **Model Feasibility Test**

##### **Test the Coefficient of Determination**

Based on the tests that have been carried out, the resulting R<sup>2</sup> value is 0.674 or 67.4%. This figure explains that the share prices of manufacturing companies in the food and beverage sector, which are listed on the Indonesia Stock Exchange, are influenced by the factors Earning Per Share (EPS), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Total Asset Turnover (TATO). ) as much as 67.4%, while the remaining 32.6% is influenced by other variables not examined in this study.

### Simultaneous Significance Test (F Test)

**Table 4.** Simultaneous Significance Test Results (F Test)

	Sum of Squares	df	Mean Square	F	Sig.
Regression	186.780,207	4	46.695,052	127,783	,000 <sup>a</sup>
Residual	90.260,078	247	365,425		
Total	277.040,285	251			

Based on the calculations using the SPSS program, the result is that the calculated F value is 127.783 > F table, which is 2.408 with a Sig. of 0.000, which is smaller than the significance value of 0.05. Thus, it can be concluded that EPS, NPM, GPM, and TATO simultaneously have a positive and significant effect on stock prices.

### Hypothesis testing

Based on Table 3, it can be seen that the individual relationship of each EPS, NPM, GPM, and TATO variable to stock prices is as follows:

#### The Effect of Earning Per Share (EPS) on Stock Prices

Based on Table 3 or the t-test results, the Sig EPS value is 0.000, more diminutive than 0.05, so it is said to be significant. The EPS variable has a t count > t table (14.926 > 1.651) with a regression coefficient value of 3.728 (positive effect). So, based on the test results, H<sub>1</sub> is accepted, and the EPS variable has a positive and significant impact on stock prices.

#### Effect of Net Profit Margin (NPM) on Stock Prices

Based on Table 3 from the t-test results above, the Sig NPM value is 0.013, more diminutive than 0.05, so it is significant. The NPM variable has a t-count > t-table (2.508 > 1.651) with a regression coefficient value of 37.348 (positive effect). So, based on the test results, H<sub>2</sub> is accepted, namely the NPM variable has a positive and significant effect on stock prices.

#### Effect of Gross Profit Margin (GPM) on Stock Prices

Based on Table 3 or the results of the t-test, the Sig GPM value is 0.189, which is greater than 0.05, so it is said to be insignificant. The GPM variable has a t-count < t-table (1.316 < 1.651) with a regression coefficient value of 15.306 (no effect). So, based on the test results, H<sub>3</sub> is rejected. Namely, the GPM variable has no significant effect on stock prices.

#### Effect of Total Asset Turnover (TATO) on Stock Prices

Based on Table 3 or the results of the t-test, the Sig TATO value is 0.000, which is smaller than 0.05, so it is said to be significant. The TATO variable has a t-count > t-table (5.080 > 1.651) with a regression coefficient of -26.727 (negative effect). So, based on the test results, H<sub>4</sub> is rejected; namely, the TATO variable has a negative and significant effect on stock prices.

## 5. Discussion

From the results of the t-test that has been carried out, the results obtained regarding the effect of each independent variable on stock prices partially are as follows:

#### Effect of Earning Per Share (EPS) on stock prices

This study's results indicate a positive and significant influence between EPS and stock prices in manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange. There is a positive and significant influence between EPS on stock prices indicated by a t-count of 14.926, greater than a t-table of 1.651 with a regression coefficient of 3.728 (positive effect). And the value of Sig. of 0.000 is smaller than the significance level of 0.05 (Significant). These results indicate that the greater the earnings per Share (EPS) value, the higher the company's stock price; conversely, the smaller the EPS value, the lower the stock price of manufacturing companies in the food and beverages sector listed on the Indonesia Stock Exchange. The results of this study support the research

conducted by Gustmainar and Mariani (2018) and Alifatussalimah and Sujud (2020), which state that Earnings per Share (EPS) has a positive and significant effect on stock prices.

From the results of the study, EPS has a positive and significant effect on stock prices, indicating that earnings per share (EPS) is a description of the company's efforts to obtain profits. The higher the company's profit, the higher the EPS value owned by the company. Increasing EPS will cause the supply of company shares to increase, which will impact growing dividends and share prices. From the results of the descriptive analysis, the EPS variable shows that the earnings value of ordinary shares often fluctuates while the number of outstanding shares tends to be constant. The increase or decrease in EPS from year to year is an important measure to determine whether the company's performance is good or not in carrying out operational activities. Changes in the EPS value help investors predict dividend flows in the future. High EPS indicates that the company can provide prosperity to shareholders.

#### **Effect of Net Profit Margin (NPM) on stock prices**

This study's results indicate a positive and significant influence between NPM and stock prices in manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange. A positive and significant influence between NPM and stock prices is indicated by a t-count of 2.508, greater than a t-table of 1.651, with a regression coefficient of 37.348 (positive effect). And the Sig. A value of 0.013 is smaller than the significance level of 0.05 (significant). These results indicate that the value of the NPM has a relationship that is directly proportional to the stock price. If the NPM value increases, the stock price will also increase. The results of this study support research conducted by Dewi and Solihin (2020) and Rimhani (2016), which state that NPM has a positive and significant effect on stock prices.

The results of hypothesis testing show that NPM has a positive and significant influence on stock prices. This has emphasized that it is essential for companies to manage profits owned by companies to control Net Profit Margins as a reference for increasing stock prices. Increasing Net Profit Margin can be done by increasing profits or reducing operational costs, and the company must control the percentage increase in sales, which cannot be lower than the percentage increase in costs, so that the company's profits will continue to increase.

A high Net Profit Margin indicates the company's ability to generate high profits at a certain level of sales. The greater the NPM, the more productive the company's performance is to earn high profits through a certain level of sales and the company's good ability to reduce its operational costs. This increases investor confidence to invest their capital in the company so that the demand for company shares increases, which will automatically be followed by an increase in the share price.

#### **Effect of Gross Profit Margin (GPM) on stock prices**

The results of this study indicate that the variable Gross Profit Margin (GPM) has no significant effect on stock prices in food and beverage manufacturing companies listed on the Indonesia Stock Exchange. This can be shown from the t-count value of 1.316, which is smaller than the table of 1.651 with a regression coefficient value of 15.306 (no effect). And the value of Sig. of 0.189 is greater than the significance level of 0.05 (not significant). Thus, it can be said that there is no significant influence between GPM and stock prices. This means that a company's Gross Profit Margin (GPM) does not affect the increase or decrease in stock prices. This research is supported by research conducted by Rizal and Sahar (2015) and Sari et al. (2020), stating that GPM has no significant effect on stock prices.

Testing the third alternative hypothesis (H3), which is suspected of positively influencing the GPM variable on stock prices, does not follow this test. There is no GPM effect on stock prices because the company is not optimal in maximizing sales and generating gross profit. Thus, a company's Gross Profit Margin (GPM) does not affect the stock price. Thus, investors cannot use GPM as a reference to measure the company's overall profitability. Thus, a company's high or low GPM level does not affect investors' expectations of the company. Thus, partially, GPM has no significant effect on stock prices.

#### **The effect of Total Asset Turnover (TATO) on stock prices**

The results of this study indicate that the Total Asset Turnover (TATO) variable has a negative and significant effect on stock prices in food and beverage manufacturing companies listed on the Indonesia Stock Exchange. This can be shown from the t-count value of 5.080, which is greater than the t-table of 1.651 with the regression coefficient of the TATO variable of -26.727 (negative effect) and has a Sig value. 0.000, which is the value of Sig., is smaller than the significance level of 0.05 (significant). It can be said that there is a negative and significant influence between TATO and stock prices. This means that there is an inverse relationship between TATO and stock prices. If the TATO value decreases, the stock price will experience a significant (very significant) increase. The results of this study support the research conducted by Nugraha and Sudaryanto (2016) and Hutami (2020), which state that TATO has a negative and significant effect on stock prices.

The TATO variable in this study reads that TATO has a negative and significant effect on stock prices. This means that a decrease in TATO affects an increase in stock prices. The reaction from investors means that investors are still willing to buy shares or maintain their shares even though TATO has decreased or the percentage is below 100%. Investor reaction indicated that the shares purchased were classified as defensive stocks. Defensive stocks tend to be more stable in times of recession or when the economy is uncertain regarding dividends, earnings, and market performance. The food and beverage companies category includes shares that fall into the defensive stock category. The products sold by food and beverage companies are products that are needed by the public, because the products sold are basic needs, so investors assume that they are still willing to buy shares or maintain shares in the company even though the TATO ratio is below 100%.

## **6. Conclusions, Limitations, and Suggestions**

### **Conclusion**

based on the descriptions that have been described, several conclusions can be drawn as follows: a) Earning Per Share (EPS) has a positive and significant effect on stock prices in food and beverage manufacturing companies listed on the Indonesia Stock Exchange. b) Net Profit Margin (NPM) positively and significantly affects stock prices in food and beverage manufacturing companies listed on the Indonesia Stock Exchange. c) Gross Profit Margin (GPM) does not significantly affect stock prices in food and beverage manufacturing companies listed on the Indonesia Stock Exchange. d) Total Asset Turnover (TATO) negatively and significantly affects stock prices in food and beverage manufacturing companies listed on the Indonesia Stock Exchange. e) The variables Earning Per Share (EPS), Net Profit Margin (NPM), Gross Profit Margin (GPM), and Total Asset Turnover (TATO) simultaneously have a positive and significant effect on stock prices in food and beverage manufacturing companies listed on the Indonesia stock exchange. F) Based on the t-test, it can be shown that the most dominant variable on stock prices is Net Profit Margin (NPM) because NPM has the highest regression coefficient value. In contrast, the weakest variable on stock prices is Total Asset Turnover (TATO) because TATO has the lowest regression coefficient value.

### **Limitation and Suggestions**

The suggestions that the author can give regarding the results of this study include a. It is hoped that in the future, the company's management can pay attention to the Total Asset Turnover (TATO) variable because the TATO value of manufacturing companies in the food and beverage sector, which are listed on the Indonesia Stock Exchange in 2018-2022 has experienced a downward trend, the company should optimize the management of company assets to generate sales volume because high sales volume will affect the increase in TATO value. In addition, the company is expected to be able to develop a good financial planning strategy in the future to improve its performance because increased company performance will have an impact on increasing stock prices. b. It is hoped that future researchers can expand their research objects and samples. In addition, it is suggested that future researchers be able to conduct this research by examining other factors that have more influence on stock prices.



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