The Influence of Fundamental Factors on Stock Returns of Consumer Goods Second Liner Companies on the Indonesia Stock Exchange

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Abstrak

Penelitian ini bertujuan untuk menganalisis pengaruh faktor fundamental seperti Return on Equity(ROE), Earning per Share (EPS), Debt to Equity Ratio (DER), Net Profit Margin (NPM), Price to Book Value (PBV), Price to Earnings Ratio (PER), dan Dividend Yield, terhadap return saham perusahaan second liner barang konsumsi di Bursa Efek Indonesia (BEI) periode 2018-2022. Metode yang digunakan adalah data panel dengan pengujian menggunakan uji regresi parsial (uji t) melalui aplikasi EViews. Sampel penelitian dipilih dengan menggunakan teknik purposive sampling, yaitu melibatkan 25 perusahaan barang konsumsi second liner yang memenuhi kriteria tertentu, seperti laporan 5 tahun yang telah diaudit, aktif diperdagangkan, dan tidak ditangguhkan. Hasil analisis menunjukkan bahwa ROE dan DER tidak mempunyai pengaruh signifikan terhadap return saham second liner. Sedangkan NPM dan EPS mempunyai pengaruh positif dan signifikan terhadap return saham second liner. Sedangkan PBV, PER tidak mempunyai pengaruh signifikan terhadap return saham second liner dan Dividen Yield mempunyai pengaruh negatif dan signifikan terhadap return saham second liner. Implikasi dari temuan ini adalah untuk memberikan wawasan penting bagi investor dan manajemen perusahaan barang konsumsi second liner di BEI. Manajemen perusahaan dapat fokus pada peningkatan NPM dan EPS sebagai upaya meningkatkan return saham. Bagi investor, memahami faktor fundamental yang mempengaruhi return saham dapat membantu dalam mengambil keputusan investasi yang lebih baik.

Kata Kunci: *faktor mendasar; pengembalian saham; bursa efek Indonesia.*

Abstract

This research aims to analyze the influence of fundamental factors such as Return on Equity, Earning per Share (EPS), Debt to Equity Ratio (DER), Net Profit Margin (NPM), Price to Book Value (PBV), Price to Earnings Ratio (PER) , and Dividend Yield, on stock returns of consumer goods second liner companies on the Indonesia Stock Exchange (BEI) for the 2018-2022 period. The method used is panel data with testing using a partial regression test (t test) via the EViews application. The research sample was selected using a purposive sampling technique, involving 25 second liner consumer goods companies that met certain criteria, such as 5-year audited reports, actively traded, and not suspended. The analysis results show that ROE and DER do not have a significant influence on second liner stock returns. Meanwhile, NPM and EPS have a positive and significant influence on second liner stock returns. Meanwhile PBV, PER do not have a significant influence on second liner stock returns and Dividend Yield has a negative and significant influence on second liner stock returns. The implication of these findings is to provide important insights for investors and management of second liner

consumer goods companies on the IDX. Company management can focus on increasing NPM and EPS as an effort to increase stock returns. For investors, understanding the fundamental factors that influence stock returns can help in making better investment decisions.

Keywords: *fundamental factors; stock returns; Indonesia stock exchange.*

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INTRODUCTION

The capital market is a meeting between parties who have excess funds and parties who need funds by trading securities (Sethar et al., 2022). Financial instruments traded in the capital market include: stocks, mutual funds, bonds / debt securities, exchange traded funds (ETFs) and derivatives (Agustin & Hakim, 2022). The Indonesian capital market is growing, although faced with a number of challenges both from within the country and abroad (global challenges), the Indonesian capital market has managed to obtain positive achievements. This is reflected in the increase in the number of capital market investors (El Ghoul et al., 2019). Positive achievements are also reflected in the increasing public interest in investing in the Indonesian capital market. According to data from the Indonesia Stock Exchange (IDX), the total number of investors in the Indonesian capital market as of May 2023, which is reflected in the single investor identification (SID), amounted to 11 million investors, an increase of 40% percent from the previous 7.48 million investors as of the end of December 2021 (Husna & Satria, 2019). This number increased almost 9 times compared to 2017, which was only 1.12 million investors (Demir et al., 2020). In addition, the surge in growth in the number of retail investors has also contributed to the dominance of retail investors in daily trading activity on the IDX, which reached 44.9 percent.

One of the popular investment instruments in the capital market is stock investment, Shares are securities which are instruments of proof of ownership or participation of individuals or institutions in a company (AM et al., 2022; Yuan et al., 2020). Meanwhile, according to general terms, shares are proof of capital participation in a company's share ownership (Smith, 2015). Owning shares means co-owning the company and having the right to attend the General Meeting of Shareholders (GMS) and have voting rights that can help determine company policy and receive a share of the profits distributed to shareholders or dividends .

One of the sectors sought by investors, especially retail / individual investors, is the shares of consumer goods companies. Consumer goods companies are companies engaged in consumer goods and are needed by the public to meet their daily needs (Sinha & Verma, 2018). Shares of companies in this sector are often a bone of contention for investors to invest their capital, the products sold are usually known and needed by the public and the products are around us (Oghazi et al., 2018). Consumer goods sector companies are known as the diffensive sector, so consumer good sector companies are a favorite and promising sector in the capital market because making a profit is the dream of every investor who invests in stocks (Suhudi et al., 2018). Therefore, it is important for investors to carry out various analyzes, such

as fundamental and technical (Zapata-Cantu, 2020). Fundamental analysis is an analysis technique used to assess the financial condition of a company, this method is useful for investors to reduce investment risk by choosing stocks that have the potential to profit and grow or have good fundamentals.

Fundamental analysis is one of the measurement methods used by investors to determine the safety of a stock value (Rostami et al., 2016) this method is carried out by examining the financial factors and economic conditions of related companies. The indicators used in fundamental analysis are Return on Equity (ROE), Debt to Equity Ratio (DER), Net Profit Margin (NPM), Earning per share (EPS), Price to Book Value (PVB), Price to Eearning Ratio (PER), Dividend Yield (DY) and many other financial ratios that can be used to assess the fundamentals of a company, The purpose of fundamental analysis is to obtain stock price considerations to compare with current market prices, and assess the current stock price is still attractive as an investment option (Scherer et al., 2016).

One of the considerations used by investors in making investment decisions is choosing companies that have good fundamentals, to be used to measure investment risk by minimizing losses and maximizing profits (García-Sánchez & García-Sánchez, 2020). Companies that have good fundamentals should be appreciated by market participants, but the practice that occurs is not always the case, there are companies that have fundamentals that are not good but the price always rises so that the shares have high capital gains and this is a common phenomenon in the capital market (Huang & Farboudi Jahromi, 2021). An investor certainly will not invest in a company that has poor fundamentals because it has a high risk, because in essence the purpose of investing is to maximize profits and minimize losses.

In this study, researchers are interested in examining second liner stocks, second liner stocks are often defined as stocks of a company that is still in a developing stage that has a market capitalization at the middle level, many of which have good performance and fundamentals and still have a large room to grow, although they have moderate to high risk but the potential return (capital gain) is also high. Moderate and aggressive category investors always include second liner stocks in their investment portfolio mix, so second liner stocks are very interesting to discuss and research further and the sector that is the object of research is the consumer goods sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 financial year. Therefore, this study aims to analyze the effect of Fundamental Factors on Stock Returns of Second Liner Consumer Goods Companies on the Indonesia Stock Exchange.

Conceptual framework

Figure 1 can describe several that will be used in this research, namely: the variables ROE (X1), DER (X2), NPM (X3), EPS (X4), PBV (X5), PER (X6), and DY (X7) have influence on stock returns. The framework of thinking in this research can be seen in Figure 2.1 as follows.
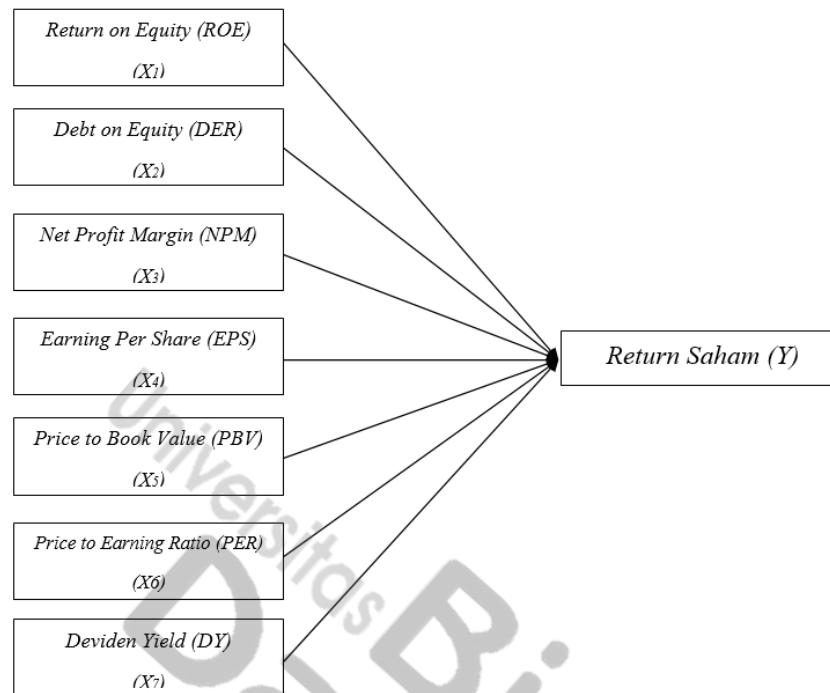
Figure 1. Theoretical Thinking Framework

Based on the framework of thinking above, the research hypothesis that will be proposed in this study is assumed to be:

H1: Return on Equity (ROE) has an influence on second liner stock returns.
H2: Debt to Equity Ratio (DER) has an influence on second liner stock returns.
H3: Net Profit Margin (NPM) has an influence on second liner stock returns.
H4: Earning per Share (EPS) has an influence on second liner stock returns.
H5: Price to Book Value (PVB) has an influence on second liner stock returns.
H6: Price to Earnings Ratio (PER) has an influence on second liner stock returns.
H7: Dividend Yield (DY) has an influence on second liner stock returns

METHOD

This type of research is causal research, namely research that aims to test hypotheses and research that explains phenomena in the form of relationships between variables and identifies cause and effect between variables (Creswell & Clark, 2011). This research explains the relationship between the research variables, namely the dependent variable (share returns) and the independent variables ROE, EPS, DER, NPM, PVB, PER, and Dividend Yield. This is in accordance with the research objective, namely to analyze the influence of fundamental factors on stock returns in second liner consumer goods companies listed on the Indonesian stock exchange for the 2018-2022 period. This research was conducted at the Indonesian Stock Exchange (BEI) located on Jalan Jendral Sudirman No.Kav. 52 53, Senayan, Kebayoran Baru, South Jakarta, Jakarta 12190 via the website www.idx.co.id, company website, data from various securities companies and other sources. This research was conducted from March 2023 to September 2023. The population in this research were consumer goods companies – non-cyclicals that have gone public in the second liner category (market cap 1-10 trillion) which were listed on the Indonesia Stock Exchange (BEI) in the period 2018-2022 with a population of 50 companies. In this research, the sampling technique was purposive sampling with the criteria being that they had a 5 year audited report (2018-

2022) or had an IPO since 2018, were actively traded/had an average daily transaction of more than IDR 100 million/day and the shares were not suspended, after being processed from Population data of 50 companies that fit these criteria is 25 companies.

Testing of the hypothesis was carried out using the panel data regression method (Hair et al., 2019) stated that the advantages of panel data have implications for not having to test classical assumptions in panel data models, because research using panel data allows the identification of certain parameters without the need to make strict assumptions or does not require all classic regression assumptions to be met. linear as in Ordinary Least Square (OLS). There are three methods that can be used to work with panel data, namely as follows:

- Pooled least squares (PLS). Estimating panel data using the OLS method.
- Fixed effects (FE). Adding a dummy model to panel data.
- Random effects (RE). Calculating errors from panel data using the least squares method.

Of the three panel data method approaches, there are three panel data regression model estimation techniques, namely the F test, CHOW test, and Hausman test. Two approaches that are often used to estimate regression models with panel data are the FE approach and the RE approach. The F test and CHOW test are used to determine the method between the PLS and FE approaches, while the Hausman test is used to determine between the RE and FE approaches.

RESULT AND DISCUSSION
Panel Data Regression Results
Selection of Estimation Model

In panel data regression, there are three method approaches that can be used, namely Pooled Least Square (PLS), Fixed Effects (FE), and Random Effects (RE). Two approaches that are often used to estimate regression models with panel data are the FE approach and the RE approach. The modeling approach using the regular OLS or PLS method is the simplest method so this estimation method assumes that each company has the same slope and coefficient (no differences in cross section dimensions) which is a very limiting assumption. It can be said that this model cannot capture the true picture of the relationship that occurs between the dependent variable and the independent variable, as well as the relationship between each individual cross section. Therefore, to determine the most appropriate modeling in this research, two tests were used, namely the statistical F test and the Hausman test.

Chow Test

As explained in the theoretical selection method, the PLS method is too simple to describe the phenomena that occur. So, what needs to be done in determining the model is to find the specific nature of the relationship that occurs between each individual in the cross section data. However, this is not the final result of the choice of data processing method because it has not been tested statistically. This statistical F test is used to test which model is more appropriate between PLS and FE. If the calculated F value is greater than F table then the null hypothesis (Ho) is rejected and Ha is accepted, meaning that the better data method to use is Fixed Effect (FE). The results of the F-Statistics test are shown in Table 1 below.

Table 1. Chow test

Redundant Fixed Effects Tests			
Test period fixed effects			
Effects Test	**Statistic**	**d.f.**	**Prob.**
Period F	0.809993	(4,113)	0.5213
Period Chi-square	3.533621	4	0.4728

Source: Research Results (Processed Data)

Based on the test results above using the Chow test, the results obtained are a probability value of 0.4728. The condition for determining the Chow test is that the Prob value is less than 0.05, so the FEM model is selected. So it can be seen from the probability value of 0.4728 < 0.05, the model chosen in this research is the Fixed Effect Model (FEM) model.

4.1.3   Hausman Test

Next, the Hausman test is used to determine which method is better to use between FE or RE. According to Widarjono (2007), Hausman statistics follow the Chi Square statistical distribution with k degrees of freedom (df) where k is the number of independent variables. If the Hausman statistical value is greater than the critical value then the null hypothesis is rejected, meaning the appropriate method to use is FE. On the other hand, if the Hausman statistical value is smaller than the critical value then the appropriate method is RE. The results of the Hausman test are shown in Table 2 below.

Table 2. Hausman test

Correlated Random Effects - Hausman Test			
Test cross-section random effects			
Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f.**	**Prob.**
Cross-section random	0.000000	7	1.0000

Source: Research Results (Processed Data)

Based on the test results above using the Hausman test, the results obtained are a probability value of 1.0000. The condition for determining the Hausman test is that the Prob value is greater than 0.05, so the REM model is selected. So it can be seen from the probability value of 1.0000 > 0.05, the model chosen in this research is the Random Effect Model (REM) model.

Final Model Selection

The models commonly used in panel data regression are Random Effects and Fixed Effects. Econometric experts have made the assumption that if there is more individual data (cross section) than time series data then it is assumed to choose the RE model, whereas if there is more time series data than individual time data then the FE model is more appropriate to use.

However, all the assumptions above cannot be used as a permanent reference in stating the correct model selection between FE and RE. Therefore, statistical testing was carried out using the Hausman test. From the results of this test, the final model that was more appropriate to use in this research was RE. So the model used in this research follows the Random Effects model so that the panel data regression equation obtained in this research is as follows:

$$Yit = 8.420557 + 0.191580\ X1 - 1.109053\ X2 - 0.065143\ X3 + 0.065871\ X4 + 9.077783\ X5 + 0.007126\ X6 - 2.350457\ X7 + \varepsilon$$

The explanation of the panel data regression analysis equation in the research is that the equation consists of periods include, cross section include, coefficient,

dependent variable which is proxied by Y, independent variable which is proxied by variables X1, and X7, as well as standard error. Where periods include is the number of periods or time series involved in the analysis. Where in this panel data regression, the period used is 2018 to 2022. So the number of years used in the analysis is 5 years. Meanwhile, cross section inclusion is the number of cross sections or panels involved in the analysis. Where in this example of panel data regression, the panel used is 25 companies. The regression coefficient is one of the contributions to the magnitude of the change in the value of the independent variable. The greater the coefficient value, the greater the contribution to change. Vice versa, the smaller the coefficient value, the smaller the contribution to change. Next, the panel data regression equation above also consists of a dependent variable showing the variable that is influenced or that is a result of the existence of the independent variable. The dependent variable is a variable that is influenced or a result of the existence of an independent variable. Where the dependent variable is represented by variable Y (Share Return). Meanwhile, independent variables are variables that influence the dependent variable or dependent variable. Where the independent variables are represented by 7 (seven) variables, namely X1 (ROE), X2 (DER), X3 (NPM), X4 (EPS), X5 (PBV), X6 (PER) and X7 (DY). This coefficient value is used to form a panel data regression equation. Standard error shows the level of error of the coefficient value.

In the panel data regression analysis equation with the Random Effects model, it can be seen that the coefficient is 8.420557, which means that overall, the independent variables consist of X1(ROE), X2(DER), X3(NPM), X4(EPS), X5(PBV), X6 (PER) and X7 (DY) influence the dependent variable, namely Y(Share Return) positively.

From the selection of the final panel data regression model, the results obtained are that ROE has a significantly positive effect on stock returns. When ROE increases by 1%, the dividend yield also increases by 0.191580. Furthermore, DER has a significant negative effect on stock returns. When DER decreases by 1%, stock returns also decrease by 1.109053. The NPM variable has a significant negative effect on stock returns. When NPM falls by 1%, stock returns experience a decrease of 0.065143. Furthermore, the EPS variable has a significant positive effect on stock returns. When the EPS variable increases by 1%, stock returns increase by 0.065871. Then the PBV variable has a significant positive effect on stock returns. When PBV rises by 1%, stock returns increase by 9.077783. Next, the PER variable has a significant negative effect **on stock returns. When PER falls by 1%, the dividend amount decreases by 2.350457.**

Classical Assumption Testing

To produce accurate data analysis, a regression equation should be free from classical assumptions that must be met, including normality, multicollinearity, autocorrelation and heteroscedasticity tests. (Ghozali, 2005) and will be discussed in detail as follows:

Normality Test

The normality test aims to test whether in the regression model, the dependent variable and the independent variable both have a normal distribution or not. A good regression model has a normal or close to normal data distribution. Normality test to test whether the standardized residual values in the regression model are normally distributed or not. Normality testing was carried out using the normal Probability Plot graph and the One – Sample Kolmogorov – Smirnov test, with the following results.

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Tabel 3. Data Normality Test

Test Statistic	Asymp. Sig. (2-tailed)
,093	**,200[c,d]**

Source: Research Results (Processed Data)

Data normality testing can be done with One Sample Kolmogorov Smirnov testing. The condition of a data is declared normal if the significance level is more than 0.05, based on the test data above, it can be seen that the significance level is 0.200. This shows that the data is normally distributed.

Multicollinearity Test

Multicollinearity is the phenomenon of perfect correlation between one independent variable and another independent variable (Bokol et al., 2020). If multicollinearity occurs, it will result in a standard error of the estimator and the probability of accepting the wrong hypothesis will be greater (Tentama et al., 2019). The multicollinearity test aims to test whether the regression model forms a high or perfect correlation between the independent variables. If it is found that there is a high correlation between the independent variables, it can be stated that there are multicorlinear symptoms in the research.

Table 4. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
X1 (ROE)	,165	6,078
X2 (DER)	,818	1,222
X3 (NPM)	,254	3,943
X4 (EPS)	,403	2,479
X5 (PBV)	,647	1,545
X6 (PER)	,689	1,451
X7 (DY)	,800	1,250

Source: Research Results (Processed Data)

Data is considered not to have data multicollinearity if the VIF (Variance Inflation Factor) value is smaller than 10.00 and if the tolerance value is more than 0.10 then the data does not occur data multicollinearity. Based on data multicollinearity testing, the tolerance value obtained is as follows X1 of 0.165, X2 of 0.818, X3 of 0.254, X4 of 0.403, X5 of 0.647, X6 of 0.689 and X7 of 0.800. So it can be concluded that the tolerance value of each variable X1, X2, X3, X4, X5, X6, and X7 exceeds 0.10 so that there is no multicollinearity of data. Meanwhile, when viewed from the VIF value, the following results are obtained X1 of 6.078, X2 of 1.222, X3 of 3.943, X4 of 2.479, X5 of 1.545, X6 of 1.451 and X7 of 1.250. So it can be concluded that the tVIF value of each variable X1, X2, X3, X4, X5, X6, and X7 is smaller than 10.00 so that there is no **multicollinearity in the data.**

Autocorrelation Test

Autocorrelation symptoms are detected using the Durbin - Watson (DW) test. According to Santoso (2005: 241), to detect whether there is autocorrelation, the Durbin - Watson (DW) test is carried out. The autocorrelation test is a correlation that occurs between the residuals in one observation and other observations in the regression model. Autocorrelation can be determined through the Durbin Watson (DW) test which will later be compared with two Durbin Watson table values, namely Durbin

Upper (DU) and Durbin Lower (DL). The results of the autocorrelation test via Durbin Watson are as follows.

Table 5. Autocorrelation Test

Model	Std. Error of the Estimate	Durbin-Watson
1	,0002113	2,659

Source: Research Results (Processed Data)

Based on the SPSS output summary model table, it can be seen that the Durbin Watson (d) value is 2.659 and then compared with the Durbin Watson table value in the table with the formula (K : N), where K is the number of independent variables (where there are 7 independent variables) and N is the number of samples (there are 25 samples in this variable) then (K : N) = (7 : 25). In the Durbin Watson table, it can be seen that the dl value is 0.7840 and du is 2.1441. So the following values are obtained: du < d < d-du (2.1441 < 2.659 < 1.8559) with the conclusion that there are no symptoms **of autocorrelation.**

Heteroscedasticity Test

The heteroscedasticity test is used to determine whether there are deviations from classical assumptions or not. The heteroscedasticity test is that there is inequality in the variance of the residuals for all observations in the regression model. The prerequisite that must be met in the regression model is the absence of symptoms of heteroscedasticity. One way to detect the presence or absence of heteroscedasticity is to look at the graph plot between the predicted value of the variable in question and its residual. If there is a certain pattern, such as dots spread above and below the number 0 on the Y axis, then heteroscedasticity does not occur.
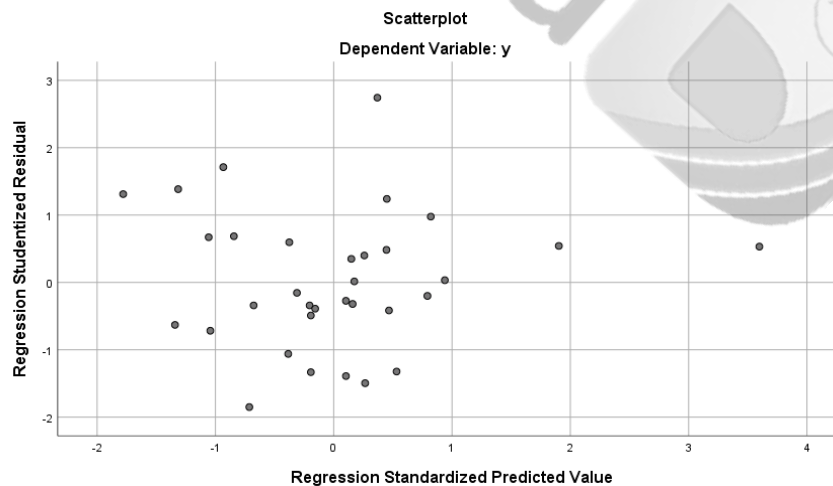

Figure 2. Heteroscedasticity test

Test by looking at the scatterplot graph between the predicted value of the related variable (ZPRED) and the residual (SRESID) as follows:

In the Heteroscedasticity Test on the Scatterplot graph above, it can be seen that the points are spread above and below the number 0 (zero) on the y-axis and do not form any clear pattern, so it can be concluded that heteroscedasticity does not occur..

Partial Regression Test (t Test)

The results of partial regression testing (t test) are used to determine whether the independent variables (ROE, DER, NPM, EPS, PVB, PER, and DY) partially have a

significant influence or not on the dependent variable, namely second liner stock returns. The t table value based on the statistical table is known to be 2.06390, while the t-count/t-statistics and coefficient are shown in the table below:

Table 6. Partial Regression Test

Variable	Coefficient	t-statistics	Hypothesis
Constanta	8.420557	1.619479	-
ROE (X1)	0.191580	1.405568	Rejected
DER (X2)	-1.109053	-0.460166	Rejected
NPM (X3)	0.065143	4.841373	Accepted
EPS (X4)	0.065871	5.738911	Accepted
PVB (X5)	9.077783	2.054505	Rejected
PER (X6)	0.007126	0.242105	Rejected
DY (X7)	-2.350457	-2.793352	Accepted

Source: Research Results (Processed Data)

Discussion

The influence of return on equity on stock returns of second liner consumer goods companies

In the t-test results table above, it is known that the t-count is 1.405568 < than the t-table 2.06390, which means the hypothesis is rejected and partially there is no influence between the ROE variable (X1) on stock returns (Y). ROE describes the company's ability to earn profits from existing capital. When a company has a stock ROE of 15% or above, then the company is said to be good and of sufficient quality. An ROE figure of 15% indicates that every investment of IDR 1,000 will provide a net profit of at least 15%. In this second liner stock research, ROE achievements varied greatly, some were below 10%, some were tens of percent, but there were quite a few ROEs that were unreasonable and very fluctuating, such as the ROE at PT FKS Food Sejahtera Tbk (AISA) in 2018. The company's ROE was 4% and then in 2019 fell by -68% and in 2020 it rose again by 142%, another example is PT Matahari Putra Prima Tbk (MPPA) achieving ROE in 2018, 2019, 2020 respectively of -66%, -8%, -25% (minus) and suddenly in 2021 ROE rose 313% and fell again -71% in 2022 and there are many other examples, these abnormal ROE data cannot be separated from the characteristics of second liner shares which are still relatively small, very easily influenced various factors so that the profits and losses achieved are very fluctuating, and this is the difference between bluechip companies and second liners. This causes the research data to vary greatly and affects the results of the partial t-test.

The influence of debt to equity ratio on stock returns of second liner consumer goods companies

In the t-test results table above, it is known that the t-count is -0.460166 < than the t-table 2.06390, which means that the hypothesis is rejected and partially there is no influence between the DER variable (X2) on stock returns (Y). This is reinforced by research by Nazulaikah (2021), Faranzi (2017), Ginting (2017). Generally, DER is considered good if it is less than 100% or in other words, debt is not higher than capital, but as a comparison we can compare it with similar companies or the industry average. In this research, the DER data is also very fluctuating, and tends to be abnormal, as happened in PT FKS Food Sejahtera Tbk (AISA) in 2018, namely -153% and in 2019 -213% because in that year equity was negative and this will not be found in blue chip

companies, as well as the DER of PT Central Proteina Prima Tbk in 2019 amounting to 1720% and the DER of PT Matahari Putra Prima in 2020 amounting to 2342% and in 2022 amounting to 2180%, this happened because the characteristics of the second liner company experienced losses, causing a decrease in equity and until equity is negative, data like this will not be found in blue chip companies and this causes research data to vary greatly and affect the partial test results of the t-test.

The influence of net profit margin on stock returns of second liner consumer goods companies

In the t test results table above, it is known that the t-count is 4.841373 > than the t-table 2.06390 with a positive coefficient value of 0.065143, which means the hypothesis is accepted and partially NPM (X3) has a positive influence on stock returns (Y). The higher the net profit margin obtained by a company, the more it is liked and considered important by investors because the company is able to convert sales/revenue into profits and is able to run its operations efficiently and ultimately increase share prices. Of the various variables examined in this research, NPM is one of the variables that has a positive influence on stock returns, which means that if we are looking for a second liner company, look for one that has a high NPM and consistently increases from year to year.

The influence of earnings per share on stock returns of second liner consumer goods companies

In the t test results table above, it is known that the t-count is 5.738911 > than the t-table 1.70814 and the significance value of 0.0000 is smaller (<) than 0.05 with a coefficient value of 0.065871, which means that the hypothesis is accepted or partially EPS (X4) has a positive influence on returns. shares (Y). EPS is used to see how much profit is generated from each share purchased, so that higher and growing EPS earnings are considered important by stock investors. Of the various variables examined in this research, EPS is one of the variables that has a positive influence on stock returns, which means that if we are looking for a second liner company, look for one that has high EPS and consistently increases from year to year.

The influence of price to book value on stock returns of second liner consumer goods companies

In the t test results table above, it is known that t-count is 2.054505 < than t-table 2.06390, which means that the hypothesis is rejected and partially PBV (X5) has no influence on stock returns (Y). One of the characteristics of second liner company share prices is that the price is more volatile, which causes prices to go up and down quickly and PBV is measured by the share price divided by book value so if the share price fluctuates it will quickly affect the PBV value, this is what causes PBV not to reflect fundamental conditions actual company. This research also makes us careful not to get caught up in the PBV value, generally a PBV ratio below 1 is considered to be a cheap share price and vice versa. This research shows that especially second liner stocks, there is no influence between PBV on stock returns.

The influence of price to earnings ratio on stock returns of second liner consumer goods companies

In the t test results table above, it is known that the t-count is 0.242105 < than the t-table 2.06390, which means that the hypothesis is rejected or partially PER (X6) has no influence on stock returns (Y). A good Price Earning Ratio should not be too high, but also not too low. The ideal PER value for undervalued shares is below 15x. Value Investors like to collect shares with a PER below 15x, because a PER of more

than 15x means it is too expensive, but you should be wary of a PER value below 7x because it is cheap, it could be because it is undervalued (worth buying), but sometimes it is also because it is cheap (not worth buying) and negative PER (below zero) needs to be avoided. One of the characteristics of second liner shares is that their share prices are more volatile and very rapid price changes cause changes to the PER ratio, coupled with unstable company profits, so that PER does not reflect the company's true fundamentals, this is what causes PER to have an effect on the parsilla test. t-test and has no influence on stock returns.

The influence of dividend yield on stock returns of second liner consumer goods companies

In the t test results table above, it is known that the t-count is -2.793352 > than the t-table 2.06390 and the coefficient value with a negative sign is -2.350457, which means that the hypothesis is accepted and partially the dividend yield (X7) has a negative influence on stock returns (Y). There are two main objectives of stock investment, namely getting capital gains and getting dividends. Interestingly, second liner companies cannot get both because it turns out that dividend yields have a negative effect on stock returns. This cannot be separated from the characteristics of second liner stocks, namely having high market capital. smaller ones, some of which have good fundamentals so they still have room to grow. Investors pay close attention and think that second liner companies that distribute dividends with high yields tend to be disliked by investors, because second liner companies still have a lot of room to grow so that the profits earned are better kept as retained earnings rather than distributed as dividends and can be reinvested.

CONCLUSION

After carrying out statistical analysis and testing using a partial regression test (t test) with the EViews application, it can be concluded that there are significant findings regarding the factors that partially influence second liner stock returns. First, Return on Equity (ROE) and Debt to Equity Ratio (DER) do not have a significant influence on second liner stock returns. Second, Net Profit Margin (NPM) and Earning per Share (EPS) have a positive and significant influence on second liner stock returns. Third, Price to Book Value (PBV) and Price to Earning Ratio (PER) do not have a significant influence on second liner stock returns. Lastly, Dividend Yield has a negative and significant influence on second liner stock returns. However, this study also has several limitations that need to be considered. First, the research only tested 7 independent variables, so it did not consider other factors that might have an impact on stock returns. Second, this research does not include the company's external conditions such as interest rates, inflation and exchange rates, which can also influence company performance and stock returns. Third, the research sample is limited to the consumer goods sector, so the research results may not be generalized to other sectors. Therefore, future research can expand the scope of variables and consider more comprehensive external factors to provide a more complete picture of the factors that influence second liner stock returns. Future researchers should be able to research other sectors but with a capital model of 1-10 trillion (second liner) and it is recommended to research price to sales so that they can complete their understanding of second liner stocks. Practitioners should consider the seven variables studied, especially the NPM (X3) and EPS (X4) variables because they positively influence stock

returns and also the DY (X7) variable because they negatively influence stock returns. This information can be used as additional reference in various investment decisions.

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