

The Significance of Financial Performance Indicators on Stock Price: Evidence from PT Selamat Sempurna Tbk

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Abstract

This study aims to determine the Effect of Return on Investment, Return on Equity and Dividend Payout Ratio on the Stock Price of PT Selamat Sempurna Tbk for the 2014-2023 Period. This study uses a quantitative method with a descriptive approach. The data analysis methods used are descriptive statistical tests, classical assumption tests (normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests), multiple linear regression analysis, determination coefficient tests, and hypothesis tests (t-tests and f-tests) processed through the SPSS (Statistical Product and Service Solution) version 27 program. The results show that Return on Investment (ROI) has a significant negative effect, Return on Equity (ROE) has a positive effect, and Dividend Payout Ratio (DPR) has a negative effect on the stock price of PT Selamat Sempurna Tbk during 2014–2023.

Keywords: Return on Investment, Return on Equity, Dividend Payout Ratio, Stock Price.

JEL Classification : G32, M41

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Introduction

The automotive industry in Indonesia has experienced rapid growth over the past few decades, reflecting both the nation's economic transformation and the dynamics of its social development. From a macroeconomic perspective, stable growth, improved infrastructure, and government policies promoting investment have provided a conducive environment for the expansion of the motor vehicle industry. On a micro level, factors such as consumer preferences, technological innovation, and competition among manufacturers also shape the landscape of the automotive sector. The combination of these macro and micro dynamics not only influences vehicle production and distribution but also drives shifts in consumer behavior, including an increasing preference for environmentally friendly technologies.

Within this ecosystem, PT Selamat Sempurna Tbk stands out as a major player in Indonesia's automotive component industry. The company focuses on manufacturing high-quality components while emphasizing sustainable innovation and environmentally responsible products. Product diversification has become an important strategic tool for mitigating business risks, improving efficiency, and maintaining competitiveness in a globalized market. Furthermore, the company's commitment to sustainability and digital transformation reflects a broader industrial shift toward efficiency and environmental stewardship.

The growth of automotive sales directly impacts the component industry, which remains dependent on the performance of automotive manufacturers. However, despite increasing sales, profitability in this sector can fluctuate due to factors such as fluctuating raw material costs and corporate debt levels that affect investors' perceptions of financial stability. These conditions highlight the importance of reliable, transparent, and timely financial reporting, which enables investors, creditors, and other stakeholders to make informed economic decisions. As noted by **Iryani (2016)**, companies must disclose information accurately and transparently so that users of financial statements—such as investors and creditors—can assess firm performance in an increasingly complex economic environment.

In line with this, **financial statement analysis** becomes a critical process in understanding the financial condition and operational performance of a company. It involves examining financial ratios, trends, and relationships between quantitative and qualitative indicators to

provide insights into profitability, liquidity, and efficiency (Krisnaldy, Pratama, & Kasmad, 2023). This analytical process allows investors to evaluate the firm's ability to generate returns and predict future financial conditions.

In capital markets, investors rely heavily on accurate financial information to evaluate the relationships among variables that influence stock prices and to understand price fluctuations. Stock prices are affected not only by supply and demand but also by macroeconomic factors such as inflation, interest rates, fiscal policy, and global economic conditions. At the same time, micro-level determinants—including corporate earnings, dividends, cash flow, industry competition, and investor behavior—play equally important roles. Among these factors, financial ratio indicators, specifically Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR), are commonly used to measure a company's profitability, efficiency, and shareholder return potential.

According to Kasmir (2021: 203), ROI is a ratio that reflects how effectively a company utilizes its total assets to generate profit; the higher the ROI, the more efficiently the company is managing its investments. Similarly, Return on Equity (ROE) measures the efficiency of equity utilization in generating profit, representing the firm's ability to reward shareholders (Kasmir, 2021: 206). Meanwhile, Hery (2020: 145) defines DPR as the proportion of net income paid out as cash dividends, indicating the percentage of profits distributed to shareholders. Stock prices, as stated by Sugiyanto in Ansyar (2018: 24), are determined by market forces of supply and demand, reflecting investor perceptions of a company's performance and potential.

While these financial ratios are widely recognized as indicators of firm performance, empirical evidence on their effects on stock prices remains inconsistent across studies, time periods, and sectors. Some research shows that profitability positively affects stock prices, while others report negative or insignificant relationships. This inconsistency suggests that the market's interpretation of profitability and dividend policy varies depending on industry structure, financial policy, and investor expectations.

Recent studies between 2021 and 2025 illustrate this variability. Ananti, Nurlaela, and Masitoh (2022) found that ROE negatively affected stock prices in Indonesian manufacturing companies, suggesting that high profitability does not always translate into higher valuations. Likewise, Jamali and Haeruddin (2023) discovered that ROE had a negative yet insignificant impact on stock prices among state-owned banks, implying that sectoral characteristics might mediate this relationship. Conversely, other studies document positive correlations. Immanuella and Sulistyowati (2023) reported that both profitability and DPR significantly

increased stock prices in IDX Quality 30 companies, while Meilana, Syamsuddin, and Masrullah (2023) observed that ROE and Return on Assets (ROA) positively affected stock prices in construction firms. In the automotive industry, Mursalini (2023) found that ROI had a positive effect on stock prices, although Earnings Per Share (EPS) did not show a significant influence. Furthermore, Puspitarini et al. (2024) emphasized that DPR's effect on firm value could differ depending on company growth stage and market expectations.

These mixed results reveal that the influence of financial ratios on stock prices is not uniform but instead shaped by contextual factors such as industry dynamics, managerial decisions, and investor behavior. From a theoretical standpoint, this complexity can be interpreted through several frameworks. Signaling Theory (Spence, 1973) suggests that financial ratios act as signals to the market, reducing information asymmetry between management and investors. A higher ROE or ROI can signal strong performance, but excessively high values may also raise concerns about risk exposure or earnings manipulation (Fathi, Saeedi, & Saeedi, 2024). Agency Theory (Jensen & Meckling, 1976) further explains how dividend policy (DPR) serves as a mechanism to mitigate agency conflicts—high dividends reduce the funds available for managerial discretion, thus increasing investor trust. Meanwhile, Trade-Off Theory posits that firms must balance between dividend payments and reinvestment needs to maintain sustainable growth (Vadana & Kusumawati, 2023).

Integrating these theories with empirical findings highlights a critical issue: despite the common assumption that higher profitability and dividend distribution improve stock prices, real-world data show heterogeneous results. These inconsistencies suggest that investors do not always respond linearly to financial signals; their reactions depend on contextual interpretation, risk perception, and behavioral biases. Behavioral Finance research supports this view, suggesting that cognitive biases, sentiment, and overreaction can distort how investors process financial information (Fauziah, Cay, & Pratama, 2024).

This synthesis reveals several research gaps. First, prior studies often analyze profitability or dividend policy separately rather than in an integrated model that examines both internal performance indicators (ROI, ROE) and external financial policies (DPR) within the combined framework of Signaling and Agency Theories. Second, few studies have specifically explored the automotive component industry, a sector that is capital-intensive, technology-driven, and sensitive to both domestic and global economic conditions. Third, empirical results remain inconsistent, particularly regarding the direction of ROI and DPR effects, suggesting the need for firm-specific, longitudinal analysis. Fourth, methodological limitations—such as short observation periods and limited sample sizes—reduce the robustness of previous findings.

To address these gaps, this study investigates the influence of ROI, ROE, and DPR on the stock price of PT Selamat Sempurna Tbk during the period 2014–2023. By integrating profitability and dividend indicators within both signaling and agency frameworks, this research aims to clarify how financial performance and policy decisions interact to shape investor valuation in Indonesia's automotive component industry. The study contributes theoretically by deepening the understanding of financial signaling mechanisms in emerging markets, empirically by offering firm-specific longitudinal evidence, and practically by providing insights for managers and investors in optimizing profitability and dividend strategies under changing economic conditions. this study contributes by integrating profitability and dividend policy within an automotive context, which is rarely addressed in prior Indonesian studies.

Based on the background described above, the research questions for this study are as follows:

1. Is there a negative effect of ROI on the share price of PT Selamat Sempurna Tbk for the period 2014-2023?
2. Is there a positive effect of ROE on stock prices at PT Selamat Sempurna Tbk for the period 2014-2023?
3. Is there a negative effect of DPR on the stock price of PT Selamat Sempurna Tbk for the period 2014-2023?

Literature Review

Signaling Theory

Signaling Theory describes how company management sends signals to investors to reduce information asymmetry. These signals can originate from financial statements, dividend policies, or other strategic actions. Modern empirical studies indicate that various variables such as dividends, debt ratios, capital expenditures, and profit distribution play a significant role as signals in shaping investor perceptions and influencing the cost of equity for stocks (Pratama et al., 2024).

Agency Theory

Agency Theory explains the contractual relationship between company owners (principals) and management (agents), whereby management is authorized to manage the

company in the interests of the owners. However, differences in interests can lead to agency conflicts triggered by information asymmetry, which is a condition where management has more information about the company's condition than the owners. In the context of this study, the variables Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR) can be indicators that influence the agency relationship. High ROI and ROE reflect management's performance in managing assets and capital to generate profits, thereby reducing conflicts between shareholders and management. Meanwhile, a consistent DPR policy demonstrates management's commitment to providing returns to shareholders, thereby strengthening investor confidence. In line with Agency Theory, transparent financial disclosure and appropriate profit distribution policies can reduce potential conflicts, align interests, and increase company value, which ultimately impacts stock prices.

Trade-Off Theory

The Trade-Off Theory explains that firms aim to balance the benefits of paying dividends (signaling profitability and reducing agency costs) with the benefits of retaining earnings (supporting future growth). Estiasih, Prihatiningsih, and Fatmawati (2020) emphasize that an optimal DPR level depends on the firm's capital structure, risk profile, and investment needs. Overly high dividends may reduce future investment capacity, thereby lowering long-term stock valuation. In capital-intensive industries such as automotive manufacturing, this trade-off becomes particularly critical, as reinvestment in technology and production assets is vital for maintaining competitiveness.

Pecking Order Theory

The Pecking Order Theory (Myers & Majluf, 1984) posits that firms prefer internal financing (retained earnings) over external financing due to information asymmetry. Thus, a company's decision to pay dividends directly affects its capacity to fund new investments. A high DPR implies lower retained earnings, increasing reliance on external debt or equity issuance, which could signal financial weakness. According to Vadana and Kusumawati (2023), this trade-off explains why investors often view high dividend payments negatively in growth-oriented firms—they reduce financial flexibility and internal financing availability.

Behavioral Finance Perspective

Traditional theories assume rational investors, yet Behavioral Finance highlights that market participants often act based on heuristics and biases rather than objective valuation. Fauziah, Cay, and Pratama (2024) note that investor sentiment can amplify or dampen the

response to financial signals like ROI or DPR. For example, during optimistic market periods, investors may overreact to high profitability signals, while in uncertain environments, they may interpret high dividends as defensive rather than positive. This behavioral layer adds depth to understanding the asymmetric and sometimes counterintuitive impacts observed in empirical data.

Empirical Evidence

Relationship between ROI and Stock Price

Empirical studies have shown mixed results on the relationship between ROI and stock price. Mailensun, Tesalonika, and Kusumastuti (2022) found that ROI had no significant effect on stock prices of technology companies listed on the Indonesia Stock Exchange (IDX) during 2020–2022, suggesting that investors prioritize innovation and market share over short-term investment returns. In contrast, Muttalib and Pasigai (2023) reported that ROI had a positive and significant influence on stock performance in Indonesia’s airline industry, where asset utilization directly determines profitability.

However, several studies suggest a non-linear relationship. Setiawan and Rosa (2023) found that ROI significantly influenced stock prices in manufacturing firms but could turn negative when operational risk increased. This supports the idea that ROI’s impact depends on market perception of risk versus efficiency. Therefore, for PT Selamat Sempurna Tbk, the negative coefficient of ROI found in this study may reflect investor caution toward aggressive investment expansion or volatile asset use.

H1: Return on Investment (ROI) has a negative and significant effect on stock price.

Relationship between ROE and Stock Price

The majority of studies confirm a strong positive relationship between ROE and stock price. Hermanto and Ibrahim (2020) demonstrated that ROE significantly increases stock prices in Indonesian manufacturing firms, showing that profitability derived from shareholder equity enhances investor confidence. Similarly, Rohma and Sary (2022) found that ROE had a positive and significant influence on stock prices in coal mining companies, mediated through the Investment Opportunity Set (IOS).

Further, Vadana and Kusumawati (2023) confirmed that ROE remains one of the most consistent predictors of stock price performance across various sectors in Indonesia between 2020–2022. A 2023 study by Mursalini (2023) also showed that in the automotive industry,

ROE acts as a key profitability signal, positively influencing investor sentiment and stock valuation. These findings collectively support the theoretical argument that equity-based profitability serves as a credible and stable signal of firm performance.

H2: Return on Equity (ROE) has a positive and significant effect on stock price.

Relationship between DPR and Stock Price

Empirical evidence on DPR is more divergent. Watung, Van Rate, and Hasan Jan (2023) found that DPR had a negative and significant effect on stock prices in state-owned banks, supporting the notion that excessive dividend payouts may signal limited reinvestment opportunities. Ananti, Nurlaela, and Masitoh (2022) also confirmed that dividend policy negatively affects stock prices in Indonesian manufacturing firms, implying investor preference for retained earnings.

Similarly, Muhammad and Meirisa (2023) reported that in the energy sector, DPR negatively impacted stock returns, reinforcing the trade-off perspective. However, Samsuri and Zamasari (2024) observed that DPR could mediate the relationship between liquidity and stock price in LQ45 companies, indicating that the effect might vary with company-specific factors. Puspitarini, Fadli, and Santoso (2024) added that the impact of DPR depends on the firm's growth stage—mature firms with stable earnings may benefit from higher payouts, whereas growth firms may be penalized for the same policy.

H3: Dividend Payout Ratio (DPR) has a negative and significant effect on stock price

To strengthen the theoretical foundation and contextual relevance of this study, a synthesis of recent empirical literature from 2021–2025 was conducted, focusing on the relationship between financial performance indicators—Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR)—and stock prices across various sectors in Indonesia. The purpose of this synthesis is to identify consistent patterns, divergences, and contextual factors influencing the direction and magnitude of these relationships. The reviewed studies employ diverse methodologies, including regression analysis, panel data approaches, and mediation models, reflecting the complexity of financial decision-making and investor responses in emerging markets.

Overall, the findings reveal that the impact of profitability and dividend policy on stock prices is not uniform across industries. While ROE generally shows a positive and significant

influence on stock valuation, ROI and DPR often display mixed or context-dependent effects, suggesting that sectoral characteristics, firm maturity, and managerial signaling strategies play crucial roles in determining investor perception. This synthesis provides a comprehensive foundation for the present study, highlighting the research gap in the automotive component sector, particularly concerning the long-term interplay between ROI, ROE, and DPR in shaping firm value.

The summary of key empirical studies relevant to this topic is presented in **Table 1** below.

Table 1 Synthesis Literature Review

Author (Year)	Objective	Method	Key findings	Relationship direction
Setiawan & Rosa (2023)	To analyze ROI's influence on stock value and firm performance (synthesis of journals on ROI for IDX-listed firms).	Literature synthesis / empirical review & panel analysis (overview of multiple samples).	ROI influences stock price movements, but effect varies by firm/sector — not uniformly positive.	Mixed / context-dependent.
Mailensun, Tesalonika & Kusumastuti (2022)	To test effect of ROI and DER on stock price in Indonesian tech firms.	Quantitative regression on IDX-listed technology firms (panel/cross-section).	ROI showed limited/insignificant effect in some technology firms; leverage moderated outcomes.	ROI: no consistent positive effect.
Watung, Van Rate & Hasan Jan (2023)	To examine CAR, EPS, DPR, PER, inflation on stock prices in state-owned banks.	Multiple regression on banking sector data (IDX, 2017–2021).	DPR had a significant effect (reported negative in some specifications); sectoral context mattered a lot.	DPR: negative / sector-dependent.
Rohma & Sary (2022)	To study ROE & ROI effect on stock price mediated by Investment Opportunity Set (IOS) in	Quantitative analysis with mediating	ROE positively affected stock price; IOS mediated the	ROE: positive; ROI: mixed.

Author (Year)	Objective	Method	Key findings	Relationship direction
	coal mining (2017–2019).	variable (SEM / path analysis).	relationship. ROI effect varied.	
Muttalib & Pasigai (2023)	To analyze ROI effect on stock performance for Indonesian airline companies.	Regression analysis on airline firm data (panel yearly).	ROI positively influenced stock performance in this capital-intensive transport subsector.	ROI: positive (sector-specific).
Vadana & Kusumawati (2023)	To test ROE, EVA, and DPR influence on stock price of manufacturing firms (2020–2022).	Multiple regression on manufacturing sector (IDX) sample.	ROE consistently positive; DPR effect varied by firm maturity and explanation.	ROE: positive; DPR: context-dependent.
Muhammad & Meirisa (2023)	To investigate ROE, DER, DPR effects on stock returns in energy sector companies.	Regression on energy-sector firms (time series / panel).	DPR and leverage influenced returns negatively in many specifications; ROE positive.	DPR: negative; ROE: positive.
Ananti, Nurlaela & Masitoh (2022)	To explore dividend policy, ROE, ROI effect on stock prices in Indonesian manufacturing.	Quantitative regression on manufacturing sample.	Dividend policy often negatively associated with price when investors prefer reinvestment; ROE/ROI results mixed.	DPR: negative; ROI/ROE: mixed/conditional.
Puspitarini, Fadli & Santoso (2024)	To analyze how DPR affects firm value in consumer goods sector; explores moderating/contextual factors.	Regression with subgroup analysis by firm growth stage (2020–2022).	DPR impact depends on firm maturity: positive for mature firms, negative or neutral for growth firms.	DPR: conditional (maturity moderates).

Author (Year)	Objective	Method	Key findings	Relationship direction
Samsuri & Zamasari (2024)	To test DPR as mediator between liquidity/leverage and stock price in LQ45 companies.	Mediator regression / path analysis on LQ45 sample.	DPR can mediate effects; its direct effect on price varies across firms and market conditions.	DPR: mediator; direction varies.

Research Methods

Research Design

This research adopts a quantitative descriptive design with a causal approach to examine the influence of Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR) on Stock Price of PT Selamat Sempurna Tbk during the period 2014–2023. The causal design is chosen to determine the direction and magnitude of the relationships among variables.

The analysis is conducted using multiple linear regression with the Ordinary Least Squares (OLS) method, processed through SPSS version 27. The approach follows prior financial performance studies (Vadana & Kusumawati, 2023; Muhammad & Meirisa, 2023) which examined profitability and dividend indicators as determinants of firm value.

The research framework can be mathematically expressed as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \varepsilon$$

Where:

Y = Stock Price

α = Constant

$\beta_1, \beta_2, \beta_3$ = Regression coefficients

X1 = Return on Investment (ROI)

X2 = Return on Equity (ROE)

X_3 = Dividend Payout Ratio (DPR)

ε = Error term

This model tests both the **partial (t-test)** and **simultaneous (F-test)** significance of the independent variables against the dependent variable.

Data Type and Source

The study employs secondary data obtained from the Annual Reports and Financial Statements of PT Selamat Sempurna Tbk published on the Indonesia Stock Exchange (IDX) and the company's official website for the period 2014–2023. Financial data collected include net income, total equity, total assets, investment, dividends, and stock price at year-end.

Population and Sample

The population of this study comprises all manufacturing companies listed in the automotive component sub-sector on the Indonesia Stock Exchange (IDX). The sample is determined through purposive sampling based on the following criteria. Companies that consistently published annual financial statements during 2014–2023. Companies that provided complete data on ROI, ROE, and DPR for at least 10 consecutive years. Companies with active trading during the study period.

Based on these criteria, PT Selamat Sempurna Tbk is selected as the sample, representing a leading automotive component firm with stable financial disclosure and dividend policy.

Data Analysis Technique

Descriptive Statistics

Descriptive analysis is used to present the mean, minimum, maximum, and standard deviation of each variable to describe their general tendencies.

Classical Assumption Tests

The OLS regression model requires that the data satisfy classical assumptions:

Normality Test: Kolmogorov–Smirnov (Asymp. Sig. > 0.05)

Multicollinearity Test: Tolerance > 0.10 and VIF < 10

Heteroscedasticity Test: Glejser test (Sig. > 0.05)

Autocorrelation Test: Durbin–Watson (value between 1.5–2.5)

Regression Analysis

Multiple linear regression is applied to assess the simultaneous and partial effects of ROI, ROE, and DPR on Stock Price:

$$Y = \alpha + \beta_1(\text{ROI}) + \beta_2(\text{ROE}) + \beta_3(\text{DPR}) + \varepsilon$$

Coefficient of Determination (R²)

R² measures how much the independent variables explain the variance in Stock Price. A higher R² indicates a better model fit (Ghozali, 2021).

Hypothesis Testing

t-Test: Tests partial influence of each variable (ROI, ROE, DPR) on Stock Price.

F-Test: Tests simultaneous influence of all independent variables.

Significance Level: 0.05 (5%).

Operational Definition of Variables

The operationalization of variables in this study follows established financial management literature and empirical research from 2021–2025. Each variable's measurement, formula, and theoretical basis are shown in Table 2.

Table 2 Operational Definition of Variables

Variable	Formula	Measurement Scale	Source / Reference
Return on Investment (ROI) (X ₁)	$ROI = \frac{\text{Net Income}}{\text{Total Investment}} \times 100\%$	Ratio (%)	Mailensun et al. (2022); Muttalib & Pasigai (2023)
Return on Equity (ROE) (X ₂)	$ROE = \frac{\text{Net Income}}{\text{Total Equity}} \times 100\%$	Ratio (%)	Hermanto & Ibrahim (2020); Vadana & Kusumawati (2023)

Variable	Formula	Measurement Scale	Source / Reference
Dividend Payout Ratio (DPR) (X_3)	$DPR = \frac{\text{Dividend per Share}}{\text{Earnings per Share}} \times 100\%$	Ratio (%)	Watung et al. (2023); Muhammad & Meirisa (2023)
Stock Price (Y)	Year-end closing price (IDR)	Ratio (IDR)	Vadana & Kusumawati (2023); Ghozali (2021)

Results and Discussions

Based on the results of data processing using SPSS (Statistical Product and Service Solution) version 27. An overview of the data can be seen in the following descriptive statistics table 3:

Descriptive Statistics Analysis Results

Table 3 Descriptive Statistics

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
ROI	10	0.16	0.24	0.2118	0.02339
ROE	10	0.20	0.37	0.2886	0.04436
DPR	10	0.46	0.71	0.5758	0.07240
Stock Price	10	980	4760	2091.00	1426.608
Valid N (listwise)	10				

Source: data processed by the researcher using SPSS version 27

The descriptive statistics table above illustrates the distribution and characteristics of the research data for PT Selamat Sempurna Tbk, which consists of 10 observations. The Return on

Investment (ROI) variable has a minimum value of 0.16, a maximum value of 0.24, and an average (mean) of 0.2118, with a standard deviation of 0.02339, indicating relatively low variability in investment returns. The Return on Equity (ROE) variable ranges from 0.20 to 0.37, with an average value of 0.2886 and a standard deviation of 0.04436, suggesting a moderate variation in profitability based on shareholders' equity. Meanwhile, the Dividend Payout Ratio (DPR) shows a minimum of 0.46, a maximum of 0.71, and an average of 0.5758, with a standard deviation of 0.07240, reflecting some fluctuation in dividend distribution to shareholders. Lastly, the Stock Price variable exhibits the widest dispersion, ranging from 980 to 4760, with an average value of 2091.00 and a standard deviation of 1426.608, implying significant volatility in the company's stock price over the observed period.

Normality Test

Table 4 Normality Test Results

<i>One-Sample Kolmogorov-Smirnov Test Unstandardized Residual</i>	
<i>N</i>	10
<i>Normal Parameters (a, b)</i>	
<i>Mean</i>	0.0000000
<i>Std. Deviation</i>	522.89997626
<i>Most Extreme Differences</i>	
<i>Absolute</i>	0.240
<i>Positive</i>	0.166
<i>Negative</i>	-0.240
<i>Test Statistic</i>	0.240
<i>Asymp. Sig. (2-tailed) (c)</i>	0.106 ^d
<i>a. Test distribution is Normal.</i>	
<i>b. Calculated from data.</i>	

One-Sample Kolmogorov-Smirnov Test Unstandardized Residual

c. Lilliefors Significance Correction.

Source: data processed by the researcher using SPSS version 27

The table above shows that the Asymp.sig. (2-tailed) value is 0.106, which is much greater than the significance value, resulting in $0.106 > 0.05$. Therefore, it can be concluded that the observed data values are normally distributed.

Multiple Linear Regression Analysis Test

Table 5 Multiple Linear Regression Results

Coefficients ^a Unstandardized Coefficients		Standardized Coefficients		t	Sig.
Model	B		Std. Error Beta		
1 (Constant)	16276.944		5273.307	—	3.087 0.021
ROI	-72962.189		19051.771	-1.196	-3.830 0.009
ROE	34090.885		11471.841	1.060	2.972 0.025
DPR	-14884.124		4948.887	-0.755	-3.008 0.024

a. Dependent Variable: STOCK PRICE

Source: Data processed by the researcher using SPSS version 27

Based on the results of the multiple linear regression analysis, the equation model obtained is:

$$Y=16276.944-72962.189X_1+34090.885X_2-14884.124X_3+\epsilon$$

This equation shows the relationship between Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR) as independent variables, with Stock Price (Y) as the dependent variable for PT Selamat Sempurna Tbk. The constant value of 16,276.944 indicates that if ROI, ROE, and DPR are equal to zero, the stock price will still be at 16,276.944

units, reflecting the base value of stock price independent of the influencing variables. The coefficient for ROI of -72,962.189 demonstrates a negative relationship between ROI and stock price, meaning that each 1-unit increase in ROI leads to a decrease in stock price by 72,962.189 units. This finding suggests that higher ROI does not necessarily result in higher stock value, possibly due to investor concerns about efficiency or risk management. Conversely, the coefficient for ROE of 34,090.885 indicates a positive effect on stock price, implying that an increase in ROE enhances company profitability and investor confidence, which in turn raises the stock price. Meanwhile, the DPR coefficient of -14,884.124 shows a negative influence on stock price, suggesting that when companies distribute larger dividends, it may reduce retained earnings available for reinvestment, thereby limiting growth potential and slightly lowering stock value. Overall, the regression results suggest that ROE has a positive and significant effect on stock price, while ROI and DPR have negative and significant effects, highlighting that shareholders' profitability (ROE) plays a more dominant role in determining stock price movements compared to investment return (ROI) and dividend policy (DPR).

Analysis of the Coefficient of Determination (R²)

Table 6 Coefficient of Determination Test (R²)

Model	Summary ^b R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.930 ^a	0.866	0.798	640.419
a. Predictors: (Constant), DPR, ROI, ROE				
b. Dependent Variable: STOCK PRICE				

Source: data processed by the researcher using SPSS version 27

Based on the table above, it shows that the R square (R²) value is 0.798 or 79.8%, which indicates that the dependent variable and independent variable have a positive correlation. It can be concluded that return on investment, return on equity, and dividend payout ratio together contribute 79.8%, while 20.2% is influenced by other variables not examined in this study.

T test

Table 7 Partial Test Results (t-test)

Coefficients ^a		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model	B		Std. Error	Beta		
1 (Constant)	16276.944		5273.307	—	3.087	0.021
ROI	-72962.189		19051.771	-1.196	-3.830	0.009
ROE	34090.885		11471.841	1.060	2.972	0.025
DPR	-14884.124		4948.887	-0.755	-3.008	0.024

a. Dependent Variable: STOCK PRICE

Source: Data processed by the researcher using SPSS version 27

Based on the results presented in the coefficient table, it can be concluded that each independent variable (Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR)) has a significant influence on the stock price of PT Selamat Sempurna Tbk.

The Return on Investment (ROI) variable shows a *t*-calculated value of -3.830, which is greater than the *t*-table value of 2.447 at a significance level of 0.05 and degrees of freedom (df) = 6. The corresponding significance value of $0.009 < 0.05$ indicates that H_{01} is rejected and H_{a1} is accepted, meaning that ROI has a negative and significant effect on stock price. This implies that an increase in ROI tends to reduce the company's stock price, suggesting that high investment returns may not directly reflect positive market performance—possibly due to investors' perceptions of risk or efficiency.

For the Return on Equity (ROE) variable, the *t*-calculated value is 2.972, which also exceeds the *t*-table value of 2.447, with a significance level of $0.025 < 0.05$. Therefore, H_{02} is rejected and H_{a2} is accepted, confirming that ROE has a positive and significant effect on stock price. This result implies that higher profitability derived from shareholders' equity tends to increase investor confidence and boost the company's market valuation, leading to higher stock prices.

Meanwhile, the Dividend Payout Ratio (DPR) variable records a t -calculated value of -3.008, which is greater than the t -table value of 2.447, and a significance value of $0.024 < 0.05$. Consequently, H_{03} is rejected and H_{a3} is accepted, indicating that DPR has a negative and significant effect on stock price. This suggests that when the company increases its dividend payout, it may reduce retained earnings available for reinvestment, thereby constraining future growth potential and causing a decline in stock prices.

Overall, the results show that while ROE positively influences stock price, both ROI and DPR exert a negative effect, emphasizing that investors in this context value equity-based profitability more favorably than investment returns or dividend distribution policies.

F test

Table 8 Simultaneous Test Results (F Test)

ANOVA ^a	Sum of Squares	df	Mean Square	F	Sig.
Regression	15,856,070.533	3	5,285,356.844	12.887	0.005 ^b
Residual	2,460,819.467	6	410,136.578	—	—
Total	18,316,890.000	9	—	—	—
a. Dependent Variable: STOCK PRICE					
b. Predictors: (Constant), DPR, ROI, ROE					

source: data processed by researchers using SPSS version 27

Based on the table above, it is known that the F_{count} value of $12.887 > F_{table}$ 3.71 with a significance value of 0.005. Since the significance level is < 0.05 , H_{04} is rejected and H_{a4} is accepted, meaning that Return on Investment, Return on Equity, and Dividend Payout Ratio collectively have a significant effect on the stock price of PT Selamat Sempurna Tbk for the period 2014-2023.

Discussion

The results of this study provide meaningful insights into how financial performance indicators (including Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR)) affect the stock price of PT Selamat Sempurna Tbk during the 2014–2023

period. The interpretation of these findings can be explained using Signaling Theory and Agency Theory, both of which emphasize information asymmetry and managerial decision-making as key determinants of market valuation.

ROI's Negative Influence

The finding that ROI has a negative and significant effect on stock price suggests that higher investment returns do not necessarily lead to higher market valuation. According to Signaling Theory, a high ROI can convey both positive and negative signals. On one hand, it reflects efficient asset utilization; on the other, it may indicate aggressive investment behavior that raises risk perception among investors. Agency Theory complements this by suggesting that management decisions which prioritize short-term investment returns over sustainable growth can create conflicts of interest, thereby reducing investor trust and lowering stock value.

Empirical evidence supports this complexity. For example, a study of manufacturing companies in Indonesia found mixed evidence regarding ROI's effect on stock price—some sectors showed significance, others did not. Specifically, Mailensun, Tesalonika & Kusumastuti (2022) found that ROI did **not** exhibit a consistent effect in technology companies listed on the Indonesia Stock Exchange for 2020–2022. Meanwhile, another study investigating Indonesian airline firms found a **positive** significant effect of ROI on stock price (Muttalib & Pasigai, 2023). These findings illustrate that context, industry and firm characteristics matter: the effect of ROI on stock price may depend on how investors interpret the quality and sustainability of investment returns. In the case of PT Selamat Sempurna Tbk, the negative coefficient implies that investors perceive increases in ROI with caution — perhaps viewing them as derived from riskier or less sustainable asset usage rather than stable profitability.

Therefore, while ROI remains an important indicator of investment efficiency, companies must accompany high ROI with transparent and sustainable practices to ensure that the positive signal is received by the market. If high ROI is driven by short-term gains or asset restructuring rather than fundamental growth, investor sentiment may view it negatively, thus the negative relationship observed.

ROE's Positive Influence

The positive and significant relationship between ROE and stock price aligns with the fundamental notion that profitability generated from shareholders' equity reflects management's efficiency in utilizing capital. In the context of Agency Theory, higher ROE demonstrates managerial success in maximizing shareholder wealth, thereby minimizing

potential conflicts of interest. Meanwhile, Signaling Theory suggests that a strong ROE serves as a credible signal of financial health and future profitability, encouraging investor confidence.

This result is consistent with recent empirical studies. In their analysis of manufacturing firms listed on the IDX for 2020–2022, Vadana & Kusumawati (2023) found that ROE had a positive and significant effect on stock price. Also, in the energy sector from 2019–2023, a study by Muhammad & Meirisa (2023) revealed that ROE significantly influenced stock returns in Indonesian companies, as did DPR negatively. These contemporary findings reinforce that ROE remains one of the more reliable performance metrics for influencing investor behaviour and firm valuation.

For PT Selamat Sempurna Tbk, the positive coefficient on ROE implies that investors reward the firm's ability to generate profit from equity. It indicates that the market sees the company's equity-based profitability as indicating solid management performance and future growth potential. As such, ROE acts as a strong positive signal, strengthening investor trust and driving up stock price.

DPR's Negative Influence

The negative and significant effect of DPR on stock price indicates that higher dividend payouts tend to lower market valuation. According to Dividend Signaling Theory, dividends are viewed as a signal of company stability; however, an excessively high payout ratio can be interpreted as a lack of reinvestment opportunities, reducing future growth potential. The Trade-Off Theory of dividend policy supports this argument: firms must strike a balance between paying dividends and retaining earnings for reinvestment—an imbalance may reduce internal funding capacity and adversely affect long-term valuation.

Recent empirical evidence from Indonesia supports this interpretation. In the energy sector during 2019–2023, Muhammad & Meirisa (2023) found that DPR had a negative and significant effect on stock returns. Additionally, a 2024 study by Samsuri & Zamasari found that DPR did mediate the relationship between liquidity and stock price in LQ45 companies, although their focus was not solely on DPR's direct effect. These findings align with the current study's result: investors at PT Selamat Sempurna Tbk may interpret higher dividend payouts as a signal of limited growth or reinvestment capacity, thus exerting downward pressure on stock price.

The negative influence of DPR suggests that in capital-intensive and growth-oriented sectors like automotive, investors may prefer that profits be retained for reinvestment rather

than distributed as dividends. High payouts may limit expansion, reduce asset renewal, or slow innovation—all of which reduce a company's competitive edge and future profitability. Thus, a higher DPR in this context may generate negative investor sentiment and lower stock valuation.

Theoretical Implications, Limitations and Future Research

Theoretically, this study reinforces the relevance of Signaling Theory and Agency Theory in explaining stock price movements in emerging markets, especially in the Indonesian automotive manufacturing sector. It shows how signals (ROI, ROE, DPR) are interpreted by investors and how agency issues impact valuation.

However, limitations remain. First, the model only covers three financial indicators and one company over a 10-year period; other factors—such as macroeconomic conditions, corporate governance, market sentiment, and industry disruption—are omitted. Second, while the study shows statistical significance, causal inference is limited given the observational nature of the data. Third, the generalizability of results to other firms or sectors may be constrained; studies show ROI's effect varies by industry and firm size.

For future research, it is recommended to include additional variables such as board independence, ownership structure, investment opportunity set, and macroeconomic shocks. Panel studies across multiple firms could improve external validity, and moderation or mediation models (e.g., how growth opportunities moderate DPR's impact) can deepen understanding. Also, longitudinal studies capturing structural breaks (e.g., COVID-19 pandemic) would enhance insights into how investor interpretation of these signals evolves over time.

In summary, ROI, ROE and DPR each influence stock price in different directions (ROI negatively, ROE positively, DPR negatively) but collectively they form a robust explanatory framework for valuation in the case of PT Selamat Sempurna Tbk. These findings underscore that investor expectations are sensitive to not just raw performance numbers but the context and signals behind them. Effective corporate strategy must therefore align investment efficiency, profitability and dividend policy to signal strength, reduce information asymmetry and maximize long-term shareholder value.

Conclusions

Based on the results of the research and discussion regarding the influence of Return on Investment (ROI), Return on Equity (ROE), and Dividend Payout Ratio (DPR) on the stock price of PT Selamat Sempurna Tbk for the 2014–2023 period, several conclusions can be drawn.

First, Return on Investment (ROI) has a partial negative and significant effect on stock price. This indicates that an increase in ROI does not always have a positive impact on stock prices. The company needs to pay close attention to capital efficiency to ensure that investment growth truly generates added value for shareholders.

Second, Return on Equity (ROE) has a partial positive and significant effect on stock price. This finding reflects that the higher the profit generated from equity, the greater the investors' confidence in the company. An increase in ROE serves as a positive signal to the market, showing the company's ability to manage its equity effectively to generate profits.

Third, Dividend Payout Ratio (DPR) has a partial negative and significant effect on stock price. This implies that an increase in DPR tends to be followed by a decrease in stock prices. Investors may perceive that excessive dividend distribution reduces the company's ability to reinvest or expand, which could potentially lower its future growth prospects and long-term value.

Fourth, simultaneously, ROI, ROE, and DPR have a significant effect on stock price. This result confirms that although each variable may have different directions and levels of influence, the combined effect of these three financial indicators plays an important role in determining the company's stock price movements.

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