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Analyzing Financial Performance and Stock Valuation in Consumer Cyclicals (2021–2024)

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Abstract

This research is motivated by an anomalous phenomenon in the consumer cyclicals sector on the Indonesia Stock Exchange (IDX) during the 2021–2024 period, characterized by an upward trend in market capitalization amidst a significant decline in trading volume and stock prices. In response to this phenomenon, this study aims to empirically examine the effect of Return on Assets (ROA), Net Profit Margin (NPM), Earnings per Share (EPS), Debt to Equity Ratio (DER), and Price Earning Ratio (PER) on stock prices. The target population encompasses all public companies within the consumer cyclicals sector on the IDX. A final sample of 40 companies was selected using a purposive sampling technique based on the criteria of consecutive annual report publications, listing on the Main Board, and the absence of special equity notations. Employing a quantitative approach with panel data regression analysis (assisted by Eviews 13 software), the results reveal that NPM and EPS have a positive and significant effect, and DER has a negative and significant effect, while the ROA and PER variables are proven to have no significant effect on stock price movements. In conclusion, these findings confirm that amidst fluctuations in operational performance, investors' focus in the cyclical sector is centered more on operational efficiency, actual earnings per share, and capital structure rather than general profitability or valuation indicators, thereby providing more relevant fundamental analysis guidance for investors.

Keywords: share prices, financial performance, price valuation, consumer cyclicals

Introduction

Indonesia Stock Exchange (IDX) serves as the primary facilitator in the securities trading system, including stocks and bonds for companies seeking public funding. The capital market has served as an economic instrument since 1912, bringing investors together with governments or private companies through financial instruments such as stocks and bonds to raise public funds to support expansion and operational improvements. (Nadjima et al., 2024). In its dynamic evolution, the capital market has undergone structural adjustments, the Indonesia Stock Exchange (IDX) officially introduced a new classification on January 25, 2021, named IDX-IC (Indonesian Stock Exchange Industrial Classification), and the consumer cyclicals sector began to be officially used on the exchange. Consumer cyclicals encompass industries of goods and services whose performance is linked to economic conditions such as trade regulations and tax policies (Prasetya & Suryaningsum, 2024).

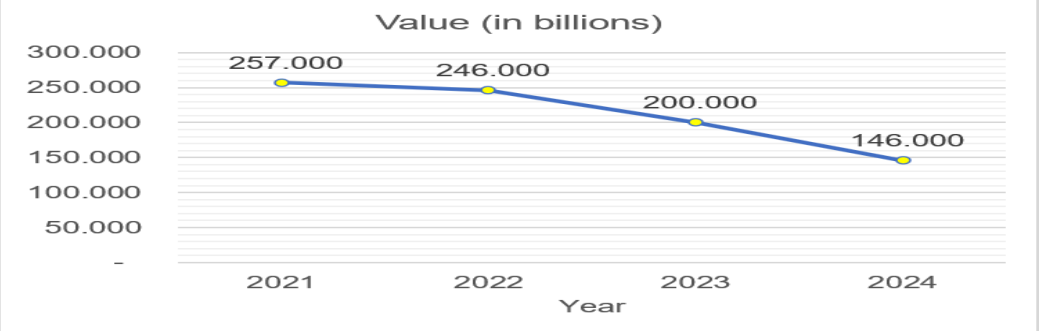
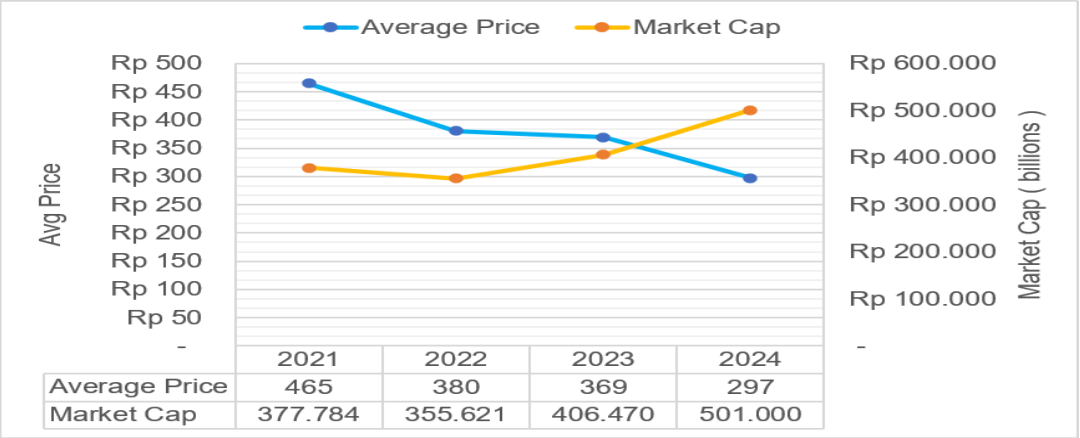


Figure 1. Transaction Value in the Consumer Cyclicals Sector, 2021–2024
Source: www.idx.co.id (adapted), 2026

The consumer cyclicals sector has experienced a significant decline in trading activity from 2021 to 2024. Official annual reports from the IDX reveal a persistent negative trajectory during this period. The value of stock transactions in this sector fell by approximately 76%, shrinking from Rp257.000 billion in 2021 to Rp246.000 billion (2022), Rp200.000 billion (2023), and remaining at Rp146.000 billion in 2024. This decline aligns with a decrease in trading volume from 553 billion shares to 491 billion. Consequently, the average closing price of stocks in this sector also plummeted sharply from Rp465 in 2021 to just Rp297 in 2024. This simultaneous decline is consistent with empirical evidence showing that transaction values are directly influenced by price fluctuations. Previous research has revealed that extreme price movements determine trading activity value, which significantly alter the volume of trading activity depending on the direction of stock price movements (Aktas & Kryzanowski, 2022).



	2021	2022	2023	2024
Average Price	465	380	369	297
Market Cap	377.784	355.621	406.470	501.000

Figure 2. Average Stock Price and Market Capitalization Data for Consumer Cyclicals Companies, 2021–2024
Source: www.idx.co.id (adapted), 2026

Although the consumer cyclicals sector on the IDX has seen a downward trend in stock prices and trading volume, there has been a phenomenon in which market capitalization has actually increased. Market capitalization is an investment decision indicator that reflects financial stability, risk management, and long-term profit prospects, calculated by multiplying the total outstanding shares by the stock price (Sajidah et al., 2024). Changes in market capitalization are highly dependent on and positively correlated with stock price fluctuations (Kharisma, 2025). According to standard supply and demand theory, a decline in stock prices should trigger a corresponding decline in market value. However, the phenomenon in the consumer cyclicals sector shows the opposite. Although stock prices fell significantly, market capitalization grew from Rp377.784 billion (2021) to Rp501.000 billion (2024).

In capital market trading, stock prices serve as an indicator for every investment decision. Stock price movements are volatile because they depend on supply and demand, thereby offering profit opportunities accompanied by the risk of loss (Sherly & Sihono, 2024). Therefore, a comprehensive analysis of the underlying factors driving stock price fluctuations is essential for evaluating a company's investment potential.

Fundamental aspects such as financial performance and market valuation are key considerations for investors in determining the fair value of stocks. A company's financial statements essentially illustrate how effectively management utilizes assets to generate profits and manages debt obligations. These capabilities are evaluated quantitatively through solvency ratios and profitability ratios (Sanjaya & Maulida, 2023). On the other hand, price valuation plays a crucial role in determining transaction momentum, as it can indicate a stock's fair position (Ghifari, 2023). Depth research on a company's attractiveness is represented through several indicators, namely Return on Assets (ROA), Net Profit Margin (NPM), Earnings per Share (EPS), Debt to Equity Ratio (DER), and Price to Earnings Ratio (PER).

In the context of profitability analysis, ROA serves as a measure of management's ability to utilize total assets to generate net income. NPM evaluates operational efficiency by tracking how effectively

gross revenue is converted into net income (Ria et al., 2024; Sandiawati & Hidayati, 2023). EPS is also a metric closely monitored by investors. This indicator directly reflects the portion of profit per share, which directly impacts the return on investment (Rinofah et al., 2022). To measure solvency, DER is used. An elevated DER signals heightened financial risk stemming from an accumulation of corporate liabilities (Wibisono, 2022). To complement these fundamental aspects, valuation is represented by PER. By comparing the market price of a stock with earnings per share, this ratio reflects market participants' expectations regarding the corporation's prospects for future expansion (Suryani et al., 2022).

The theoretical framework linking these financial metrics to stock price fluctuations is rooted in Agency Theory and Signaling Theory. From the perspective of Agency Theory, structural imbalances often manifest as information asymmetry and divergent interests between capital providers (principals) and management (agents). These discrepancies are often reflected in a company's financial reporting (Erdi, 2025). Signaling theory posits that a company's financial statements serve as a mechanism for strategic disclosure. Through these documents, management conveys important signals aimed at bridging the information gap with external stakeholders (Febriyanti, 2021). High fundamental ratios such as ROA, NPM, and EPS serve as positive signals regarding operational effectiveness and management capability, while the PER acts as a valuation signal reflecting the quality and growth prospects of earnings (Putri et al., 2025; Andini, 2024). Conversely, a high DER value signals risk, triggering negative sentiment (Simatupang et al., 2023). Consequently, it is the validity and transparency of these fundamental signals that shape public sentiment, ultimately manifesting in stock price movements.

This study is designed to analyze empirical evidence regarding the impact of ROA, NPM, EPS, DER, and PER on stock prices. The scope of this analysis specifically focuses on companies in the cyclical consumer goods sector listed on the Indonesia Stock Exchange during the 2021–2024 period. This study bridges the empirical gaps identified in Roviska & Meirisa, (2025) by extending the observation period to 2024 and expanding the fundamental variables to include robust profitability metrics, thereby significantly improving the model's explanatory power. It enriches the financial management literature by validating Agency Theory and Signaling Theory during periods of sectoral anomaly. Furthermore, the empirical evidence provides actionable guidelines for investors to minimize risks and offers corporate management a strategic foundation to optimize corporate valuation

Literature Review

First proposed by Jensen & Meckling (1976), Agency Theory views the dynamics among stakeholders as a contractual arrangement. Within this framework, principals delegate authority to agents, tasking them with performing specific functions on their behalf. Within the context of this research, the theoretical relationship is reflected in the transfer of capital by investors (principals) to management (agents) for the complete management of the company's operations. However, this delegation can lead to a misalignment of interests between investors and management due to differing objectives between the two parties (Salem & Abualazm, 2024). A monitoring system, an active audit committee, and a transparent reporting system are necessary to ensure alignment of these interests (Basali & Alshahrani, 2025)

The fundamentals of Signal Theory, pioneered by Spence (1973), outlines the communication mechanisms between corporations and the public. Within this theoretical framework, companies act as signalers who utilize financial reporting instruments to send signals to investors, who serve as receivers. These signals, in the way of consistently published corporate financial reports, can minimize uncertainty. This transparent and continuous disclosure serves as a highly effective indicator of long-term stability for building stakeholder trust (Anaz & Awad, 2025; Nguyen & Duong, 2025).

ROA serves as a key indicator within the profitability framework. This indicator measures how effectively and efficiently a company utilizes its total assets to generate net income (Ghadhab *et al*., 2025; Kumar *et al*., 2021). Unlike ROE, which merely reflects the return on equity and is often overlooked by the market as a key investment indicator, ROA provides a more comprehensive assessment of a company's prospects (Rasyid & Munawar, 2024). Based on Agency Theory, ROA serves as a tool for investors to monitor and evaluate management's performance regarding asset management. From the perspective of Signal Theory, a high ROA sends a positive signal to the market, indicating the company's strong financial health. Therefore, when a company demonstrates

exceptional ability to turn assets into profits, it typically receives a higher valuation and greater trust from investors (Astuti & Setiawati, 2024). The formation of positive sentiment and increased public confidence is projected to boost demand, which in turn drives stock price appreciation. This theoretical concept aligns with various prior empirical findings. Research by Winata et al. (2023), Nenobais *et al*. (2022), and Dewi & Suwarno (2022) consistently shows that ROA has a significant and positive effect on stock price volatility. Based on this theoretical framework and empirical validation, the first hypothesis is proposed:
H_1: Return on Assets (ROA) has a positive and significant effect on stock prices

NPM acts as a profitability proxy that measures a corporation's proficiency in deriving net income from its total sales revenue. This achievement is highly dependent on management's efficiency in controlling operational expenses (Vickia Tanisa & Maharani, 2024). In Agency Theory, this operational efficiency reflects the alignment of interests between management and investors. In Signaling Theory, a substantial NPM is interpreted by the market as a highly favorable indicator. It validates the firm's financial soundness and the executive team's aptitude for maximizing profit margins (Nazir *et al*., 2021). This strong signal of profitability is expected to boost investor confidence and attract market interest. This dynamic ultimately drives demand for the stock, leading to an immediate rise in its price on the trading floor. This theoretical argument is supported by empirical evidence in the works of Vickia Tanisa & Maharani, (2024), Amirullah & Febyansyah (2024), and Nenobais *et al*. (2022), These experts unanimously conclude that NPM has a positive impact on stock price movements. By synthesizing the underlying theories and previous research, the second hypothesis is proposed:
H_2: Net Profit Margin (NPM) has a positive and significant effect on stock prices

EPS is defined as a key profitability metric that measures the net income allocated to each outstanding common share (Ginanjar (2022; Mansour *et al*. 2025). When interpreted through Agency Theory, a strong EPS indicator provides concrete evidence of management's effectiveness in aligning the execution of their strategies with investors' primary objectives.Through this ratio, a company can demonstrate its ability to optimally distribute returns on capital to investors (Setyaningrum *et al*., 2025). From the perspective of Signal Theory, the EPS value functions as a positive signal representing the issuer's operational efficiency in generating profits. An increase in EPS indicates the potential for larger dividend payouts for investors. When a company consistently meets these financial expectations, it fosters positive market sentiment and strengthens public confidence. High investor interest in allocating funds to companies with a strong EPS track record is what will drive a surge in demand and stock price movements. This relationship is supported empirically by Purwaningsih & Setiawan (2022), Fabiola & Hermanto (2023), and Rahmah (2024), which collectively confirm the significant and positive impact of EPS on stock valuation. Building upon this theoretical and empirical foundation, the third hypothesis is outlined:
H_3: Earnings Per Share (EPS) has a positive and significant effect on stock prices

DER serves as an important solvency indicator used to evaluate a company's capital structure. This indicator specifically measures the extent to which a company's operations are funded by liabilities relative to its internal equity (Dahal *et al*., 2023). By comparing the total capital provided by creditors with the funds injected by shareholders, this indicator measures a company's financial resilience in repaying outstanding liabilities (Badwan & Awad, 2023). In Agency Theory, the use of debt imposes a fixed obligation on management to pay interest or principal on loans, which could otherwise be used to generate profits. From the perspective of Signal Theory, variations in the DER provide an explicit indication of a company's vulnerability to current financial difficulties (Anggraini, 2023). An increase in the DER indicates a growing debt burden and higher financial risk. This high risk condition is interpreted as a negative signal that influences market perception, thereby risking a reduction in investment interest and ultimately creating downward pressure on stock prices. These theoretical statements are supported by empirical research conducted by Amirullah & Febyansyah (2024), Octora & Matta (2025), and Yana *et al*. (2022). These academic studies consistently show that an excessively high DER has a significant and negative impact on stock price movements. Based on this well established theoretical and empirical foundation, the fourth hypothesis is proposed:
H_4: Debt to Equity Ratio (DER) has a negative and significant effect on stock price

PER is a valuation tool that compares a stock's market price on the exchange with its earnings per share (EPS) (Andini, 2024). Empirical literature confirms that the PER approach exhibits a significantly lower Root Mean Square Error (RMSE) compared to the Price to Book Value (PBV)

method, establishing it as a far more precise and accurate metric for determining fair stock prices, which justifies its selection as the primary valuation indicator in this model (Azizah et al., 2024). In Agency Theory, the PER can be viewed as a direct reflection of the market's level of confidence in management's effectiveness in creating corporate value. From the perspective of Signal Theory, PER provides a crucial valuation indicator that helps investors determine the right time to enter the market, particularly in assessing whether a stock is currently undervalued or overvalued. A strong PER signals a positive market trend. This reflects growing investor optimism and a willingness to pay a premium for future returns, while also demonstrating the company's fundamental strength and its ability to grow (Semilir & Mustikasari, 2024). The growing interest among investors, as reflected in these positive valuation signals, directly stimulates market demand and ultimately drives up stock prices. This logical conclusion is consistent with empirical observations from Rahmah (2024), Yana *et al*. (2022), and Ferdiansyah & Kustinah (2025), which collectively confirm that fluctuations in the PER have a positive and significant impact on stock market valuation. By combining this theoretical proposition with the empirical evidence supporting it, the fifth hypothesis is proposed:
H_5: Price to Earning Ratio (PER) has a positive and significant effect on stock prices

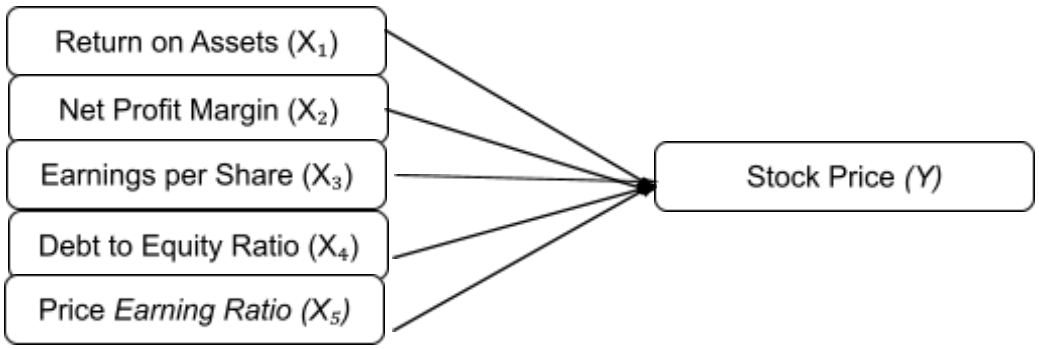


Figure 3. Conceptual Framework

Method

Necessary datasets were compiled from historical trading statistics and annual corporate financial statements, which were directly retrieved from the official Indonesia Stock Exchange (IDX) platform. The target population comprised all publicly traded firms operating within the *consumer cyclicals* sector on the IDX between 2021 and 2024. A purposive sampling technique was subsequently deployed to select the study sample. This procedure yielded 40 eligible enterprises that satisfied three predetermined criteria: (1) having published annual reports consecutively throughout the observation period, (2) being listed in the Main Board category. These criteria were established because, according to IDX Regulation No. I-A, Main Board issuers are required to have a minimum of Rp250 billion in net tangible assets and have recorded operating profits, thereby representing a stable scale and fundamentals. Additionally, the requirement for share distribution to at least 1,000 shareholders ensures a high level of stock liquidity (Jumairi & Purnama, 2025). (3) the issuer must not have received a special equity notation (Notation E) from the exchange authority. These criteria are applied because the assignment of Notation E is a key indicator that the issuer is facing a phase of financial distress, making it vulnerable to bankruptcy and financial statement manipulation (Rachmawati, 2024; Agata, 2025).

Within the structural framework of this research, stock price is defined as the dependent variable. measured quantitatively using annual closing prices. During the data processing stage, the stock price variable was transformed into natural logarithms (Ln). This logarithmic transformation was performed as a statistical remediation step to address the excessive disparity in the range of data variance among issuers in the Consumer Cyclicals sector (Jaya, 2024). This study then examines how this dependent metric is influenced by five different independent variables. ROA is calculated as the ratio of Net Income After Tax to Total Assets (Nenobais *et al*., 2022). NPM is calculated by dividing Net Profit After Tax by Total Sales (Sandiawati & Hidayati, 2023). EPS s derived by dividing the Net Profit After Tax by the total Number of Shares Outstanding (Rahmah, 2024). DER is evaluated through a comparative analysis of Total Debt against Total Equity (Yana *et al*., 2022). The market valuation proxy, represented by PER, is calculated by contrasting the current Stock Price with the firm's Earnings Per Share (Ferdiansyah & Kustinah, 2025).

The analytical phase of this research was executed applying Panel Data Regression Analysis, utilizing the Eviews 13 software environment. The testing process began with a presentation of descriptive statistical analysis and model specification tests (including the Chow Test, Hausman Test, and Lagrange Multiplier Test) to select the appropriate model among Common Effects, Fixed Effects, or Random Effects. In the context of prerequisite statistical diagnostics, the evaluation of classical assumptions was conducted to ensure the validity of the estimation modelThe model's fit and significance are measured using the F-test and the Coefficient of Determination (R^2). To determine the (partial) impact of each financial ratio and valuation proxy on stock price volatility, the hypotheses were tested using a t-test, with a standard significance level of 5% ($\alpha = 0.05$).

Results and Discussion

Table 1. Descriptive Analysis

	LN_PRICE	ROA	NPM	EPS	DER	PER
Mean	6.055250	0.031438	0.020875	76.62438	0.990750	-57.79888
Median	6.075000	0.040000	0.040000	20.28000	0.625000	7.570000
Maximum	9.420000	0.310000	1.050000	1844.120	7.830000	3316.240
Minimum	2.300000	-1.130000	-2.650000	-961.4700	0.040000	-11257.12
Std. Dev.	1.216407	0.119205	0.334593	246.9734	1.034227	1148.716
Skewness	0.035558	-5.845213	-3.893575	3.204158	2.664696	-7.584412
Kurtosis	3.157714	58.20531	31.41534	24.80714	14.62888	71.54862
Jarque-Bera	0.199540	21228.61	5787.141	3444.119	1090.889	32860.04
Probability	0.905045	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	968.8400	5.030000	3.340000	12259.90	158.5200	-9247.820
Sum Sq. Dev.	235.2638	2.259369	17.80048	9698343.	170.0703	2.10E+08
Observations	160	160	160	160	160	160

Source: Secondary data analyzed using Eviews 13, 2026

An analysis of 160 descriptive statistical observations highlights a stabilized valuation landscape in the cyclical consumer goods sector. This is most clearly evident in the log-transformed share price variable (Ln_PRICE), where extreme market volatility has been mathematically mitigated, the standard deviation (1.21) is now well-proportioned relative to the mean (6.05) across a tighter numerical scale ranging from 2.30 to 9.42. Despite this stabilization in variance, the industry exhibits very thin profit margins, characterised by a low average Return on Assets (ROA) of 3.14% and a Net Profit Margin (NPM) of just 2.08%, clearly reflecting the substantial operational costs faced during the economic transition period. The profound operational uncertainty characterising the post-pandemic recovery is clearly illustrated by the EPS and PER indicators, both of which recorded extremely negative minimum values (–961.47 and -11,257.12, respectively) as a direct mathematical consequence of the companies' severe net losses, which ultimately underscore the intense financial difficulties experienced by certain issuers in the market.

Table 2. Chow Test Results

Effects Test	Statistic	d.f.	Prob.
Cross-section F	20.839063	(39,115)	0.0000

Cross-section Chi-square	334.048251	39	0.0000

Source: Secondary data analyzed using Eviews 13, 2026

Table 3. Hausman Test Results

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.884078	5	0.0020

Source: Secondary data analyzed using Eviews 13, 2026

The Chow test ($p < 0.05$) and Hausman test ($p < 0.05$) both indicate that the Fixed Effects Model (FEM) is statistically superior to the Common Effects Model (CEM) and Random Effects Model. Therefore, diagnosis using the Lagrange multiplier method is not necessary (Basuki, 2021).

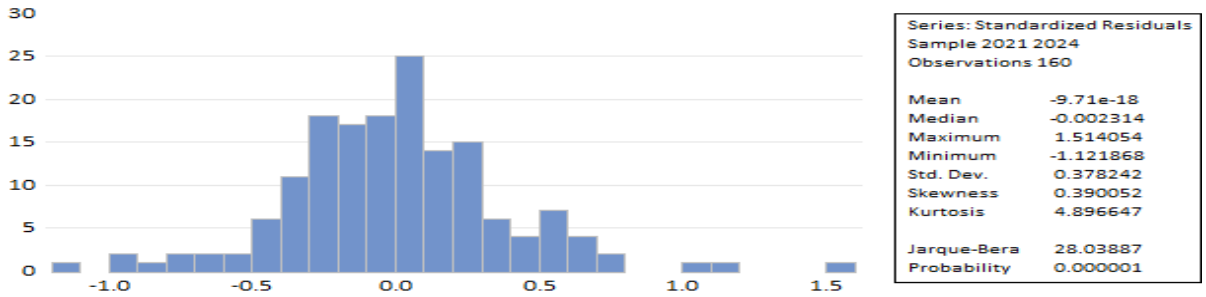


Figure 4. Normality Test Results
Source: Secondary data analyzed using Eviews 13, 2026

The Jarque-Bera probability value obtained is 0.000001. Since this probability value is smaller than the significance level of 0.05, it can be statistically concluded that the residual data are not normally distributed (Basuki, 2021). Panel data analysis with a sufficiently large sample size, the violation of the normality assumption is often mitigated by the Central Limit Theorem (CLT). According to Aziz et al., (2025), as the sample size exceeds 100 observations ($N > 100$), the distribution of the test statistics converges toward normality. Given that this study utilizes 160 observations, the regression model remains robust and suitable for further analysis despite the non-normal distribution of the residuals.

Table 4. Multicollinearity Test Results

	ROA	NPM	EPS	DER	PER
ROA	1.000000	0.753025	0.263217	-0.259809	0.041106
NPM	0.753025	1.000000	0.154491	-0.286533	0.021722
EPS	0.263217	0.154491	1.000000	-0.114043	0.018893
DER	-0.259809	-0.286533	-0.114043	1.000000	0.036220
PER	0.041106	0.021722	0.018893	0.036220	1.000000

Source: Secondary data analyzed using Eviews 13, 2026

Regarding statistical prerequisites, the results of the multicollinearity test confirm that the constructed regression model shows no signs of multicollinearity. This conclusion is grounded on the empirical observation that no correlations exceeding the tolerance limit among the tested independent variables. All correlation coefficients between variables were recorded as not exceeding the maximum tolerance limit of 0.85, in accordance with the testing criteria established by Napitupulu *et al*., (2021).

Table 5. Heteroscedasticity Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.181890	0.053542	3.397170	0.0009
ROA	0.404802	0.344249	1.175898	0.2421
NPM	-0.212040	0.117230	-1.808754	0.0731
EPS	7.37E-05	8.96E-05	0.822640	0.4124
DER	0.084534	0.047472	1.780730	0.0776
PER	9.85E-06	1.67E-05	0.589033	0.5570

Source: Secondary data analyzed using Eviews 13, 2026

An assessment of unequal residual variance was conducted using a heteroscedasticity test based on the Glejser method. Referring to the data presented in Table 5, the formulated regression equation indicates that there is no heteroscedasticity. This conclusion is strongly supported by the probability values of all independent predictor variables, which uniformly exceed the set threshold of 0.05. Therefore, based on the statistical criterion (p-value) > 0.05, which is fully met, it is confirmed that the variance of the error term in the estimation framework remains constant and stable across the entire series of observations.

Table 6. Autocorrelation Test Results

Cross-section fixed (dummy variables)

R-squared	0.903310	Mean dependent var	6.055250
Adjusted R-squared	0.866316	S.D. dependent var	1.216407
S.E. of regression	0.444753	Akaike info criterion	1.449664
Sum squared resid	22.74763	Schwarz criterion	2.314557
Log likelihood	-70.97315	Hannan-Quinn criter.	1.800867
F-statistic	24.41748	Durbin-Watson stat	1.496317
Prob(F-statistic)	0.000000		

Source: Secondary data analyzed using Eviews 13, 2026

Based on table 7, it can be seen that the Durbin-Watson statistic is 1.496317. There are 5 independent variables in this study with 160 observations, resulting in a DL value of 1.6776 and a DU value of 1.8063, DW< DL (1.4963 < 1.6776), it indicates the presence of positive autocorrelation in the model (Napitupulu et al., 2021). The data used in this study were derived from various companies over a span of several years (panel data), requiring the application of GLS, which in practice involves the Feasible Generalized Least Squares (cross-section weights) technique (Basuki, 2021).

Table 7. Autocorrelation Test Results (GLS Weighted Model)

Weighted Statistics

R-squared	0.966480	Mean dependent var	10.20302
Adjusted R-squared	0.953654	S.D. dependent var	7.295350
S.E. of regression	0.440377	Sum squared resid	22.30213
F-statistic	75.35798	Durbin-Watson stat	1.807557

Prob(F-statistic)	0.000000		
	Unweighted Statistics		
R-squared	0.902861	Mean dependent var	6.055250
Sum squared resid	22.85321	Durbin-Watson stat	1.493532

Source: Secondary data analyzed using Eviews 13, 2026

Based on table 8, it can be seen that the Durbin-Watson statistic is 1. 807557, DU < DW < (4 – DL) (1.8063 < 1.8076 < 2.3224), leading to the conclusion that there is no evidence of autocorrelation (Napitupulu et al., 2021)

Table 8. Panel Data Regression Analysis

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.146627	0.062661	98.09368	0.0000
ROA	-0.475801	0.529165	-0.899155	0.3704
NPM	0.593131	0.177816	3.335635	0.0011
EPS	0.000237	0.000109	2.177442	0.0315
DER	-0.109021	0.053220	-2.048489	0.0428
PER	-1.77E-05	1.15E-05	-1.544652	0.1252
	Effects Specification			
Cross-section fixed (dummy variables)				
	Weighted Statistics			
R-squared	0.966480	Mean dependent var	10.20302	
Adjusted R-squared	0.953654	S.D. dependent var	7.295350	
S.E. of regression	0.440377	Sum squared resid	22.30213	
F-statistic	75.35798	Durbin-Watson stat	1.807557	
Prob(F-statistic)	0.000000			
	Unweighted Statistics			
R-squared	0.902861	Mean dependent var	6.055250	
Sum squared resid	22.85321	Durbin-Watson stat	1.493532	

Source: Secondary data analyzed using Eviews 13, 2026

Based on the output of the panel data regression analysis in table 8, the mathematical formulation for the estimation model is established as follows:

$$Stock\ PRICE = 6.1466 - 0.4758(ROA) + 0.5931(NPM) + 0.0002(EPS) - 0.1090(DER) - 0.000017(PER)$$

Panel data regression equation establishes a baseline constant value of 6.1466, indicating that if all independent variables are held at zero, the natural logarithm of the stock price will logically stand at this level. The slope coefficients illustrate the directional impact of each predictor, where NPM (0.5931) and EPS (0.0002) exhibit positive coefficients, implying that an increase in operational efficiency and earnings per share will mathematically drive the stock price up. Conversely, ROA (-0.4758), DER (-0.1090), and PER (-0.000017) display negative coefficients, indicating an inverse relationship with stock price movements.

The F-statistic probability of 0.000000 ($\alpha = 0.05$) confirms that the regression model is statistically valid, indicating that all independent variables (ROA, NPM, EPS, DER, and PER) collectively influence stock prices in the consumer cyclicals sector. The adjusted R-squared value of 0.953654 shows that 95.37% of stock price fluctuations can be explained by these five variables, leaving only 4.63% to be explained by external factors.The t-test reveals that NPM and EPS have a significant positive effect on stock prices, whereas DER has a significant negative effect. Conversely, ROA and PER do not significantly impact stock movements. This indicates that investor sentiment is primarily driven by profitability and earnings, but responds negatively to a company's debt burden

Discussion

Empirical evidence indicates that ROA has a negative, though not statistically significant, effect on the stock valuations of cyclical consumer goods companies listed on the Indonesia Stock Exchange. Supported by a coefficient of -0.475801 (p = of 0.3704), the first hypothesis is rejected. This statistical finding indicates that fluctuations in the ROA metric do not act as a driving factor for stock prices in this sector. This conclusion differs from that of Winata *et al*. (2023) and Dewi & Suwarno (2022), whose studies confirmed a significant relationship between ROA and market price. Theoretically, the market views ROA as an indicator of management's ability to control operating costs in order to maximize net profit. However, the researchers obtained results similar to those of Purnama & Sari (2021) dan Putra *et al.* (2021)**,** which confirms that ROA does not have a significant impact. This phenomenon suggests that market participants are reluctant to rely excessively on ROA to estimate investment returns, primarily because this ratio reflects a company's short term performance more than its long term strategic growth.

Regarding NPM, the results of the analysis indicate a positive correlation, and this relationship is statistically significant with respect to the stock prices of cyclical consumer companies listed on the stock exchange. Supported by a coefficient of 0.593131 (p = 0.0011), the second hypothesis is accepted. These empirical findings indicate that the magnitude of a company's net profit margin significantly determines its stock volatility in this market segment. These findings support Amirullah & Febyansyah (2024) and Nenobais *et al*. (2022), Both studies document the strong influence of NPM on stock valuations. As a financial indicator, NPM only reflects a company's earnings over a specific accounting cycle. This study contradicts the findings of previous research by Shiddiq et al. (2023) and Junli et al. (2023), in which NPM was found to have no significant impact on stock price formation. These findings highlight that investors rely on NPM to gain valuable insights into a company's operational efficiency and future growth prospects

Empirical analysis confirms that EPS has a clear and statistically significant positive impact on the market valuation of cyclical consumer goods stocks traded on the IDX. Supported by a coefficient of 0.000237 (p = 0.0315), the third hypothesis is accepted. This empirical finding underscores that real earnings per share directly influence a corporation's stock price volatility. This study aligns with Purwaningsih & Setiawan (2022) and Fabiola & Hermanto (2023), who consistently demonstrated the significance of EPS on stock value in the capital market. An increase in earnings per share serves as a positive signal regarding potential returns. However, this conclusion differs from the findings of Tanty Dwi Francisca & Suselo (2023) and Paramayoga & Fariantin (2023), who argue that EPS does not have a significant impact on stock prices. High EPS aligns with increased investor interest, thereby driving expectations regarding dividends. It is this positive sentiment that ultimately becomes the primary driver behind a surge in demand, causing stock prices to rise.

The statistical evaluation of DER indicates a negative and statistically significant relationship regarding stock price fluctuations in the consumer cyclicals sector. Supported by a coefficient of -0.109021 (p = 0.0428), the fourth hypothesis is accepted. These results conclude that the magnitude of a company's DER significantly influences the company's stock price movements. These findings

are consistent with the research by Octora & Matta (2025) and Yana et al. (2022), which state that the DER influences stock valuations. A higher DER is seen as a sign of increased financial risk by the market, it is viewed negatively as an indication that the company carries a high debt burden that could threaten long-term stability. However, the current analysis contradicts the alternative findings presented by Aulia & Safriam (2023) and Andriani et al. (2023), who empirically validated that the DER does not influence stock price movements. This market behavior indicates that modern investors respond negatively to higher debt levels, preferring companies that demonstrate safer capital structures and lower financial liabilities.

Testing PER valuation proxy yielded findings indicating a negative and statistically insignificant correlation with the stock price volatility of consumer cyclical firms. The coefficient of -0.0000177 (p = 0.1252), clearly rejects the fifth hypothesis. This empirical finding suggests that fluctuations in PER do not significantly affect stock price fluctuations in consumer cyclical firms. This conclusion is inconsistent with Rahmah (2024) and Ferdiansyah & Kustinah (2025), who noted that PER exerts a significant influence on price fluctuations. Company profit growth generates excessively high market expectations. this study is consistent with the literature on Syahputra & Idawati, (2021) and Naelufar *et al*., (2021), which consistently assert that the PER is not significant regarding stock price movements. The PER indicator does not always reflect the efficiency of asset management or the overall quality of a company's fundamental performance, consequently the market does not respond to PER fluctuations as the primary basis for determining stock prices.

Conclusion

This empirical study evaluates how financial performance and market sentiment influence consumer cyclicals stock prices on the IDX during the 2021-2024 post-pandemic recovery. Using panel data regression, it analyzes five fundamental proxies ROA, NPM, EPS, DER, and PER. Results reveal that stock prices are significantly influenced only by NPM, EPS, and DER. NPM and EPS exert a positive effect, while DER has a significant negative impact. ROA and PER do not individually influence prices, though all five variables collectively determine price movements, explaining 95.37% of the variance. The remaining 4.63% is driven by external factors. Investors should prioritize operational efficiency (NPM) and earnings (EPS) while monitoring capital structure (DER) to predict prices and minimize valuation distortions. Concurrently, management must optimize debt utilization and improve operational efficiency to boost net profit. Future research should expand this model across various industries and include macroeconomic variables to enrich the literature

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