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The Influence of Return on Assets (ROA), Total Assets Turnover (TATO), Debt to Equity Ratio (DER), and Earnings per Share (EPS) on Stock Returns: A Case Study of the Oil and Gas Industry Listed on the Indonesia Stock Exchange for the 2019–2023 Period

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Stock Return, ROA, TATO, DER, EPS, Oil and Gas Sector

Abstract

One of the main considerations for investors in the capital market is obtaining an optimal stock return, as stock returns reflect market perceptions of a company's performance and future prospects. This study aims to examine how Return on Assets (ROA), Total Assets Turnover (TATO), Debt to Equity Ratio (DER), and Earnings per Share (EPS) influence stock returns in oil and gas companies listed on the Indonesia Stock Exchange during the 2019–2023 period. A quantitative method with a descriptive approach was applied. The research population consisted of oil and gas companies registered on the exchange within the specified period. Using a purposive sampling technique, 16 companies met the criteria, producing a total of 80 observational data points. Data analysis was conducted using panel data regression through EViews 12.

The findings indicate that ROA, TATO, DER, and EPS jointly have a significant effect on stock returns. However, in the partial analysis, only ROA demonstrates a positive and significant influence on stock returns, while TATO, DER, and EPS do not show significant effects. These results highlight that profitability, as represented by ROA, plays a more dominant role in determining stock return movements in the oil and gas sector.

INTRODUCTION

The energy sector represents one of the most attractive industries for investment due to Indonesia's abundant natural resources, which support the expansion and long-term development of the national energy industry. In 2021, the Indonesia Stock Exchange (IDX) categorized the energy sector into eight sub-sectors, including oil and gas production and refinery, oil and gas storage and distribution, coal production and distribution, drilling services, oil-gas-coal equipment and services, alternative energy equipment, and alternative fuels. This classification highlights the diverse activities that contribute to Indonesia's economic stability. As of 2023, the IDX recorded 86 listed energy companies across various subsectors, with the oil and gas (migas) subsector playing a dominant role due to long-established firms such as PT Medco Energi Internasional Tbk (MEDC) and PT Perusahaan Gas Negara Tbk (PGAS). These firms operate across exploration, production, and supporting services, making the sub-sector central to national energy security.

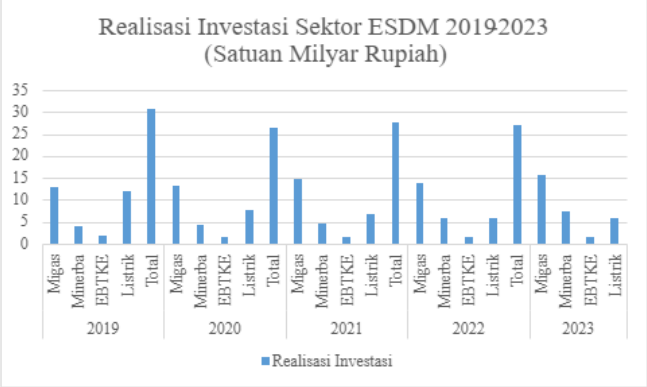
Table 1. List of Oil and Gas Companies Listed on IDX 2019-2023

Stock Code	Company Name
MEDC	PT MEDCO ENERGI
BIPI	PT ASTRINDO NUSANTARA INFRASTRUKTUR
ENRG	PT ENERGI MEGA PERSADA
PGAS	PT PERUSAHAAN GAS NEGARA
SURE	PT SUPER ENERGY
AKRA	PT AKR CORPORINDO
BULL	PT BUANA LINTAS LAUTAN
HITS	PT HUMPUSS INTERMODA TRANSPORTASI
INPS	PT INDAH PRAKASA SENTOSA
KOPI	PT MITRA ENERGI PERSADA
LEAD	PT LOGINDO SAMUDRAMAKMUR
RAJA	PT RUKUN RAHARJA
SHIP	PT SILO MARITIME PERDANA
APEX	PT APEXINDO PRATAMA DUTA
ELSA	PT ENULSA
RUIS	PT RADIANT UTAMA INTERINSCO
WINS	PT WINTERMAR OFFSHORE MARINE
MFTN	PT CAPITALIC INVESTMENT
ARTI	PT RATU PRABU ENERGI
SICO	PT SOECHI LINES
WOWS	PT GINTING JAYA
SUNI	PT SUNINDO PRATAMA
TAMU	PT PELAYARAN TAMARIN SAMUDRA

Source: Processed data (BEI:2024)

Indonesia's geographical position within the Pacific "Ring of Fire" provides favorable conditions for hydrocarbon exploration. The Chairman of SKK Migas, Dwi Soetjipto, stated that Indonesia still holds substantial oil and gas potential, with 59 out of 128 hydrocarbon basins already drilled and only 12 showing no indication of oil or gas (CNBC, 2022). Similarly, the Director General of Oil and Gas at the Ministry of Energy and Mineral Resources (ESDM), Tutuka Ariadji, emphasized the country's rich reserves and storage capacity, particularly in regions such as Agung I, Agung II, Andaman I, Andaman II, and Andaman III (CNBC, 2022). This is further supported by ESDM investment realization data from 2019-2023.

Figure 1. Investment Realization in the Energy and Mineral Resources Sector 2019–2023



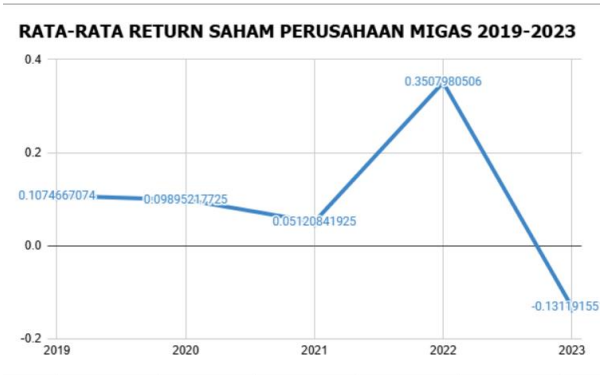
Source: Processed data (Kementerian ESDM:2024)

Investment trends indicate that the oil and gas industry consistently contributes the largest share to the energy sector, surpassing mineral-coal mining, renewable energy, and electricity subsectors. Even in 2023, the industry recorded an approximately 12% increase in investment from the previous year, demonstrating its promising growth potential. These developments underscore the strategic importance of the oil and gas sector and justify its selection as the object of this study.

In the capital market, stock returns are a key indicator of investment performance, reflecting investor responses to company conditions and future prospects (Tandelilin, 2017). Since stock returns are influenced by both external conditions such as macroeconomic and geopolitical developments and internal factors represented by company fundamentals (Akbar & Rizal, 2023; Shufiaziis & Iradianty, 2023), analyzing financial performance becomes essential. This study relies on Signaling Theory (Spence, 1973), which explains how companies provide financial signals profitability, efficiency, capital structure, and earnings performance that investors interpret when forming expectations about future returns.

The oil and gas industry in Indonesia is sensitive to fluctuations in global economic and geopolitical conditions (Endri et al., 2021). During 2019–2023, the sector encountered disruptions ranging from the COVID-19 pandemic (Purwanto, 2021) to geopolitical conflicts that triggered volatility in energy prices (Aryanto, 2022; Al-Khalidi, 2023). These conditions can be seen in the movement of the average stock returns of oil and gas companies listed on the IDX during the same period.

Figure 2. Average Stock Returns of Oil and Gas Companies 2019-2023



Source: Processed data (BEI, 2024)

The industry's stock returns showed sharp fluctuations. Returns fell from 0.107 (2019) to 0.099 (2020) due to weakening global energy demand during the pandemic (Purwanto, 2021) and further declined in 2021. A strong rebound occurred in 2022 when returns surged to 0.350, driven by rising global energy prices following the Russia–Ukraine conflict (Aryanto, 2022). Yet, returns dropped sharply to –0.131 in 2023 despite relatively high commodity prices, indicating that internal financial performance may have contributed significantly to investor sentiment (Shufiaziis & Iradianty, 2023).

At the firm-specific level, anomalies appear in companies such as PT Wintermar Offshore Marine Tbk (WINS) and PT Sillo Maritime Perdana Tbk (SHIP), which outperformed the industry in 2021.

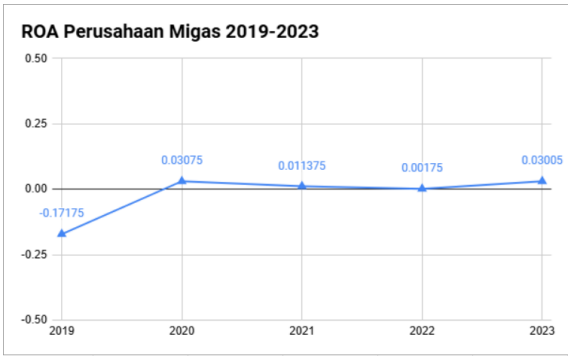
Figure 3. Comparison Chart of Average Returns on Oil and Gas Stocks with PT WINS and PT SHIP

Source: Processed data (BEI, 2024; PT Wintermar Offshore Marine Tbk, 2021; PT Sillo Maritime Perdana Tbk, 2021)

In 2021, while the industry return reached only 0.098, WINS and SHIP recorded outstanding returns of 0.697 and 0.694, respectively (PT Wintermar Offshore Marine Tbk, 2021; PT Sillo Maritime Perdana Tbk, 2021). Strategic decisions, such as WINS' asset restructuring and SHIP's fleet expansion, contributed to these superior results. Such evidence suggests that internal financial ratios are vital in understanding stock return behavior.

To further analyze these dynamics, four fundamental financial ratios were selected. Return on Assets (ROA) reflects profitability generated from total assets (Ramdiani & Iradianty, 2023). Previous studies show mixed evidence regarding its relationship with stock returns (Hayati, 2019; Supriyanto, 2021; Sulistyani & Syahfitri, 2022; Lestari & Suryantini, 2019).

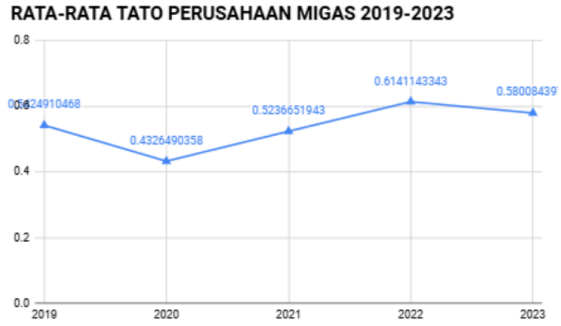
Figure 4. Graph of Return on Assets for Oil and Gas Companies 2019-2023



Source: Processed data (BEI, 2024)

Total Assets Turnover (TATO) measures asset efficiency (Sausan et al., 2020), with empirical findings also showing varied significance levels (Indah, 2023; Kurniawan, 2021; Nurlaela, 2019; Jamaluddin et al., 2021).

Figure 5. Graph of Total Asset Turnover of Oil and Gas Companies 2019-2023



Source: Processed data (BEI, 2024)

Debt to Equity Ratio (DER) captures solvency and capital structure risks (Prihadi, 2019; Sitorus & Juanda, 2023), while Earnings per Share (EPS) reflects shareholder value and future earnings potential (Fadhillah & Mahardika, 2019). Both variables have also shown inconsistent empirical results.

Based on the above considerations, this study examines the influence of ROA, TATO, DER, and EPS on stock returns in oil and gas companies listed on the IDX during 2019–2023, a period characterized by substantial market uncertainty. The mixed findings of prior studies strengthen the relevance of this research.

METHODS

This study employs a quantitative approach to analyze how Return on Assets (ROA), Total Asset Turnover (TATO), Debt to Equity Ratio (DER), and Earnings per Share (EPS) influence stock returns in oil and gas companies listed on the Indonesia Stock Exchange from 2019 to 2023. The use of a quantitative design aligns with the view that numerical data and statistical procedures enable researchers to examine causal relationships and test hypotheses systematically, as emphasized by Sugiyono (2017, 2018) and Hermawan and Amirullah (2016). The variables examined in this study consist of ROA, TATO, DER, and EPS as independent variables, while stock return serves as the dependent variable. The operational concepts of these variables follow established definitions in financial literature, including Kasmir (2018) for ROA, Prihadi (2019) for TATO and DER, and Tandelilin (2017) for stock return and EPS.

The study utilizes secondary data obtained from annual financial statements and official disclosures, which, according to Sujarweni (2015), allow consistent and comparable measurement across firms and time. The population includes all oil and gas companies listed continuously on the IDX during the observation period. Sample selection was conducted using purposive sampling based on criteria outlined by Sujarweni and Utami (2019) and Hardani et al. (2020), resulting in 16 companies and 80 firm-year observations.

It is important to note that not need to use too many formulas or tables unless it is necessary to be displayed. This section must be written out briefly, concisely, clearly, but adequately so that it can be replicated. This section contains an explanation of the research approach, subjects of the study, the conduct of the research procedure, the use of materials and instruments, data collection,

and analysis techniques. These are not theories. In the case of statistical methods, formulas that are generally known should not be written down. Any specific criteria used by the researcher in collecting and analyzing the research data should be thoroughly described. This section should be written not more than 10% (for qualitative research) or 15% (for quantitative analysis) of the body.

Table 2. Company Sample List

No	Description	Number
1	Oil and gas companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023	19
2	Oil and gas companies that did not consistently publish financial reports during the 2019-2023 period	(2)
3	Oil and gas companies that did not report complete data in their financial statements during the 2019-2023 period	(1)
4	Number of companies in the research sample	17
Companies that have outlier data		(1)
Amount of research data (16x5)		80

Source: Processed data

To operationalize the variables, financial ratios were calculated using formulas drawn from established literature. For instance, stock return was measured following the formula used by Shufiaziis and Iradianty (2023), while ROA, TATO, DER, and EPS were computed based on definitions provided by Kasmir (2018), Prihadi (2019), and Tandelilin (2017).

1. Formula ROA: $Return\ on\ Asset\ =\ \frac{Laba\ bersih}{Total\ Asset}$
2. Formula TATO: $Total\ Asset\ Turnover\ =\ \frac{Penjualan}{Total\ asset}$
3. Formula DER: $Debt\ to\ Equity\ Ratio\ =\ \frac{Total\ Liabilitas}{Total\ Ekuitas}$
4. Formula Rumus EPS: $Earnings\ per\ share\ =\ \frac{Laba\ bersih\ setelah\ bunga\ dan\ pajak}{Jumlah\ saham\ beredar}$

Table 3. Operational Definition of Variables

Variable	Definition	Indicator	Scale
Return Saham (Y)	Stock Return is the rate of profit or loss obtained by investors from stock investments in a certain period. Stock returns are one of the important indicators in assessing a company's performance in the capital market, as they reflect the market's response to the company's fundamentals and other external factors (Tandelilin, 2017:51).	$Return\ Stock\ =\ \frac{Pt\ -\ (P_{t-1})}{(P_{t-1})}$ Explanation: Pt = Stock price in year t Pt-1 = Stock price in the previous year (Shufiaziis and Iradianty, 2023)	Ratio

Return on Asset (X1)	ROA is a profitability ratio that measures a company's ability to generate net income from its total assets. The higher the ROA, the more efficient the company is in managing its assets to generate profits, which can ultimately affect stock returns (Kasmir, 2018).	$Return\ on\ Asset = \frac{Laba\ bersih}{Total\ Asset}$ (Tandelilin, 2017:374)	Ratio
Total Asset Turnover (X2)	TATO is an activity ratio, which aims to determine the use of value in total assets in terms of sales. The higher the Total Asset Turnover (TATO), the more efficient the company is in managing its assets to generate income. A high TATO indicates that the company is able to maximize the use of its assets in operational activities, thereby improving the company's financial performance and competitiveness (Prihadi, 2019:205).	$Total\ Asset\ Turnover = \frac{Penjualan}{Total\ asset}$ (Prihadi, 2019:205)	Ratio
Debt to Equity Ratio (X3)	The Debt to Equity Ratio (DER) reflects the level of leverage or the proportion of debt to equity in a company's capital structure. The higher the DER, the greater the company's dependence on debt in its operational financing, which can increase financial risk (Prihadi, 2019:239).	$Debt\ to\ Equity\ Ratio = \frac{Total\ Liabilitas}{Total\ Ekuitas}$ (Prihadi, 2019:239)	Ratio
Earnings Per Share (X4)	EPS reflects a company's ability to generate net income for each share outstanding. The higher the EPS value, the greater the profit available to shareholders, which can increase investor interest in the company's shares (Tandelilin, 2017).	$Earnings\ per\ share = \frac{Net\ income\ after\ interest\ and\ taxes}{Number\ of\ outstanding\ shares}$ (Prihadi, 2019:261)	Ratio

Source: Processed data

Data analysis was carried out using panel data regression to evaluate the effect of the independent variables on stock returns. This technique enables the integration of time-series and cross-sectional dimensions, providing more efficient estimation compared to single-dimension analysis, consistent with statistical guidelines proposed by Ghozali (2011, 2016, 2018). Before estimating the model, the study conducted classical assumption tests including normality, multicollinearity, and heteroscedasticity based on procedures described by Raydah (2020), Rochaety (2019), and Pandoyo and Sofyan (2018). The regression procedure also incorporates the principles of the signaling theory introduced by Spence (1973), which frames the interpretation of financial indicators as signals that may influence investor responses in the capital market.

Hypothesis testing was conducted through partial and simultaneous significance tests as recommended by Sugiyono (2019), while analytical results were processed using EViews 12 to ensure accuracy and replicability.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Descriptive statistics provide an initial overview of the characteristics of the dataset used in this study. The dataset consists of 80 observations with five variables: Stock Return, Return on Assets (ROA), Total Asset Turnover (TATO), Debt-to-Equity Ratio (DER), and Earnings per Share (EPS). The descriptive statistical outcomes for each variable are presented in Table 4.

Table 4. Descriptive Statistics Results

	RETURN_SAHAM	ROA	TATO	DER	EPS
Mean	0.095447	0.008292	0.534949	0.591732	-0.003387
Median	-0.030283	0.024700	0.365460	0.588644	0.001315
Maximum	2.160000	0.132366	1.748590	0.937683	0.126438
Minimum	-0.857627	-0.383619	0.038683	0.168772	-0.319950
Std. Dev.	0.531629	0.078208	0.417308	0.175663	0.057263

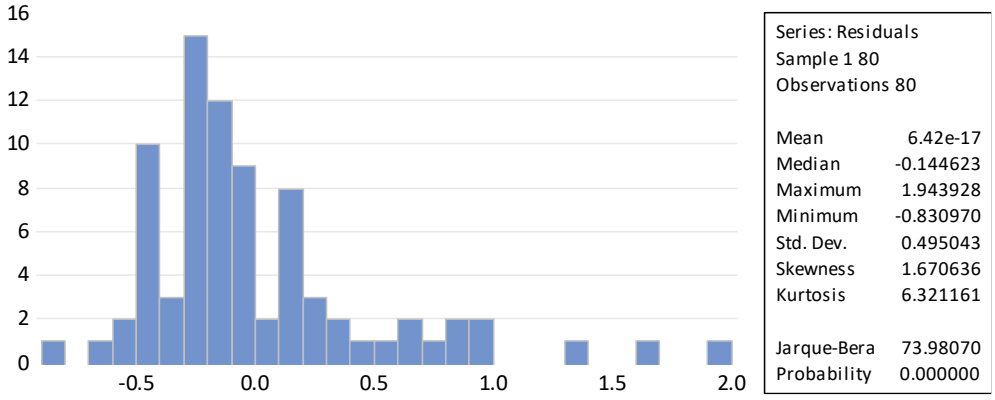
Source *: Output E-views 12 (2025)*

Based on the descriptive output, Stock Return demonstrates high variance with a wide distribution of values, indicating substantial fluctuations in firms' market performance. ROA and EPS reflect relatively low average profitability, whereas TATO shows considerable variation in asset efficiency across firms. DER displays the lowest dispersion, suggesting more homogeneous capital structures among firms in the sample.

Classical Assumption Tests

The Jarque-Bera method was applied to assess whether the model residuals follow a normal distribution (Ghozali, 2021). The results are shown in Table 5.

Table 5. Normality Test Result



Source : *Output E-views 12 (2025)*

The Jarque–Bera probability value of 73.9800 indicates that the residuals are normally distributed because the probability exceeds 0.05.

Autocorrelation was examined using the Breusch-Godfrey test (Ghozali, 2021). The output is summarized in Table 6.

Table 6. Autocorrelation Test Result

Breusch-Godfrey Serial Correlation LM Test: Null hypothesis: No serial correlation at up to 2 lags			
F-statistic	0.818189	Prob. F(2,73)	0.4452
Obs*R-squared	1.753973	Prob. Chi-Square(2)	0.4160

Source : *Output E-views 12 (2025)*

The probability value (0.4160) is greater than 0.05, signifying no autocorrelation issues in the model.

Multicollinearity was tested by examining correlation coefficients among independent variables. Results are shown in Table 7.

Table 7. Multicollinearity Test Result

Variance Inflation Factors Date: 10/16/25 Time: 11:02 Sample: 1 80 Included observations: 80			
Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.059407	18.41091	NA
ROA	0.623278	1.179990	1.166709
TATO	0.019306	2.741091	1.028905
DER	0.134770	15.89724	1.272710
EPS	1.160656	1.168861	1.164736

Source : *Output E-views 12 (2025)*

All correlation coefficients fall below 0.8, indicating no multicollinearity in the model.

The Glejser test was used to determine heteroskedasticity (Ghozali, 2018). The results are displayed in Table 8.

Table 8. Heteroskedasticity Test Result

Heteroskedasticity Test: Breusch-Pagan-Godfrey Null hypothesis: Homoskedasticity			
F-statistic	1.018209	Prob. F(4,75)	0.4035
Obs*R-squared	4.120590	Prob. Chi-Square(4)	0.3899
Scaled explained SS	9.635591	Prob. Chi-Square(4)	0.0470

Source : *Output E-views 12 (2025)*

All probability values exceed 0.05, suggesting the model does not experience heteroskedasticity.

Panel Regression Model Selection

The Chow test was conducted to determine whether the Common Effect Model (CEM) or the Fixed Effect Model (FEM) is more appropriate (Basuki & Prawoto, 2019). The results appear in Table 9.

Table 9. Chow Test Result

Redundant Fixed Effects Tests			
Equation: Untitled			
Test cross-section fixed effects			
Effects Test	**Statistic**	**d.f.**	**Prob.**
Cross-section F	0.983456	(15,60)	0.4834
Cross-section Chi-square	17.586342	15	0.2850

Source : *Output E-views 12 (2025)*

The probability value (0.2850) indicates that CEM is the appropriate model.

The Hausman test was applied to compare FEM and the Random Effect Model (REM). Results are provided in Table 10.

Table 10. Hausman Test Result

Correlated Random Effects - Hausman Test			
Equation: Untitled			
Test cross-section random effects			
Test Summary	**Chi-Sq. Statistic**	**Chi-Sq. d.f.**	**Prob.**
Cross-section random	5.505755	4	0.2392

Source : *Output E-views 12 (2025)*

The p-value (0.2392) supports the use of the Random Effect Model.

The LM test determines whether REM is more suitable than CEM (Basuki & Prawoto, 2019). The outcomes are shown in Table 11.

Table 11. Lagrange Multiplier Test Result

Lagrange Multiplier Tests for Random Effects			
Null hypotheses: No effects			
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives			
	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.418032	3.659601	4.077632
	(0.5179)	(0.0557)	(0.0435)
Honda	-0.646554	1.913008	0.895519
	(0.7410)	(0.0279)	(0.1853)
King-Wu	-0.646554	1.913008	1.403093
	(0.7410)	(0.0279)	(0.0803)
Standardized Honda	-0.142614	2.467768	-2.209088
	(0.5567)	(0.0068)	(0.9864)
Standardized King-Wu	-0.142614	2.467768	-1.137185
	(0.5567)	(0.0068)	(0.8723)
Gourieroux, et al.	--	--	3.659601
			(0.0680)

Source : *Output E-views 12 (2025)*

The probability value (0.5179) suggests that CEM remains the preferred model.

Panel Regression Equation

Based on the model selection tests, the Common Effect Model is used. The regression results are shown in Table 12.

Table 12. Random Effect Test Results

Dependent Variable: RETURN_SAHAM				
Method: Panel Least Squares				
Date: 10/16/25 Time: 10:57				
Sample: 2019 2023				
Periods included: 5				
Cross-sections included: 16				
Total panel (balanced) observations: 80				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.229645	0.243736	0.942190	0.3491
ROA	2.217107	0.789480	2.808314	0.0063
TATO	-0.208750	0.138945	-1.502389	0.1372
DER	-0.064097	0.367111	-0.174600	0.8619
EPS	0.880928	1.077337	0.817690	0.4161
R-squared	0.132899	Mean dependent var		0.095447
Adjusted R-squared	0.086653	S.D. dependent var		0.531629
S.E. of regression	0.508073	Akaike info criterion		1.544079
SSum squared resid	19.36038	Schwarz criterion		1.692956
Log likelihood	-56.76316	Hannan-Quinn criter.		1.603768
F-statistic	2.873770	Durbin-Watson stat		2.570967
Prob(F-statistic)	0.028483			

Source : *Output E-views 12 (2025)*

The regression equation is as follows:

$$Y = 0.229645 + 2.217107X_1 - 0.208750X_2 - 0.064097X_3 + 0.880928X_4$$

Where:

Y = Stock Return

X_1 = ROA

X_2 = TATO

X_3 = DER

X_4 = EPS

The coefficients indicate the direction and magnitude of the influence of each independent variable on stock return.

F-Test

The simultaneous effect of all independent variables on stock return was examined. The result is shown in Table 13.

Table 13. F-Test Result

R-squared	0.132899	Mean dependent var	0.095447
Adjusted R-squared	0.086653	S.D. dependent var	0.531629
S.E. of regression	0.508073	Akaike info criterion	1.544079
SSum squared resid	19.36038	Schwarz criterion	1.692956
Log likelihood	-56.76316	Hannan-Quinn criter.	1.603768
F-statistic	2.873770	Durbin-Watson stat	2.570967
Prob(F-statistic)	0.028483		

Source : *Output E-views 12 (2025)*

The probability (0.028483 < 0.05) confirms that ROA, TATO, DER, and EPS jointly affect stock return.

T-Test

Partial effects of each independent variable were also examined. Results appear in Table 14.

Table 14. T-Test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.229645	0.243736	0.942190	0.3491
ROA	2.217107	0.789480	2.808314	0.0063
TATO	-0.208750	0.138945	-1.502389	0.1372
DER	-0.064097	0.367111	-0.174600	0.8619
EPS	0.880928	1.077337	0.817690	0.4161

Source : *Output E-views 12 (2025)*

The findings show that ROA significantly influences stock return (p = 0.0063) and TATO, DER, and EPS do not significantly influence stock return.

Coefficient of Determination (R^2)

The R^2 value is presented in Table 15.

Table 15. Coefficient of Determination

R-squared	0.132899	Mean dependent var	0.095447
Adjusted R-squared	0.086653	S.D. dependent var	0.531629
S.E. of regression	0.508073	Akaike info criterion	1.544079
SSum squared resid	19.36038	Schwarz criterion	1.692956
Log likelihood	-56.76316	Hannan-Quinn criter.	1.603768
F-statistic	2.873770	Durbin-Watson stat	2.570967
Prob(F-statistic)	0.028483		

Source : *Output E-views 12 (2025)*

The Adjusted R^2 value of 0.086653 indicates that 8.67% of stock return variation is explained by the independent variables.

DISCUSSION

Effect of ROA on Stock Return

The analysis indicates that ROA exerts a positive and statistically significant impact on stock return, as reflected by its probability value of 0.0063 and positive coefficient of 2.217107. This result suggests that firms with higher profitability tend to deliver better returns to shareholders. Such a pattern aligns with industry expectations, particularly in the capital-intensive oil and gas sector, where efficient asset utilization is a key performance indicator. This finding is consistent with the evidence reported by Shufiaziis and Iradianty (2023), who also identified a positive relationship between ROA and stock performance in the same industry context. Furthermore, activities involving asset restructuring—such as those undertaken by Wintermar Offshore Marine and Sillo Maritime Perdana in 2021—demonstrate how strategic asset

management can strengthen ROA and subsequently enhance stock returns (Wintermar Offshore Marine Tbk, 2021; Sillo Maritime Perdana Tbk, 2021).

Effect of TATO on Stock Return

TATO displays a negative yet statistically insignificant effect on stock return, supported by its probability value of 0.1372. This suggests that asset turnover efficiency is not a strong determinant of market performance within the oil and gas sector. Due to long operational cycles and high capital intensity, improvements in asset usage may not produce immediate market responses. This outcome aligns with findings from Dhegatala and Darmansyah (2024), who argue that external macroeconomic factors such as energy commodity prices generally exert stronger influence on stock returns in this industry. Although firms like WINS and SHIP undertook asset optimization strategies in 2021, these actions likely influenced stock return through alternative mechanisms beyond operational efficiency as measured by TATO.

Effect of DER on Stock Return

DER does not significantly affect stock return, as shown by its high probability value of 0.8619. The negative but insignificant coefficient indicates that variations in leverage do not meaningfully alter investor valuation in this sector. Oil and gas firms frequently rely on substantial borrowings to finance operations, making high leverage relatively commonplace and less alarming to investors. These findings are in agreement with Endri et al. (2021), who observed similarly insignificant effects of leverage on stock return in Indonesian energy companies. Moreover, strategic funding approaches such as using proceeds from asset sales appear to play a greater role in shaping investor confidence than traditional debt ratios.

Effect of EPS on Stock Return

EPS demonstrates a positive but statistically insignificant relationship with stock return, indicated by its probability value of 0.4161. While higher earnings per share theoretically signal stronger profitability, EPS fluctuations in the oil and gas sector may be influenced by non-operational factors such as exchange rate movements, global oil price volatility, and extraordinary expenses. These dynamics could weaken the direct link between EPS and market performance. The insignificance of EPS also implies that investors may prioritize broader firm-level strategies and sectoral conditions over per-share earnings when evaluating oil and gas companies.

The Influence of Return on Assets (ROA), Total Assets Turnover (TATO), Debt-to-Equity Ratio (DER), and Earnings per Share (EPS) on Stock Returns

The F-test results indicate that the model has a probability value of 0.028483, which is below the 5% significance threshold. This finding leads to the rejection of H_0 and acceptance of H_a, confirming that all four independent variables jointly exert a significant effect on stock returns in the oil and gas sector. The Adjusted R-squared value of 0.086653 shows that the model explains 8.67% of the variation in stock returns, while the remaining variation is influenced by factors not included in the analysis. Although the model demonstrates statistical significance, the relatively small explanatory power suggests the existence of other determinants that more substantially drive stock returns within this industry.

The 2021 cases of WINS and SHIP offer valuable insights into how strategic corporate actions may influence market performance beyond conventional financial indicators. Their asset portfolio restructuring initiatives not only strengthened short-term financial outcomes but also sent strong signals regarding managerial adaptability in responding to volatile market conditions. These strategic maneuvers appeared to contribute to positive investor sentiment, which in turn supported increases in stock returns for both companies.

The implications of these findings are particularly relevant for investors and analysts assessing firms in the oil and gas sector. The results emphasize the importance of considering both traditional financial fundamentals and broader corporate strategies when forecasting potential stock performance. As demonstrated by the experiences of WINS and SHIP, managerial decisions that enhance operational resilience and long-term competitiveness can serve as powerful catalysts for value creation effects that may not be fully captured through fundamental analysis alone.

CONCLUSION

This study examined the influence of Return on Assets (ROA), Total Assets Turnover (TATO), Debt-to-Equity Ratio (DER), and Earnings per Share (EPS) on stock returns of oil and gas companies listed on the Indonesia Stock Exchange during 2019–2023. Using 80 observations from 16 firms, the analysis shows that the four financial indicators jointly exert a significant effect on stock returns, although the model's explanatory power remains modest at 8.67 percent. The partial tests reveal that ROA is the only variable that demonstrates a positive and significant impact, whereas TATO, DER, and EPS do not show meaningful effects on stock returns. These findings suggest that profitability plays a central role in shaping market responses within the oil and gas sector, while efficiency, leverage, and per-share earnings may not directly influence short-term return dynamics.

Beyond the statistical outcomes, the study highlights the importance of strategic corporate actions that may not be fully captured by conventional financial ratios. The cases of PT Wintermar Offshore Marine (WINS) and PT Sillo Maritime Perdana (SHIP) in 2021 illustrate how asset restructuring and strategic portfolio adjustments can generate substantial value for shareholders. Such initiatives strengthened investor confidence and positively influenced stock performance, demonstrating that managerial decisions and corporate strategies may operate as critical catalysts for firm value. These insights emphasize that both financial fundamentals and strategic initiatives must be considered in evaluating stock return potential in the oil and gas industry.

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