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Predicting Stock Returns in Indonesian Technology Companies

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ABSTRACT

Stock return is one of the considerations for investors in making investment decisions because when investing in shares, investors prefer companies that can provide high returns. This research aims to test and analyze the influence of several variables, including the proportion of profit margin earnings before interest, taxes, and depreciation (EBITDM), current ratio (CR), debt-to-equity ratio (DER), total asset turnover (TATO), and price-to-book value (PBV) on stock return in the technology sector listed on the Indonesia Stock Exchange (IDX) for the 2021–2023 period. The population in this study consists of companies in the technology sector listed on the IDX during the 2021–2023 period. The sample selection in this study used the purposive sampling method, with observations of 39 technology sector companies, and employed multiple linear regression analysis techniques. The research results show that the variables CR, TATO, and PBV have a positive effect on stock return, while EBITDM and DER have no effect on stock return. For further research, it is recommended to include other independent variables, such as return on equity (ROE), net profit margin (NPM), and dividend yield (DY). Additionally, subsequent studies should consider expanding the sample scope and extending the observation period.

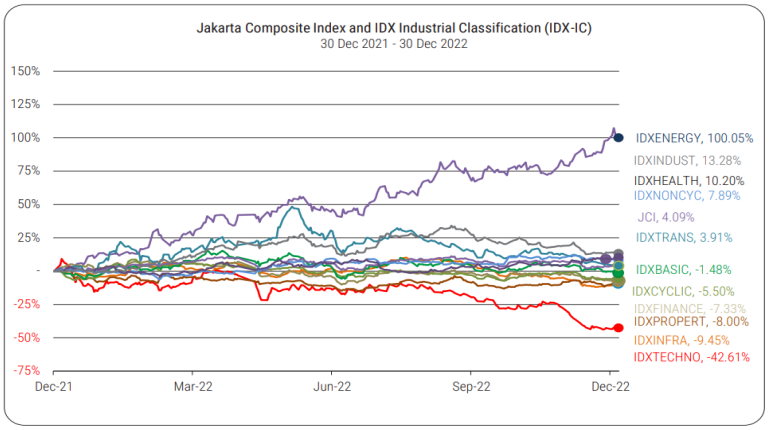
Keywords: Current Ratio; Debt-to-Equity Ratio; Earnings Before Interest; Price-to-Book Value; Stock Return; Taxes and Depreciation; Total Asset Turnover

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INTRODUCTION

Stock return refers to the increase in the selling price of shares compared to the buying price; the higher the selling price relative to the buying price, the higher the return the investor receives. Stock return is one of the factors considered by investors when making investment decisions, as investors prefer companies that can provide high returns. One interesting business sector is the technology sector, which plays a significant role in supporting Indonesia's economy. The rapid development of technology has brought about numerous changes in various aspects of life, ranging from communication and entertainment to health and finance.

Figure 1. Sectoral Stock Price Index Year to Date 2022



Based on sectoral stock price index data published by the Indonesian Stock Exchange (IDX) in 2022 (see Figure 1), the technology sector experienced a decline in stock prices, becoming the sector with the lowest stock prices among other sectors. The decline in stock prices in the technology sector impacted the stock returns received by investors. At a time when the global economy was flooded with "cheap money," investors flocked to buy technology stocks, which had grown rapidly. However, the momentum soon changed when the US central bank began gradually raising the benchmark interest rate at the beginning of the previous year. The technology sector on the domestic stock exchange is a key driver of growth in the Composite Stock Price Index (IHSG). Throughout 2022, the technology sector experienced a correction of 42.61% in a single year. Shares of Bukalapak.com (BUKA) and GoTo Gojek Tokopedia (GOTO) fell by 69% and 73%, respectively, from their Initial Public Offering (IPO) prices.

Technology, which is currently one of society's primary needs across various aspects of life, does not guarantee that companies in the technology sector can maintain stock return growth, as seen in 2021. The phenomenon of declining stock returns provides an overview of the risks to investors regarding the challenges the technology sector will face, which can influence investment decisions and company performance. Therefore, understanding the potential and challenges in this sector is key to optimizing investments, particularly in stocks.

Stock returns for a company are determined by the demand and supply of shares in the capital market. If the demand for shares is high, the company's stock price will increase, and vice versa. As a result, the level of stock return can serve as a guide for investors in making investment decisions. One way to reduce risk is to consider several factors that influence stock returns, such as analyzing financial reports and calculating financial ratios to measure a company's financial performance before investing. Factors expected to influence stock returns include the proportion of profit margin earnings before interest,

taxes, and depreciation (EBITDM), current ratio (CR), debt-to-equity ratio (DER), total asset turnover (TATO), and price-to-book value (PBV).

EBITDM is a financial performance measure used to evaluate a company's ability to generate profits before taking into account interest expenses, taxes, and depreciation. EBITDM, which is high and continues to increase, is considered more resistant to risk, so this ratio will be considered a positive signal for investors because it is able to demonstrate the company's ability to generate profits, fulfill obligations, and maintain business continuity and growth. Research on the effect of EBITDM on stock return has been carried out before, such as research conducted by Meilinda and Destriana (2019), which stated that EBITDM has no effect on stock return. Different from previous research, research from Ozturk and Karabulut (2020) states that EBITDM has a positive effect on stock return.

CR is a financial ratio used to measure the ability of a company to pay its short-term obligations using its current assets. A CR with a high value will affect investors' decisions in determining which investment is the best among comparisons of one company with other companies because this ratio is a positive indicator of the company's financial health. Research on the effect of CR on stock return has been done before, such as research conducted by Sululing and Sandangan (2020), which states that CR has a negative effect on stock return. Different from previous research, research from Anggreni and Efendi (2023) states that CR has no effect on stock return.

DER is a ratio used to assess debt with all equity and is able to provide general guidance on the company's financial feasibility and risk. Companies with high DER values have a high level of bankruptcy risk. A high DER can reduce investor interest in the company's shares. Research on the effect of DER on stock return has been done before, such as research conducted by Avishadewi and Sulastiningsih (2021), which states that DER has a positive effect on stock return. Different from previous research, research from Antari et al. (2020) states that DER has a positive effect on stock return.

TATO is a ratio that shows the extent of the ability of all assets owned by the company to generate sales; in other words, this ratio describes the turnover of a company's total assets, which can be measured from sales volume. TATO is important for investors because it provides an overview of how effectively the company manages its assets to produce optimal results. Research on the effect of TATO on stock return has been done before, such as research conducted by Setianingsih and Hamzah (2020), which states that TATO has a negative effect on stock return. Different from previous research, research from Marlindja and Meirisa (2022) states that TATO has no effect on stock return.

PBV is the ratio between the stock price and the company's book value. According to Sugiono (2016), a company that has good management is expected to have a PBV of at least one or above the book value, and if this ratio is below one, it is certain that the stock market price is lower than its book value. The higher the PBV ratio of a company, the better the company's ability to be valued by investors. Research on the effect of PBV on stock return has been done before, such as research conducted by Saputra and Kusumawati (2022), which states that PBV has a negative effect on stock return. Different from previous research, research from Mirayani and Kepramareni (2024) states that PBV has no effect on stock return.

Because of the reasons mentioned above, the stock return performance of technology sector companies plays an important role for investors. This research aims to test and analyze the influence of stock return in the technology sector listed on the Indonesia

Stock Exchange (IDX) for the 2021-2023 period. It is hoped that the results of this research can contribute to the development of theories and scientific disciplines in analyzing financial performance by looking at the ability of financial ratios to influence stock returns in technology companies. It is also hoped that this research can become a reference and information for further research regarding the discussion of stock return.

LITERATURE REVIEW

Signaling Theory

The theory related to this research is the signaling theory. In general, companies will demonstrate that they possess good quality compared to other companies through signals because management is required to provide information about the company's condition completely and clearly. Signaling theory, according to Brigham and Houston (2010), is a company management's behavior in providing clues to investors regarding management's views on the company's future prospects. This theory assumes that managers possess complete information about the company's performance so that when this information is announced, and all market participants have received it, this information will be a good signal (good news) or (bad news). Signaling theory provides signals in the form of positive signals or negative signals to information users regarding the condition of the company and plays a role in providing information signals regarding the company's financial statements that can describe the stock return that investors will receive so that information users (investors) can make their investment decisions based on the signals provided by the company. A good company condition will reflect a good stock return so that it can attract investors to invest their funds in the company (Harmono, 2017).The company conveys signals about its financial condition to the market, which ultimately impacts investor confidence and other economic decisions (Sukma & Prasetio, 2024).

Hypotheses Development

EBITDM and Stock Return

EBITDM is a ratio that measures the level of the company's operational performance by dividing profit before interest, taxes, and depreciation by the sales that have been made (Babaei et al., 2014). A high EBITDM value indicates that the company is very efficient in managing its operational activities, which can be reflected in earnings before interest, taxes, and depreciation, so investors will feel attracted to invest in the company because it has good prospects in the future, enabling it to generate high net income for the company and high return for investors. This is in line with research conducted by Ozturk and Karabulut (2020), which states that EBITDM has a positive effect on stock return.

Based on the description above, the following hypothesis can be concluded:

H1: EBITDM has a positive effect on stock return.

CR and Stock Return

CR is an indicator that can show the company's ability to pay short-term debt. A high CR indicates a better condition for the company because the company is considered capable of handling its short-term debt, so it tends to be easier to generate profits and increase investor interest in the company. Companies that have a high CR value will have a positive impact on companies and investors because an increase in stock demand makes stock prices increase and has a positive impact on increasing stock returns for companies and investors (Choirurodin & Taman, 2018). Research conducted by Antari et al. (2020), Dewi & Ardianingsih (2024), Fransiska & Ekadjaja (2024), Gulo & Januardin (2021), and Savitri et al. (2024) states that CR has a positive effect on stock return.

Based on the description above, the following hypothesis can be concluded:

H2: CR has a positive effect on stock return.

DER and Stock Return

DER is a financial ratio used to compare the amount of company debt with the amount of equity or capital owned by the company. This ratio is used to measure the extent to which the company is able to use debt to fund its operations. A high DER indicates the risk of failure that may occur in the company; on the other hand, if the DER value is low, it will show the company's good financial performance. For companies whose capital structure consists of more debt, it can also have a negative effect on investors because investors consider that the funds owned by the company will be allocated more to debt payments rather than increasing company profits, so this will have an impact on the stock return that investors will receive and the risk of bankruptcy that investors will bear. Research conducted by Pertiwi & Susilo (2024), Putra et al. (2022), Sari et al. (2022), Savitri et al. (2024), and Yulia (2021) stated that the DER has a negative effect on stock return.

Based on the description above, the following hypothesis can be concluded:

H3: DER has a negative effect on stock return

TATO and Stock Return

TATO is one of the activity ratios used to measure the effectiveness of the total assets owned by the company in generating sales; in other words, it measures how many sales will be generated from each rupiah of funds invested in total assets (Hery, 2018). A high TATO indicates the efficient use of all assets. Increased profits will encourage an increase in stock return; in other words, an increase in the value of TATO will cause an increase in stock return. Research conducted by Dewi & Ardianingsih (2024), Dewi et al. (2020), Fransiska & Ekadjaja (2024), Nikmah et al. (2021), and Rusviana et al. 2023) stated that TATO has a positive effect on stock return.

Based on the description above, the following hypothesis can be concluded:

H4: TATO has a positive effect on stock return.

PBV and Stock Return

PBV is a ratio that shows the result of the comparison between the market price per share and the book value per share. According to Tandelilin (2017), PBV is a description of the relationship between the stock market price and book value per share, which can be used to determine the value of a stock, where the market value of a stock must reflect its book value. A high PBV indicates good company performance in the eyes of investors. When a company is valued higher by investors, the company's stock price will increase in the market, resulting in an increase in stock return. Research conducted by Anggreni & Efendi (2023), Jaya & Kuswanto (2021), Ocfrin et al. (2022), Rahmayanti et al. (2024), and Sululing & Sandangan (2020) stated that PBV has a positive effect on stock return.

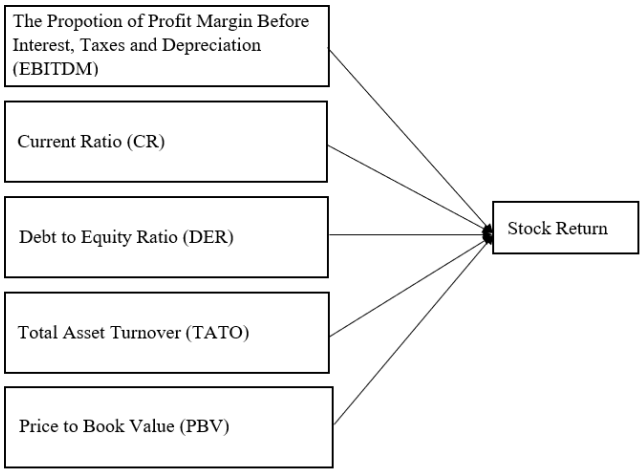
Based on the description above, the following hypothesis can be concluded:

H5: PBV has a positive effect on stock return.

Conceptual Framework

This study focuses on the effect of EBITDM, CR, DER, TATO, and PBV on stock return. The conceptual framework of this study is as follows in Figure 2.

Figure 2. Conceptual Framework



RESEARCH METHOD

The population in this study comprises all technology sector companies listed on the IDX for the period 2021–2023, totaling 28 companies, with a sample of 13 companies. This study uses purposive sampling and the documentation method, with data collected based on company documentation, specifically from annual reports of technology sector companies published by the IDX consecutively during the 2021–2023 period. The data analysis technique used in this research is multiple linear regression.

Stock Return

Stock return is a measure seen by investors who will invest in a company. According to Jogiyanto (2014), stock return can be calculated using the formula*:*

$$Stock\ Return\ = \frac{P(t) - (P(t-1)}{P(t-1)}$$

Information:
Rt : Stock return
Pt : Current year stock price
Pt-1 : Previous year's stock price

The Proportion of Profit Margin Earning Before Interest, Taxes and Depreciation (EBITDM)

EBITDM is a ratio that describes the profitability of a company before taking into account interest expenses, taxes, and depreciation. According to Babaei et al. (2014), EBITDM can be calculated using the formula:

$$EBITDM\ = \frac{Earning\ Before\ Interest, Tax\ and\ Depreciation}{Total\ Sales}$$

Current Ratio (CR)

According to Kasmir (2018), CR is a ratio to measure the company's ability to pay short-term obligations or debts that are due immediately when billed as a whole. According to Kasmir (2018), CR can be calculated using the formula:

$$CR = \frac{Current\ Asset}{Current\ Liabilities}$$

Debt to Equity Ratio (DER)
DER is a ratio used to assess debt with equity by comparing the company's total debt with its capital. According to Kasmir (2018), DER can be calculated using the formula:

$$DER = \frac{Total\ Debt}{Equity} x\ 100\%$$

Total Asset Turnover (TATO)
TATO is a ratio used to measure the turnover of all assets owned by the company and measure how much sales are obtained from each rupiah. According to Kasmir (2018), TATO can be calculated using the formula:

$$TATO \frac{Sales}{Total\ Asset}$$

Price to Book Value (PBV)
PBV is a ratio that shows the result of the comparison between the market price per share and the book value per share. PBV can be calculated using the ratio between the market price per share and the book value per share. According to Hery (2018), PBV can be calculated using the formula:

$$PBV = \frac{Stock\ Price\ Per\ Share}{Book\ Value\ Per\ Share}$$

RESULTS

Descriptive Statistics
Table 1. Descriptive Statistics of the Variable in the Sample

	N	Minimum	Maximum	Mean	Std. Deviation
EBITDM	39	-11.39	01.01	-0.2808	194.855
CR	39	0.84	38.08.00	62.415	949.685
DER	39	0.03	78.61	35.428	1.309.447
TATO	39	-0.01	0.50069444	25.641	257.948
PBV	39	0.25	43.57.00	67.023	1.052.673
RS	39	49.00.00	9524.00.00	18.897.692	271.574.937
Valid N (listwise)	39				

Based on Table 1, EBITDM variable has a minimum value of -11.39 percent, a maximum value of 1.01 percent, an average value of -0.2808, and a standard deviation of 1.94855. CR has a minimum value of 0.84 percent, a maximum value of 38.08 percent, an average value of 6.2415, and a standard deviation of 9.49685. DER has a minimum value of 0.03 percent, a maximum value of 78.61 percent, an average value of 3.5428, and a standard deviation of 13.09447. TATO has a minimum value of -0.01 percent, a maximum value of 11.61 percent, an average value of 2.5641, and a standard deviation of 2.57948. PBV has a minimum value of 0.25 percent, a maximum value of 43.57, an average value of 6.7023, and a standard deviation of 10.52673. So, it can be explained that the amount of data used as a sample is 39 observations of technology sector companies listed on the IDX during the 2021 - 2023 period with research variables having varying data because the standard deviation value is greater than the mean.

Multiple Linear Regression

The data analysis method used is the multiple linear regression analysis technique. Multiple linear regression analysis is used to determine or obtain an overview of the effect of the independent variable on the dependent variable.

$$RS = 862.813 – 270.227\ EBITDM + 118.948\ CR – 44.147\ DER + 479.491\ TATO + 68.862\ PBV$$

Classical Assumption Test

The test results show that this study passes the classical assumption test. The classical assumption test is carried out with the aim of ensuring that the results obtained meet the basic assumptions in regression analysis. The results of the classical assumption test carried out in this study are the normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

Normality Test

Table 2. Normality Test of the Variable in the Sample

		Unstandardized Residual
N		39
Normal Parameters[a,b]	Mean	0.0000000
	Std. Deviation	193.979.500.770
Most Extreme Differences	Absolute	0.210
	Positive	0.117
	Negative	-0.210
Test Statistic		0.210
Asymp. Sig. (2-tailed)		0.073
a. Test distribution is Normal.		

The results of the one-sample Kolmogorov-Smirnov test in Table 2 show that the asymp.sig.(2-tailed) value is 0.073. Asymp.sig value. (2-tailed) of 0.073 is greater than the significance value of 0.05, which indicates that the data in this study, namely EBITDM, CR, DER, TATO, and PBV, are normally distributed.

Multicollinearity Test

Table 3. Multicollinearity Test of the Variable in the Sample

Coefficients[a]			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	EBITDM	0.383	2.611
	CR	0.377	2.651
	DER	0.930	1.075
	TATO	0.699	1.431
	PBV	0.893	1.120
a. Dependent Variable: RS			

Based on the results of the multicollinearity test in the value calculation results tolerance in Table 3, EBITDM is 0.383, CR is 0.377, DER is 0.930, TATO is 0.699, and PBV is 0.893, which is greater than 0.10. The VIF value (variance inflation factor) EBITDM of 2.611, CR of 2.651, DER of 1.075, TATO of 1.431, and PBV of 1.120 have a value below 10. It can be concluded that this research does not have multicollinearity between variables in the regression model.

Autocorrelation Test

Table 4. Autocorrelation Test of the Variable in the Sample

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.700	0.490	0.413	2081.56830	1.963
a. Predictors: (Constant), PBV, EBITDM, DER, TATO, CR					
b. Dependent Variable: RS					

Based on the results of the autocorrelation test in Table 4, a value is obtained durbin – watson amounting to 1.963 with a significance of 5% or 0.05, and the number of independent variables is k=5 with a sample size of 39. The results of this test show a dL value of 1.218 and a dU value of 1.789, so the results obtained with the dU < dW < 4-dU criteria are 1.789 < 1.963 < 2.211. It can be concluded that the linear regression model does not contain positive or negative autocorrelation, so the equation model does not have autocorrelation.

Heteroscedasticity Test

Table 5. Multicollinearity Test of the Variable in the Sample

Coefficients[a]					
Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	6.003.107	3.985.850	1.506	0.142
	EBITDM	1.041.053	2.065.011	0.504	0.618
	CR	121.319	426.885	0.284	0.778
	DER	-70.209	197.165	-0.356	0.724
	TATO	-933.639	1.154.880	-0.808	0.425
	PBV	-15.188	149.019	-0.102	0.919
a. Dependent Variable: ABRES					

Based on the results of the heteroscedasticity test in Table 5, significance values were obtained for the variables EBITDM is 0.142, CR is 0.618, DER is 0.778, TATO is 0.425, and PBV is 0.919, where the value of the independent variable is greater than 0.05. It can be concluded that the regression model does not have symptoms of heteroscedasticity in the regression model.

Goodness of Fit Test

Coefficient of Determination (R^2)

Based on the results of the coefficient of determination (R^2) test in Table 4, the coefficient of determination (R^2) value is 0.413 or 41.3 percent, which means that the variation of the dependent variable, namely stock return, can be explained by 41.3 percent by the independent variables, namely EBITDM, CR, DER, TATO, and PBV while the remaining 0.587 or 58.7 is influenced by other factors that are not included in the regression model.

F Test

Table 6. F Test of the Variable in the Sample

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	137.274.619.392	5	27.454.923.878	6.336	1
	Residual	142.986.577.531	33	4.332.926.592		
	Total	280.261.196.923	38			
Dependent Variable: RS						
Predictors: (Constant), PBV, EBITDM, DER, TATO, CR						

Based on the F test in Table 6, the significance value of 0.001 is smaller than 0.05, which means that EBITDM, CR, DER, TATO, and PBV together (simultaneously) affect the stock return.

T Statistical Test (Hypothesis Test)

Table 7. T Statistical Test (Hypothesis Test) of the Variable in the Sample

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	862.813	540.529		1.596	0.120		
	EBITDM	-270.227	280.040	-0.194	-0.965	0.342	0.383	2.611
	CR	118.948	57.891	0.416	2.055	0.048	0.377	2.651
	DER	-44.147	26.738	-0.213	-1.651	0.108	0.930	1.075
	TATO	479.491	156.615	0.455	3.062	0.004	0.699	1.431
	PBV	68.862	20.209	0.448	3.408	0.002	0.893	1.120
Dependent Variable: RS								

Based on the t-statistical test in Table 7, it can be explained the partial effect of each independent variable on the dependent variable as follows:

The results of the t-statistical test for EBITDM obtained a t value of -0.965 with a significance level of 0.342 greater than 0.05. Based on the results of the t-statistical test, EBITDM has no effect on stock return in technology sector companies listed on the IDX for the period 2021 - 2023, so the first hypothesis (H1), which states that EBITDM has a positive effect on stock return, is rejected.

The results of the t-statistical test for CR obtained a t value of 2.055 with a significance level of 0.048, smaller than 0.05. Based on the results of the t-statistical test, CR has a positive effect on stock return in technology sector companies listed on IDX for the period 2021 - 2023, so the second hypothesis (H2), which states that CR has a positive effect on stock return, is accepted.

The t-test results for the DER obtained a t-value of -0.1651 with a significance level of 0.108, greater than 0.05. Based on the results of the t-statistical test, the DER has no effect on stock return in technology sector companies listed on the IDX for the period 2021 - 2023, so the third hypothesis (H3) which states that the DER has a negative effect on stock return, is rejected.

The t-test results for TATO, namely the t value of 3.062, obtained a significance level of 0.004, smaller than 0.05. Based on the results of the t-statistical test, TATO has a positive effect on stock return in technology sector companies listed on the IDX for the period 2021 - 2023, so the fourth hypothesis (H4), which states that TATO has a positive effect on stock return, is accepted.

The t-test result for PBV is obtained with a t-value of 3.408 with a significance level of 0.002, smaller than 0.05. Based on the results of the t-statistical test, PBV has a positive effect on stock return in technology sector companies listed on the IDX for the period 2021 - 2023, so the fifth hypothesis (H5) which states that PBV has a positive effect on stock return, is accepted.

DISCUSSION

EBITDM and Stock Return

The first hypothesis states that EBITDM has a positive effect on stock return. Based on the results of the multiple linear regression test, it shows that EBITDM has a coefficient value of -0.965 with a significance value of 0.342, so H1 is rejected. This means that EBITDM has no effect on stock return. Companies that have a high or low EBITDM cannot provide a complete picture of financial health and are considered not to show the potential growth of company performance, so investors are more interested in analyzing the amount of stock return receipts through the company's net income. The amount of net income generated by the company illustrates the company's performance ability to generate profits; profits are a primary focus, making the profitability of a corporation a significant motivator for such practices (Pradnyawati et al., 2024). These profits will be distributed to shareholders rather than focusing on EBITDM so that the high and low values of EBITDM do not affect investors' perceptions of the level of stock return receipts. The results of this study reject or are not in accordance with the signaling theory, which is the basis of the theory.

The results of this study reject or are not in accordance with the signaling theory, which explains that a high EBITDM is a positive signal, which means that the greater the company's ability to generate EBITDM, the better the company's ability to manage company profits. The results of this study are in line with previous research conducted by Meilinda & Destriana (2019), which shows that EBITDM has no effect on stock return.

CR and Stock Return

The second hypothesis states that CR has a positive effect on stock return. Based on the results of multiple linear regression tests, it shows that CR has a coefficient value of 2.055 with a significance value of 0.048, so H2 is accepted. This means that CR has a positive effect on stock return. A large CR value can affect the increase in the company's stock return, so investors are more interested in companies that have good liquidity because this reflects stability and lower risk, making it profitable for investors. Then, in making decisions to invest, investors place great importance on current debt in relation to the current assets owned by the company.

The results of this study are in accordance with signaling theory, which explains that a high CR value will be a positive signal for investors because it shows the company's ability to manage its current assets in handling its obligations so that investors have confidence in the company because it is considered to have good financial performance and a lower risk of bankruptcy in the future. The results of this study are in line with previous research conducted by Antari et al. (2020), Dewi & Ardianingsih (2024), Fransiska & Ekadjaja (2024), Gulo & Januardin (2021), and Savitri et al. (2024), which shows that CR has a positive effect on stock return.

DER and Stock Return

The third hypothesis states that DER has a negative effect on stock return. Based on the results of the multiple linear regression test, it shows that DER has a coefficient value of -1.651 with a significance value of 0.108, which is greater than 0.05, so H3 is rejected. This means that DER has no effect on stock return. The higher the debt, the greater the possibility of increasing net profit if the funds obtained from the debt are used optimally to generate net profit so that increasing debt will increase stock return, which means that investors consider debt to the company as a reliable source of funding that can increase return if managed well. A low DER value does not mean that a company that is able to pay its obligations is a company with good financial condition and performance; a low DER but not generating high profits indicates that even though the company does not have a large debt, the company is also inefficient in generating profits. Jaya and Kuswanto (2021) state that this reflects a high DER, which does not necessarily mean

that stock return will be low or fall, so investors do not assess the DER as a factor in making investment decisions. Thus, in assessing the company's financial performance and making decisions in investing, DER is not always a relevant indicator in calculating the rate of return of a stock, meaning that debt is not a benchmark for investors because investors will consider management more in managing these funds.

The results of this research reject or are not in accordance with the signaling theory, which explains that a high DER is considered a negative signal (bad news) by investors. This is not in line with the high and low debt factors and is not used as a reference by investors considering an investment. The results of this research are in line with previous research conducted by Antari et al. (2020), which showed that DER has no effect on stock return.

TATO and Stock Return

The fourth hypothesis states that TATO has a positive effect on stock return. Based on the results of the multiple linear regression test, it shows that TATO has a coefficient value of 3.062 with a significance value of 0.004, which is smaller than 0.05, so H4 is accepted. This means that TATO has a positive effect on stock return. TATO shows the level of efficiency in using assets in a company by comparing the number of sales with all assets owned by the company. A high asset turnover rate can increase the value of the company. (Saksono et al., 2024). The value that will be obtained from this ratio will show for every rupiah of assets used, the higher the company uses its assets to generate sales, the greater the profit it will obtain. The profits obtained by the company greatly influence investors' perceptions regarding the company's performance, so the greater the profits the company produces, the more it will attract the attention of investors to invest their capital.

The results of this research are in accordance with signaling theory, which states that a high TATO indicates that the company is able to optimize the use of assets; this reflects good management performance and the company's ability to generate more income compared to its assets owned so that investors tend to respond positively to companies that demonstrate high efficiency in asset use. The company's ability to increase profits is a positive signal for investors, so that demand for company shares will increase and influence the level of stock return that investors will receive. The results of this research are in line with previous research conducted by Dewi & Ardianingsih (2024), Dewi et al. (2020), Fransiska & Ekadjaja (2024), Nikmah et al. (2021), and Rusviana et al. (2023), which showed that TATO has a positive effect on stock return.

PBV and Stock Return

The fifth hypothesis states that PBV has a positive effect on stock return. Based on the results of the multiple linear regression test, it shows that PBV has a coefficient value of 3.408 with a significance value of 0.002, so H5 is accepted. This means that PBV has a positive effect on stock return. PBV compares the market value of shares with their book value, where book value reflects the company's net asset value. The PBV value is important in attracting investors' interest in increasing stock return; this happens because the PBV can provide an overview of potential stock price movements so that from this image, indirectly, the PBV has an influence on the stock price. If the company's stock price is relatively high, the company's share return will be high; conversely, if the company's stock price is relatively low, the company's share return will still be low so that the PBV value can be used by investors when considering investment decisions.

The results of this research are in accordance with signaling theory, which states that PBV is a positive signal for investors because it is an indicator in measuring stock price performance so companies that have a high PBV show good company performance

because the company has a stock price that is greater than its book value. This occurs due to high demand for stock prices. The higher the demand for stock price, the higher the amount of share return received by investors. The results of this research are in line with previous research conducted by Anggreni & Efendi (2023), Jaya & Kuswanto (2021), Ocfrin et al. (2022), Rahmayanti et al. (2024), and Sululing & Sandangan (2020), which shows that PBV has a positive effect on stock return.

CONCLUSION

Based on the results of the analysis that has been carried out regarding the effect of EBITDM, CR, DER, TATO, and PBV on stock return in technology sector companies listed on the IDX, it can be concluded that CR, TATO, and PBV have a positive effect on stock return, while EBITDM and DER have no effect on stock return in technology sector companies listed on the IDX for the 2021–2023 period. This research will have an impact on the decisions investors and potential investors to measure the level return of shares assessed from the financial ratio aspect so that the results of this research can provide knowledge in the technology sector listed on the IDX.

Based on the discussion and conclusions above, it is recommended for further research to consider and add other independent variables that can influence stock return because, based on the results of the coefficient of determination test in this study, the adjusted R-squared value obtained was only 41.3 percent, while the remaining 58.7 percent was influenced by other variables not included in this study. Future research is expected to add other independent variables, such as return on equity (ROE), earning per share (EPS), earnings yield (EY), and others, and is expected to be able to maximize the research time given so as to use a wider sample scope and extend the number of observation periods, so that the results obtained are better in predicting the stock return that investors will obtain and further strengthen the results of subsequent research.

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DECLARATION OF CONFLICTING INTERESTS
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