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LQ45: HOW VOLATILE ARE STOCK PRICES IN THE POST-PANDEMIC PERIOD?

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Abstract:
This research aims to analyze the effect of profitability and capital structure on the stock prices of companies included in the LQ45 index on the Indonesia Stock Exchange during the 2022–2024 period. The LQ45 index was selected because it consists of companies with high liquidity and large market capitalization that attract strong investor attention. Profitability is measured using Earnings Per Share (EPS), while capital structure is measured using the Debt to Equity Ratio (DER). Both indicators are used because they reflect a company's ability to generate profits and manage its financing sources. This research applies a quantitative approach using secondary data obtained from annual financial statements and stock price data. The sample was determined through purposive sampling, resulting in 28 companies with a total of 84 observations. The analysis was conducted using multiple linear regression after the model satisfied the classical assumption tests. The results indicate that EPS has a positive effect on stock prices, meaning that higher earnings per share tend to be positively interpreted by investors. DER also shows a positive effect on stock prices, suggesting that, in the context of LQ45 companies, the use of debt may be perceived as a financing strategy that supports growth. Overall, these findings confirm that fundamental indicators remain important in explaining stock price movements and are relevant for investment decision-making.
Keyword: Profitability, Capital Structure, Stock Price

1. Introduction

The development of the capital market plays an important role in the modern economy as a means of raising funds and allocating investments. Stocks are among the most attractive investment instruments because they offer potential returns in the form of dividends and capital gains. In this context, stock price functions as a primary indicator that reflects investor perceptions of a company's performance and prospects. However, stock price movements are inherently fluctuating and do not always directly reflect a company's fundamental condition, especially during periods marked by economic uncertainty (Anjani & Budiarti, 2021).

In the post–COVID-19 pandemic period, particularly during 2022–2024, the Indonesian capital market has faced various dynamics, such as uneven economic recovery, interest rate fluctuations, and global economic pressures. These conditions influence how investors respond to corporate financial information. One phenomenon reflecting this condition can be observed in PT Aneka Tambang Tbk, a company included in the LQ45 index. Although the company experienced changes in profit performance and funding structure in the post-pandemic period, its stock price movements did not always move in line with those fundamental changes. This phenomenon indicates differences in market interpretation of corporate financial information, particularly related to profitability and capital structure.

In fundamental analysis, profitability and capital structure are important indicators frequently used by investors in assessing investment feasibility. Profitability reflects a company's ability to generate earnings for shareholders (Ningrum, 2021), which in this study is proxied by Earnings Per Share. Meanwhile, capital structure shows the composition of company financing between debt and equity (Fahrozi & Rodi, 2020), proxied by the Debt to Equity Ratio. Information reflected in these financial ratios serves as a signal to investors regarding company performance, risk, and prospects, thereby potentially influencing investment decisions and stock price movements (Putra, 2025)

Research examining the effect of Earnings Per Share (EPS) and Debt to Equity Ratio (DER) on stock prices in LQ45 companies has been conducted by various researchers. A study conducted by Trah, (2018) in the period before the COVID-19 pandemic found that Earnings Per Share (EPS) affected stock prices and Debt to Equity Ratio (DER) had a significant effect on the stock prices of LQ45 companies. However, research by Marfuatun & Indarti, (2012)showed that the Debt to Equity Ratio (DER) did not have a significant effect on stock prices. In other words, changes in DER values did not cause meaningful changes in the stock prices of companies included in the LQ45 index on the Indonesia Stock Exchange. In contrast, earnings per share (EPS) was proven to have a significant effect on stock prices, meaning that changes in EPS values tend to be followed by changes in stock prices of LQ45 index companies on the Indonesia Stock Exchange.

Although many previous studies have examined the effect of profitability and capital structure on stock prices, the results remain inconsistent, both in terms of direction and significance of the effects. In addition, studies that specifically examine companies included in the LQ45 index during the post-pandemic recovery period are still relatively limited. In fact, the LQ45 index consists of companies with high liquidity and large market capitalization, which are often used as key references by investors in the Indonesian capital market.

Based on this background, this study aims to analyze the effect of profitability proxied by Earnings Per Share and capital structure proxied by Debt to Equity Ratio on stock prices of companies included in the LQ45 index for the 2022–2024 period. This study is expected to provide empirical contributions in understanding the role of corporate fundamental indicators in stock price formation, as well as to serve as a consideration for investors and company management in making financial decisions in the capital market.

2. Research Methods

This study uses a quantitative approach. According to Creswell, (2018)quantitative research refers to an approach that examines relationships among variables in order to test a theory. The measurement of relationships between variables is conducted using research instruments by collecting numerical data, which are then analyzed using statistical methods.

2.1. Reaserch Object, Time and Location

The object of this study is companies included in the LQ45 index on the Indonesia Stock Exchange. The LQ45 index was selected because it consists of companies with high stock liquidity and large market capitalization, representing leading stocks that attract significant investor attention. Specifically, this study focuses on company financial performance as reflected by profitability and capital structure, and their relationship with stock prices.This study uses secondary data obtained from companies' annual financial statements and stock price data. The observation period covers the years 2022 to 2024, representing capital market conditions during the post–COVID-19 pandemic recovery phase (Setiawati, 2024).

The selection of this period is based on the consideration that market dynamics during this time indicate changes in investor responses to companies' fundamental information. The research was conducted on the Indonesia Stock Exchange as the institution that organizes securities trading in Indonesia. The data used were collected through the official Indonesia Stock Exchange website and relevant corporate publication sources, particularly the annual reports issued by each sample company. Therefore, the scope of this study is limited to companies listed and actively traded in the Indonesian capital market during the research period.

2.2. Data Collection Technique

This study uses data collection methods in the form of documentation and literature review. The data used are secondary data obtained from companies' annual financial statements and officially published stock price data. Annual financial statements are used to obtain information related to profitability and capital structure variables, while stock price data are used to represent the company's market value during the observation period. Data collection was conducted by downloading the annual financial reports of companies included in the LQ45 index through the official Indonesia Stock Exchange website and the official websites of each company. Stock price data were obtained from credible and publicly accessible capital market publication sources.

All collected data were screened based on completeness and consistency of information during the 2022–2024 period to ensure compliance with the research sample criteria. The data collection instrument in this study was a data recording sheet used to record and classify company financial information, including net income, number of shares outstanding, total debt, and total equity. The collected data were then processed to calculate Earnings Per Share and Debt to Equity Ratio in accordance with the operational definitions of the research variables. Since the data were sourced from

audited and officially published financial reports, they are considered to have sufficient validity and reliability to support empirical analysis.

2.3. Data Analysis Techniques

The statistical analysis technique used to examine the effect of profitability and capital structure on stock prices is multiple linear regression analysis, with stock price as the dependent variable and Earnings Per Share and Debt to Equity Ratio as independent variables. This method was selected because it can simultaneously explain the relationships and directions of influence among variables. Before conducting regression analysis, the data were first tested using classical assumption tests to ensure the suitability of the regression model. Hypothesis testing was carried out using the partial test (t-test) to determine the effect of each independent variable on the dependent variable. The level of significance used in this study is 5 percent. The t-test results are used to determine whether Earnings Per Share and Debt to Equity Ratio individually have a significant effect on stock prices. In addition, the coefficient of determination is used to measure the ability of the independent variables to explain variations in stock price changes.

3. Results

3.1. Reaserch Result

3.1.1 Classical assumption test

Classical assumption tests are a series of tests conducted prior to regression analysis to ensure that the regression model meets the necessary statistical requirements so that the estimation results are valid and unbiased. These tests aim to evaluate whether the data and variables in the model satisfy the basic regression assumptions, such as normality, absence of multicollinearity, absence of heteroscedasticity, and absence of autocorrelation (Hutagaol, 2025). By conducting classical assumption tests, researchers can ensure that the relationships among variables in the regression model do not suffer from violations that could distort the accuracy of the analysis results, so that the conclusions drawn from hypothesis testing can be considered reliable.

Normality Test

Tabble 1. Normality Test

	Shapiro-Wilk		
	Statistic	**df**	**Sig.**
EPS	.955	28	.263
DER	.976	28	.739
HARGA SAHAM	.975	28	.705

Source: Secondary data processed 2026

The normality test in this study was conducted using the Shapiro–Wilk test on the regression model residuals. The test results show significance values of 0.263 for Earnings Per Share (EPS), 0.739 for Debt to Equity Ratio (DER), and 0.705 for Stock Price, all of which are greater than the 0.05 significance level. Therefore, the regression model residuals are considered to be normally distributed and the normality assumption is satisfied.

3.1.2 Multicollinearity Test

Tabble 2. Multicollinearity Test

		Collinearity Statistics	
Model		**Tolerance**	**VIF**
1	EPS	.988	1.012
	DER	.988	1.012

Source: Secondary data processed 2026

The multicollinearity test results show that the Earnings Per Share (EPS) variable has a tolerance value of 0.988 and a Variance Inflation Factor (VIF) of 1.012, while the Debt to Equity Ratio (DER) variable also has a tolerance value of 0.988 and a VIF of 1.012. All tolerance values are above 0.10 and all VIF values are below 10, indicating that the regression model does not exhibit symptoms of multicollinearity.

3.1.3 Heteroscedasticity Test

Tabble 3. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	.931	.226		4.121	.000
	EPS	-.008	.102	-.015	-.078	.938
	DER	-.134	.104	-.249	-1.279	.213

Source: Secondary data processed 2026

Based on the heteroscedasticity test results in Table 3.4 using the Glejser test, the significance value for the Earnings Per Share (EPS) variable is 0.938 and for the Debt to Equity Ratio (DER) variable is 0.213. Both values are greater than the 0.05 significance level. Therefore, it can be concluded that the regression model does not exhibit heteroscedasticity.

3.1.4 Autocorrelation Test

Tabble 4. Autocorrelation Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.818[a]	.670	.643	.16261	1.603

Source: Secondary data processed 2026

The autocorrelation test results using the Durbin–Watson test show a Durbin-Watson value of 1.603. This value lies between the established lower and upper bounds, indicating that the regression model does not exhibit autocorrelation.

3.1.5 Multiple Linear Regression Test

Tabble 5. Multiple Linear Regression Test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	9.078	.041		219.741	.000
	EPS	.150	.031	.575	4.906	.000
	DER	.123	.025	.572	4.881	.000

Source: Secondary data processed 2026

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

$$Y= 9{,}078 + 0{,}150X1 + 0{,}123X2$$

The equation can be interpreted as follows: the constant value of 9.078 indicates that when the EPS and DER variables are assumed to be constant or equal to zero, the stock price has a value of 9.078. The EPS regression coefficient of 0.150 indicates that every one-unit increase in EPS will increase the stock price by 0.150 units, assuming the DER variable remains constant. Meanwhile, the DER regression coefficient of 0.123 indicates that every one-unit increase in DER will increase the stock price by 0.123 units, assuming the EPS variable remains constant.

3.1.6 T-test

Tabble 6. T-test

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	**Std. Error**	**Beta**	**t**	**Sig.**
1	(Constant)	9.078	.041		219.741	.000
	EPS	.150	.031	.575	4.906	.000
	DER	.123	.025	.572	4.881	.000

Source: Secondary data processed 2026

The t-test results show that the Earnings Per Share variable has a t-value of 4.906 with a significance level of 0.000, which is lower than 0.05. Therefore, Earnings Per Share has a significant effect on stock prices. Meanwhile, the Debt to Equity Ratio variable has a t-value of 4.881 with a significance level of 0.000. Since the significance value of 0.000 is less than 0.05 (0.000 < 0.05), DER partially has a positive and significant effect on stock prices.

3.1.7 R^2 Determination Coefficient Test

Tabble 7. R^2 Determination Coefficient Test

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818[a]	.670	.643	.16261

Source: Secondary data processed 2026

The results of the coefficient of determination test show an R^2 value of 0.670 and an Adjusted R Square value of 0.643. The Adjusted R Square of 0.643 indicates that 64.3% of the variation in stock prices can be explained jointly by the Earnings Per Share (EPS) and Debt to Equity Ratio (DER) variables in the regression model. Meanwhile, the remaining 35.7% (100% - 64.3%) of stock price variation is explained by other variables outside the research model. Therefore, it can be concluded that the regression model in this study has a fairly strong ability to explain stock price variation in companies included in the LQ45 index during the 2022–2024 period, since more than half of the variation in stock prices can be explained by EPS and DER.

3.4. Discussions

Based on the results of the analysis, Earnings Per Share is proven to have a positive effect on stock prices of companies included in the LQ45 index during the 2022-2024 period. This finding indicates that increases in earnings per share are positively responded to by investors because they reflect the company's ability to generate profits. From the perspective of signaling theory, Earnings Per Share functions as a positive signal regarding company performance and prospects, thereby encouraging greater investor interest and contributing to rising stock prices. These results are consistent with the concept of fundamental analysis and support various previous studies stating that Earnings Per Share is an important indicator in stock valuation. For companies included in the LQ45 index, earnings information tends to be absorbed more quickly by the market due to the characteristics of these stocks, which are actively traded and closely monitored by investors.

Furthermore, the analysis shows that the Debt to Equity Ratio has a positive effect on stock prices. This finding is not in line with the initial hypothesis, which stated that the Debt to Equity Ratio would have a negative effect on stock prices. Theoretically, a high level of leverage is often associated with increased financial risk. However, in the context of this study, the positive effect of the Debt to Equity Ratio indicates that corporate debt usage is perceived differently by investors. The positive effect of the Debt to Equity Ratio on stock prices may be explained by investors' views that debt usage is part of a company's financing strategy to support expansion and improve operational performance. For companies in the LQ45 index, higher debt levels may be interpreted as a signal of management's confidence in the company's future prospects, especially when the debt is managed effectively and used for productive activities.

In addition, economic conditions during the post COVID-19 recovery period also influence market responses to corporate capital structure. During the recovery phase, investors tend to be more tolerant of higher leverage when companies demonstrate stable profit-generating ability. Therefore, in this study, the Debt to Equity Ratio is not perceived solely as a source of risk, but also as an indicator of growth potential.

These findings are consistent with several previous studies stating that capital structure does not always have a negative impact on firm value, particularly for large companies with high credibility and financial stability. Thus, the difference in the direction of the Debt to Equity Ratio effect found in this study suggests that investor responses to capital structure are highly dependent on company context and surrounding economic conditions.

3.5. Relation to Reaserch Objectives

The results of this research remain aligned with the research objectives formulated in the introduction, namely to examine the effect of Earnings Per Share and Debt to Equity Ratio on stock prices of companies included in the LQ45 index during the 2022-2024 period. The analysis results

show that Earnings Per Share has a positive effect on stock prices, explaining how a company's profitability performance plays a role in shaping market responses to its shares.

Furthermore, this research also focuses on the effect of capital structure, proxied by the Debt to Equity Ratio, on stock prices. The empirical findings indicate that the Debt to Equity Ratio has a positive effect on stock prices, although the direction of the relationship is not fully consistent with the initial expectation. Nevertheless, these results still address the research question by demonstrating that capital structure is related to stock price movements, particularly in large-cap companies.

The findings regarding the effect of the Debt to Equity Ratio also contribute to bridging differences in previous research results that show inconsistencies in the direction of the relationship between capital structure and stock prices. This research shows that in the context of LQ45 companies and the post-pandemic period, capital structure is not always interpreted solely as a risk-increasing factor, but may also reflect a financing strategy that is positively perceived by the market.

Accordingly, the results of this research are able to answer the research questions while also addressing the previously identified research gap. The findings indicate that the relationship between profitability, capital structure, and stock prices is contextual and influenced by company characteristics and economic conditions during the research period.

4. Conclusion

This research concludes that Earnings Per Share has a positive effect on stock prices of companies included in the LQ45 index during the 2022–2024 period, indicating that corporate profitability is an important factor considered by investors in stock valuation. In addition, the Debt to Equity Ratio is also proven to have a positive effect on stock prices, although the direction of this effect differs from the initial hypothesis, suggesting that capital structure may be interpreted contextually by the market, particularly for large-cap companies. These findings imply that fundamental analysis covering earnings performance and financing policy remains relevant in making investment decisions in the capital market. However, this research has limitations in terms of the number of variables used and the relatively limited observation period, meaning that the results do not fully capture all factors influencing stock prices. Therefore, future research is recommended to include additional variables, extend the observation period, or use different research objects in order to obtain a more comprehensive understanding of stock price determinants.

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