

## The Effect of Earnings Per Share, Price to Book Value and Exchange Rate on Stock Return

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### ABSTRACT

This study aims to determine the effect of Earning Per Share, Price to Book Value and exchange rates on stock returns in food and beverage companies on the Indonesia Stock Exchange. The population in this study is all food and beverage companies listed on the Indonesia Stock Exchange, namely 30 companies, using purposive sampling techniques, obtained by 17 companies, so that the number of samples to be used is 85 observational data. The data used is secondary data, obtained through documentation. Data analysis techniques using multiple linear regression. The results of the study obtained if Earning Per Share have a positive and significant effect on stock returns, it can be seen from the calculated t value which is greater than the table t which is  $2.670 > 1.990$  and the significance value of  $0.005 < 0.05$ . Proce to Book Value has a positive and significant effect on stock returns, it can be seen from the calculated t value which is greater than the table t which is  $2.340 > 1.990$  and the significance value of  $0.010 < 0.05$ . The exchange rate has a negative insignificant effect on stock returns, it can be seen from the calculated t value which is greater than the table t which is  $-0.427 < -1.990$  and the significance value of  $0.671 > 0.05$ . The value of  $F_{\text{calculate}}$  is greater than  $iF_{\text{table}}$ , which is  $12.776 > 2.72$ , and the significance value of  $0.000 < 0.05$ , meaning that Earning Per Share, Price to Book Value, and exchange rate together (simultaneously) have a positive and significant effect on stock returns.

**Keywords:** Earning Per Share, Price to Book Value, Nilai Tukar dan Return Saham.

## **INTRODUCTION**

The capital market is a place where as a means of buying and selling shares or other securities using intermediaries in their activities (Saputri et al., 2019). One of the activities carried out in the capital market is investment. Investment is an investment activity or asset carried out by individuals or individuals within a certain period in order to obtain profits or profits in the future. There are many types of investments in the capital market, one of which is stocks. Shares are a type of securities traded on the Indonesia Stock Exchange (IDX) in addition to bonds and certificates. Shares are a sign of ownership and are the rights of a person or entity to a company or industry. An investor buying a number of shares is expected to provide a profit on rising stock prices and dividends or profit sharing in the future called stock returns.

Return Shares are returns on the proceeds obtained in funding activities (Hartono, 2017). Return Shares are profit gains (capital gain) or loss (capital loss) obtained through the results of investing in the capital market. Return Stocks are determinants or factors that are very influential as investor considerations in investing in a company. In the presence of return High shares, then indicate that the company's performance is good. Return Stocks can be positive and can be negative. If return Positive shares then the profits obtained are quite high, otherwise if return Negative shares will then get capital loss or incur losses through such investments. Return and risk have a positive relationship, the higher the return, the higher the risk generated, and vice versa (Nurcahyono et al., 2021; Sukesti et al., 2021). The level of stock return is difficult to predict, so investors need to analyze the performance of the company first to determine its investment policy so that investors can make investment decisions in accordance with the expected return and the level of risk to be accepted.

During 2017 to 2022, stock returns of food and beverage companies tend to experience a phenomenon of decreasing stock returns. This can be seen from 2017 with a stock return value of 0.201, and decreased in 2018 with a value of 0.164. The following year 2019 also the value of stock returns of food and beverage companies listed on the Indonesia Stock Exchange again experienced a significant decline from 0.164 in 2018 to -0.030 in 2019, then in 2020 the value of stock returns did not change because it was still at a value of -0.030, the same as the previous year. In 2021, there was an increase in the return of food and beverage stocks on the stock exchange by 0.642, while in 2022 there was another decrease in the average return of food and beverage stocks on the stock exchange to 0.238. The phenomenon that occurs in the food and beverage sector, which is seen from the trend that tends to decline, further research needs to be done on what factors affect stock returns in food and beverage companies (Nurcahyono et al., 2022, 2023; Timoty et al., 2022).

Broadly speaking, the information needed by investors consists of fundamental information. For shareholders, fundamental factors provide a clear and analytical picture of the company's management achievements in managing the company for which they are responsible. The fundamental factors of the company have a significant influence on return stock. Change return Stocks can be influenced by variables Price to Book Value (PBV), Earning Per Share (EPS) and Exchange Rate (Martono & Harjito, 2014). Research conducted by Saraswati et al., (2020), Wardiningsih (2019), Pandaya et al., (2020), Halimatussa'diah & Son (2021) and Ocfrin et al., (2022) which states that EPS has a positive and significant effect on return stock. This is different from the results of the study Putro (2019) and Supriantikasari & Utami (2019) which states if EPS has a positive but not significant effect on return stock. EPS that has no effect on stock returns because changes in earnings per share cannot help every investor to predict return shares to be acquired for one subsequent period, so investors do not see the value of EPS as a basis for buying shares.

Research conducted by Saraswati et al., (2020), Pandaya et al., (2020), Halimatussa'diah & Son (2021) and Ocfrin et al., (2022) which states PBV has a positive and significant effect on return stock. This is different from the results of the study Putro (2019) and Wardiningsih (2019) which states PBV has a positive but not significant effect on stock returns. This is because the PBV ratio shows that the stock price is cheaper than similar stock prices. Investors are afraid to buy shares at a low price which can result in the future stock price declining, thus affecting the rate of return (return).

Research conducted by Putro (2019), Supriantikasari & Utami (2019), Amri & Randani (2020), Rizki (2021) which states that the exchange rate has a negative and significant effect on return stock. This is different from the results of the study Hidaratri et al., (2022) which states that the exchange rate has no effect on stock returns. This is because the exchange rate is in the money market which is short-term, while stock returns are in the capital market in the long term, so the exchange rate does not affect the rate of return on company shares.

## **LITERATURE REVIEW**

### **The Effect of Earnings Per Share (EPS) on Stock Return**

Earnings Per Share (EPS) is a ratio that shows the share of earnings for each share. An increase or decrease in EPS from year to year is an important measure to determine whether or not the company's operations are good. One of the reasons investors buy shares is to get dividends, if the value of earnings per share is small, it is also less likely for the company to distribute dividends. The greater the net profit obtained by the company and the number of shares issued increases, the greater the EPS value is also obtained and this affects the level of profit (return) of shares that the company will provide for investors. The relationship with signalling theory, namely analysis from investors or users of financial statements, determines that the measurement results have an impact on giving good signals (good news). Therefore, investors will be more interested in stocks that have a higher EPS than stocks that have a low EPS, because a higher EPS will affect the return rate of the stock (Kristianingrum et al., 2022).

The results of Saraswati et al.'s (2020) research stated that the higher the EPS value produced by the company can affect stock returns. The results of Wardiningsih's research (2019) also show that the higher the EPS value can have a significant positive influence on the stock returns given. The results of research by Pandaya et al., (2020) stated that the high EPS value of the company has a significant positive influence on stock returns. This is reinforced by the results of research by Halimatussa'diah & Putra (2021), and Ocfrin et al., (2022) which states that EPS has a positive and significant effect on stock returns. Based on this description, the hypothesis proposed is:

H1: Earnings Per Share has a positive effect on stock returns.

### **Pengaruh Price to Book Value (PBV) terhadap Return Saham**

Price to book value is a ratio that describes the comparison between the market price of a stock and the book value of an equity as stated in the statement of financial position. Stock market prices generally do not estimate book value, because assets are recorded at the acquisition price. The higher the Price to Book Value (PBV) ratio of a company indicates the higher the investor's valuation of the company concerned, relative to the funds it invests. A large PBV value from one indicates that the company has added value. The company is considered to have added value and is able to provide good returns in the future if it has a high PBV value. This will provide a positive signal for investors in assessing the company, thus having an impact on the increasing stock price of a company, thus it is also expected that the return rate of the company concerned will also increase (lfada et al., 2023).

The results of research conducted by Saraswati et al., (2020) stated that a high Price to Book Value will have a positive impact on increasing stock returns. The results of research by Pandaya et al., (2020) which states that the higher the Price to Book Value value has a positive and significant effect on stock returns. The results of Halimatussa'diah & Putra (2021) research state that Price to Book Value has a positive and significant influence on stock returns. This is reinforced by the results of research by Ocfirin et al., (2022) stated that Price to Book Value has a significant positive effect on stock returns. Based on this description, the hypothesis proposed is:

H2 : Price to Book Value has a positive effect on stock returns

### **The Effect of Exchange Rates on Stock Returns**

Exchange rate is the exchange rate of a country measured at the exchange rate of another country. When a country's trade situation changes, exchange rates generally change significantly. Stable exchange rates are indispensable to create a favorable business environment to improve the business world. Exchange rates are used to bridge currency differences in each country, so that trade between two or more countries that have different currencies can carry out economic transactions. If the rupiah weakens and the dollar strengthens, of course, it will be a negative signal for investors because it will affect the costs incurred. This will make investors prefer to withdraw their capital or can reduce interest in investing, which will cause stock prices to decline, thus affecting the rate of return (return).

The results of Putro's research (2019) which states that the higher the exchange rate level will have a negative influence on the stock returns provided by the company. The results of Supriantikasari & Utami's (2019) research also stated that the higher the exchange rate in a country will have a negative influence on stock returns. The results of Amri & Ramdani's research (2020) also stated that the high exchange rate has a negative influence on stock returns. This is reinforced by the results of Rizki's research (2021) which states that exchange rates have a negative effect on stock returns. Based on this description, the hypothesis proposed is:

H3: The exchange rate negatively affects stock returns .

### **Earning Per Share, Price to Book Value, dan Nilai Tukar terhadap Return Saham**

Stock return is the level of profit due to stock investment that has been invested in the capital market in the form of shares. The high return on shares generated, the higher the investors who will invest in the company and accompanied by high risk. Stock return becomes the rate of return or profit received on the investment made and is expressed as a percentage of the initial capital of the investment. Stock returns can be influenced by the company's fundamental factors, including the value of Earnings Per Share and Price to Book Value, as well as other factors such as exchange rates in a certain period of time. The company must be able to increase the value of Earnings Per Share and Price to Book Value, because with the increase in value, it will be able to provide positive signals for investors to be more interested in the shares sold by the company.

This shows that the better the EPS and PBV ratio, as well as the low exchange rate, the more investors will be interested in the stock, so that it can show if the shares of the company have a positive signal so that it will have an impact on increasing stock returns. The results of research from Putro (2019) show that EPS, PBV and exchange rates can have a significant influence on increasing stock returns. Based on this description, the hypothesis proposed is:

H4: Earning Per Share, price to Book Value, and Exchange rate have a positive effect on stock returns.

## **RESEARCH METHOD**

The population used in this study is food and beverages subsector manufacturing companies listed on the Indonesia Stock Exchange in 2018-2022. The sample in this study used purposive sampling technique. Purposive sampling is a sampling technique based on certain criteria or considerations (Sugiyono, 2019). The sampling criteria used include:

1. Food and beverage companies listed on the Indonesia Stock Exchange (IDX) for 5 consecutive years from 2018 – 2022
2. Food and beverage companies publish financial statements during the observation period from 2018 to 2022
3. Food and beverage companies that suffered losses in the period 2018 – 2022.
4. Companies that have complete data according to research variables.

The method used in this study is quantitative method. According to Sugiyono (2019), quantitative data is research based on positivistic (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem under study to produce a conclusion. This quantitative method uses secondary data from the company's annual financial statements by calculating, analyzing, comparing and clarifying the data made as the basis for the researcher's decision making. This research focuses on food and beverages sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2018 – 2022 which can be accessed through [the www.idx.co.id](http://www.idx.co.id) and official website of Bank Indonesia [www.bi.go.id](http://www.bi.go.id). The variables used in this study are Earnings per Share, Price to Book Value, Exchange Rate and Stock Return.

The data collection technique on this observation is to use the method of literature study and documentation. Documentation based on annual reports published by food and beverage companies listed on the Indonesia Stock Exchange for 2018 – 2022 can be accessed on the official IDX website.

### **Regression Equation Analysis**

Ghozali (2016) argues that multiple regression is carried out on models of more than one independent variable, to know its effect on the dependent variable. In multiple regression, the independent variable is taken into account its effect on the dependent variable. So the regression equation is as follows:

$$Y = b_0 + b_1X_1 + b_2X_2 + b_3X_3 + \varepsilon$$

Information:

Y	= Return Saham
X1	= Earning Per Share (EPS)
X2	= Price to Book Value (PBV)
X3	= Exchange Rate
B0	= Konstanta
Bi	= regressions coefficient
$\varepsilon$	= Tolerable errors

## **RESULTS**

The sample used in this study is a food and beverage company listed on the Indonesia Stock Exchange, which will be determined through various criteria including food and beverage companies listed on the Indonesia Stock Exchange (IDX) for 5 consecutive

years from 2018 – 2022, publishing financial statements during the observation period from 2018 to 2022, experienced losses in the period 2018 – 2022, and had complete data according to research variables. Based on the specified criteria, the following research samples were obtained:

Table 1. Research Sample Selection

No	Population Criteria	Sum
1	Food and beverage sub-sector companies that have been listed in Indonesia Stock Exchange in the observation period 2018-2022	30
2	Companies that do not publish full financial statements consecutively during the period 2018-2022	(3)
3	Companies that have suffered losses	(7)
4	Companies that do not have the completeness of research variables	(3)
<b>Number of Sample Companies</b>		<b>17</b>
<b>Total Observations (17 x 5 years)</b>		<b>85</b>

Source : Data processed, 2023.

Table 1.1 illustrates if based on several predetermined sample criteria, the number of sample companies is obtained as many as 17 food and beverage companies, which can be seen in the following table:

Table 2 Selected Sample Companies

No	CODE	Company Name
1	ADES	PT. Akasha Wira International Tbk
2	BUDI	PT. Budi Starch & Sweetener Tbk
3	CAMP	PT. Campina Ice Cream Industry Tbk
4	NSA	PT. Wilmar Cahaya Indonesia Tbk
5	CLEO	PT. Sariguna Primatirta Tbk
6	DLTA	PT. Delta Djakarta Tbk
7	ALSO	PT. Buyung Poetra Sembada Tbk
8	ICBP	PT. Indofood CBP Sukses Makmur Tbk
9	INDF	PT. Indofood Sukses Makmur Tbk
10	MLBI	PT. Multi Bintang Indonesia Tbk
11	MYOR	PT. Mayora Indah Tbk
12	ROTI	PT. Nippon Indosari Corindo Tbk
13	SKBM	PT. Sekar Bumi
14	SKLT	PT. Sekar Laut Tbk
15	CUPW	PT. Siantar Top Tbk
16	TBLA	PT. Tunas Baru Lampung Tbk
17	ULTJ	PT. Ultrajaya Industrial & Trading Company Tbk

Source : Data processed, 2023.

### **Descriptive Analysis of Variables**

Descriptive analysis of variables will be used to explain the description or description of the variables Earnings Per Share, Price to Book Value, exchange rates, and stock returns based on the number of samples, minimum and maximum values, average values, and standard deviations of each variable used.

Table 1.2 shows that the minimum value of Earning Per Share (EPS) of food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022 that are sampled is 0.01 at PT. Buyung Poetra Sembada Tbk in 2022, while the maximum value

is 1275.97 at PT. Indofood Sukses Makmur Tbk in 2021. The average value of EPS is 215.56621 with the resulting standard deviation value is 260.96722, the average value of the variable is smaller than the standard deviation value ( $215.56621 < 260.96722$ ), meaning that if the data deviation in the EPS variable is large enough and the spread of the data varies.

Table 3. Descriptive Analysis of Variables

<b>N</b>		<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
EPS	85	,01	1275,97	215,5662	260,96722
PBV	85	,34	28,87	3,6061	4,90499
Exchange rate	85	14003,00	15718,00	14295,3294	393,95441
Return Saham	85	-,82	1,25	,0810	,35431

Source: Secondary data processed, 2023.

The minimum Price to Book Value (PBV) of food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022 and being a research sample is 0.34 at PT. Budi Starch & Sweetener Tbk in 2020, while the maximum value is 28.87 at PT. Multi Bintang Indonesia Tbk in 2018. The average PBV value is 3.6061, where the average PBV of the company is above one, thus reflecting if the market value of the stock is higher than its book value, a value of more than 1 also indicates if the value of the food and beverage company is high which is possible if the food and beverage company's financial performance is solid and profits are stable. The resulting standard deviation value is 4.90499. It can be seen that the average value of the PBV variable is smaller than the standard deviation value ( $3.6061 < 4.90499$ ), meaning that if the data deviation in the PBV variable is large enough and the distribution of data varies.

The minimum value of the rupiah exchange rate against the United States dollar is 14,003, while the maximum value of the rupiah exchange rate against the United States dollar is 15,718. The average value of the exchange rate for 2018 – 2022 is 14295.3294 or Rp.14,295.33. This shows that for five years the exchange rate of the United States dollar against the rupiah is very high, which means that the value of the rupiah is quite weak when compared to the US dollar (USD). The resulting standard deviation value is 393.95441. It can be seen that the average value produced is greater than the standard deviation value ( $14295.3294 > 393.95441$ ), meaning if the data deviation in the exchange rate variable is quite small. This means that the exchange rate variable is homogeneous, because the spread of the data does not vary.

The minimum return value of shares of food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022 and as a research sample is -0.82 at PT. Buyung Poetra Sembada Tbk in 2021, while the maximum value is 1.25 at PT. Akasha Wira International Tbk in 2021. The average return of the stock is 0.0810. A positive average value indicates if the company has successfully managed its operations, because the average value of stock returns is positive, which will make potential investors assess that the company is successful in managing its business well. The resulting standard deviation value is 0.35431, and the value is greater than the mean value, meaning if the data deviation in the EPS variable is large enough This means that the stock return variable is heterogeneous, because the distribution of data varies.

### **Multiple Linear Regression Analysis**

Linear regression analysis in this study is used to determine the magnitude of the free influence consisting of Earnings Per Share, Price to Book Value, and exchange rates on

the dependent variable, namely stock return. Data processing to perform multiple linear regression analysis will be carried out using the SPSS statistical program version 25.0. The results of linear regression analysis can be seen in the following table:

**Table 4. Multiple Linear Regression Analysis Results**

Model	Unstandardized Coefficients	B	Std. Error	Standardized Coefficients		
				Beta	t	Sig.
1	(Constant)	10.794	24.312		.444	.658
	EPS	.111	.017	.274	2.670	.005
	PBV	.105	.153	.238	2.340	.010
	Exchange rate	-.029	18.024	-.047	-.427	.671

$$Y = 10,794 + 0,274 \text{ EPS} + 238 \text{ PBV} - 0,047 \text{ Nilai tukar}$$

Based on the regression equation model, it can be interpreted as follows:

1. The constant value is 10.794 and is positive, meaning that before being influenced by Earnings Per Share, Price to Book Value, and exchange rate or if the three variables are constant, then the stock return is worth 10.794.
2. The value of the Earnings Per Share (b1) regression coefficient is 0.274 and is positive. These results show that Earnings Per Share has a positive effect on stock returns. This means that if the value of Earnings Per Share increases by one unit, then the stock return will increase by 0.274, assuming that the Price to Book Value and exchange rate are constant.
3. The value of the Price to Book Value (b2) regression coefficient is 0.238 and is positive. These results show that Price to Book Value has a positive effect on stock returns. This means that if the Price to Book Value increases by one unit, the stock return will increase by 0.238, assuming that the Earnings Per Share and exchange rate are constant.
4. The exchange rate regression coefficient (b3) is -0.047 and is negative. The results show that the exchange rate has a negative effect on stock returns. This means that if the exchange rate decreases by one unit, then the stock return will increase by 0.047, assuming that Earnings Per Share and Price to Book Value are constant.

## **DISCUSSION**

### **The Effect of Earnings Per Share on Stock Return in Food and Beverage Companies on the IDX in 2018 – 2022**

Based on the results of the analysis shows if hypothesis one is acceptable. This can be seen from the calculated t value which is greater than the table t and the significance value smaller than 0.05, so it can be concluded that Earnings Per Share has a positive effect on stock returns. This means that if there is an increase in the value of Earnings Per Share generated by sample companies, it can significantly increase the share returns given to investors in food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022.

These results show that the value of Earnings Per Share (EPS) owned by the company will be a very important factor in increasing stock returns in food and beverage companies listed on the IDX and become a research sample, given its more dominant influence. This result indicates that the high EPS value generated by food and beverage companies through the activities of the company's operations has an impact on



increasing stock prices so that it will have an impact on increasing stock returns, considering the high EPS value indicates large profits.

A high EPS value shows that the food and beverage companies that are sampled are able to manage their funds more optimally, so that the profits obtained by the company are higher. This result is in accordance with signalling theory, a high EPS value will be a positive signal from company management to investors or potential investors in providing an overview of the profits generated by the company, as well as in providing net profits from each share owned by investors. Therefore, investors will be more interested in stocks that have a higher EPS than stocks that have a low EPS, because a higher EPS will affect the level of return of the resulting shares. These results have supported the results of research conducted by Saraswati et al., (2020), Wardiningsih (2019), Pandaya et al., (2020), Halimatussa'diah & Putra (2021), and Ocfrin et al., (2022) which stated that EPS has a positive effect on stock returns.

### **The Effect of Price to Book Value on Stock Return in Food and Beverage Companies on IDX in 2018 – 2022**

Based on the results of the analysis shows if hypothesis two is acceptable. This can be seen from the calculated t value which is greater than the table t and the significance value smaller than 0.05, so it can be concluded that Price to Book Value has a positive effect on stock returns. This means that if there is an increase in the Price to Book Value value owned by the sample company, it can significantly increase the share return given to investors in food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022.

These results show that the large value of Price to Book Value (PBV) in the company will affect the increase in stock return value generated by food and beverage companies on the IDX which are the research sample. A positive value shows that the increase in PBV has a positive impact on higher stock returns. This result is in line with signalling theory which shows that the higher PBV will be able to provide a positive signal for investors to invest in the company so that its stock price increases. This is because basically stock prices are formed from demand and supply. Companies that have a high PBV will guarantee the company's stock price to rise in every period, considering investor interest in investing will see a company that has a high PBV value. This positive impact has an impact on the increasing share price of a company, thus it is also expected that the return rate of the company concerned will also increase. These results have supported the results of research by Saraswati et al., (2020), Pandaya et al., (2020), Halimatussa'diah & Putra (2021), Ocfrin et al., (2022) stated that Price to Book Value has a positive effect on stock returns.

### **The Effect of Exchange Rate on Stock Return in Food and Beverage Companies on IDX in 2018 – 2022**

Based on the results of the analysis shows if hypothesis three is unacceptable. This can be seen from the calculated t value which is smaller than the table t and the significance value greater than 0.05, so it can be concluded that the exchange rate has no effect on stock returns. This means that if there is a decrease in the rupiah exchange rate against the US Dollar (USD) experienced by the sample company, it cannot significantly have an impact on increasing or decreasing the return on shares given to investors in food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022.

The results show that the rupiah exchange rate against the United States dollar (USD) is not a factor that has a role in increasing the return of shares of food and beverage companies on the IDX. A high exchange rate indicates that the rupiah is weakening and the dollar is strengthening. Such insignificant results suggest that changes in exchange rates will not have a significant impact on stock prices, as investors usually already have a well-diversified portfolio, which can help reduce exposure to exchange rate fluctuations

because the impact of currency changes only applies to a small percentage of their stock portfolio. In the stock market, changes in exchange rates are reflected in stock prices. Therefore, investors may not see changes in exchange rates as an opportunity to generate significant returns (Agustin et al., 2023; Caroline et al., 2023). Investors often pay more attention to the company's fundamental factors, such as profit growth, profit levels, and long-term business prospects, than currency changes in investing, so that changes in the rupiah exchange rate against the United States dollar will not affect the rate of return that will be generated. This result further supports the results of research conducted by Hidaratri et al., (2022) which states that exchange rates have no effect on stock returns.

## **CONCLUSION**

Based on the results of research and discussion on the effect of Earning Per Share, Price to Book Value, and exchange rates on stock returns of food and beverage Sub-Sector companies listed on the Indonesia Stock Exchange for the period 2018 – 2022 in the previous chapter, several conclusions can be drawn that Earning Per Share has a positive effect on stock returns. This means that if there is an increase in the value of Earnings Per Share generated by sample companies, it can significantly increase the share returns given to investors in food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022. This result shows that high EPS will be a positive signal from the company's management to investors or potential investors in providing an overview of the profits generated by the company, as well as in providing net profits from each share owned by investors. Therefore, investors will be more interested in stocks that have a higher EPS than stocks that have a low EPS, because a higher EPS will affect the level of return of the resulting shares.

The second variable Price to Book Value has a positive effect on stock returns. This means that if there is an increase in the Price to Book Value value owned by the sample company, it can significantly increase the share return given to investors in food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022. Companies that have a high PBV will guarantee the company's stock price to rise in every period, considering investor interest in investing will see a company that has a high PBV value. This positive signal has an impact on the increasing stock price of a company, thus it is also expected that the return rate of the company concerned will increase. The exchange rate has no effect on stock returns. This means that if there is a decrease in the rupiah exchange rate against the US Dollar (USD) experienced by the sample company, it cannot significantly have an impact on increasing or decreasing the return on shares given to investors in food and beverage companies listed on the Indonesia Stock Exchange in 2018 – 2022. This result is not in accordance with signal theory, because with a rising exchange rate will not have an impact on the decline in stock prices, so it will reduce stock returns.

For F Value calculate 12.776 with a significance value of 0.000. The results show if the calculated F value is greater than Fitable ( $12.776 > 2.72$ ), and the significance value is smaller than 0.05 ( $0.000 < 0.05$ ). This means that Earnings Per Share, Price to Book Value, and exchange rates together (simultaneously) have a positive effect on stock returns. While the value of the coefficient of determination is 0.318. This result means that the variables Earnings Per Share, Price to Book Value, and exchange rate can explain the variable variation of stock return by 31.8% ( $0.318 \times 100\%$ ), while the remaining 68.2% variation in stock return can be explained by other variables that were not studied or not included in the model.

Based on the results of the study, there are still various limitations, namely the existence of variables that cannot affect stock returns, namely exchange rates, so that the resulting coefficient of determination is 31.8% which has reflected if the value of the

predictor variable is considered still less large or less optimal in explaining the variation of stock return variables. Based on the limitations of the research results, the author will provide suggestions for further research expected to increase the number of independent variables to be used, especially variables that are expected to affect the company's capital structure. For example, such as DER, NPM, interest rate, inflation, CR, PER, ROA, ROE, and other variables, so that the results of the coefficient of determination become greater and the research results are more accurate and can predict the value of the company for the long term and the results obtained are more convincing. Based on the limitations of the research results, the author will provide suggestions for further research expected to increase the number of independent variables to be used, especially variables that are expected to affect the company's capital structure. For example, such as DER, NPM, interest rate, inflation, CR, PER, ROA, ROE, and other variables, so that the results of the coefficient of determination become greater and the research results are more accurate and can predict the value of the company for the long term and the results obtained are more convincing.

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