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The influence of current ratio, debt to equity ratio, earnings per share, and net profit margin on the stock prices of mining companies in the oil, gas, and coal sub-sector

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ABSTRACT

This study analyzes the influence of current ratio, debt to equity ratio, earnings per share, and net profit margin on stock prices, which is the aim of this research. The sample selection method used purposive sampling technique from annual reports and financial statements of each company in the coal, oil, and gas mining sub-sectors listed on the Indonesia Stock Exchange (IDX) during the period 2020-2022. The total initial sample size was 81 for the period 2020-2022. After testing, 18 samples were identified as outliers and excluded, leaving 63 samples for data analysis. The data analysis technique employed was multiple linear regression using SPSS version 26. The research findings indicate that Current Ratio, Debt to Equity Ratio, and Earnings Per Share significantly influence the stock prices of companies in the oil, gas, and coal mining sub-sectors. Conversely, Net Profit Margin does not significantly affect the stock prices in this sector.

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1. Introduction

Indonesia is an important global mining hub, producing and exporting major commodities including coal, copper, tin, gold, and nickel. The country is the world's second-largest producer of tin and nickel, the fourth-largest producer of copper, and a leading exporter of coal. Reflecting this, the mining sector (including oil and gas) remains a major driving force in the economy, accounting for around 18% of total GDP in 2012. Coal is one of the most crucial energy resources in the industrial world, needed by both domestic and international industries. The demand for coal continues to increase every year, especially for domestic industries. Data from the Ministry of Energy and Mineral Resources (ESDM) shows that the demand for coal for power generation is the highest, reaching an average of 80% of the total demand. In 2015, the demand for coal was predicted to be 92.5 million tons, with around 74 million tons being absorbed by coal-fired power plants. This is in line with PLN's efforts to continuously increase power plant capacity to meet the growing electricity demand in various regions in Indonesia. Generally, the annual coal demand from various industrial sectors in Indonesia continues to rise. Based on the above graph, it can be seen that the growth in coal demand for various industrial sectors in Indonesia has continued up to 2019. This presents an attractive business opportunity for domestic coal industry players (Sukayasih et al., 2019).

Fluctuations in global commodity prices have a significant impact on the mining industry in Indonesia. As a major producer of commodities such as coal, copper, tin, gold, and nickel, changes in international market prices can affect the revenue and profitability of mining companies in Indonesia. When commodity prices rise, companies can achieve higher profits, which positively contribute to the national economy and increase investment in the sector. Conversely, a drop in commodity prices can lead to decreased revenue, reduced production activity, and even the closure of operations at some mines.

Additionally, fluctuations in commodity prices influence investment policies and expansion strategies of mining companies, as well as the stability of employment in the sector(Dessi Herliana, 2021). Therefore, mining companies in Indonesia must continuously monitor global commodity price trends and implement effective risk management strategies to mitigate the negative impacts of price volatility(Kurnia et al., 2020).

The oil, gas, and coal industries are among the most important mining sectors, contributing significantly to national economic growth. The oil and gas industry is highly sought after due to its wide usage, making it indispensable worldwide. Firstly, oil can be used for various household, industrial, power generation, and transportation purposes. It is used as industrial fuel and for diesel and heating purposes. This industry is highly needed globally, attracting many companies to engage in this business. Currently, every company must pay attention to financial issues related to its survival, although a company's stock price status does not always change. To maintain or increase stock prices, investment capital provided by investors is necessary. Specifically, when investing in the capital market, investors must carefully consider selecting companies by observing the fluctuations in stock prices each year. Stock prices are determined by the law of supply and demand. The more people want to buy a stock, the higher the stock price will rise. Conversely, the more people want to sell a stock, the lower the stock price will be. The steps investors need to take before investing their capital include analyzing economic and capital market variables and determining which company is the most profitable for investing in stocks. Company performance analysis must be conducted to provide an overview of the company's value and financial performance, as well as future prospects(Cholilurrohman et al., 2020).

The oil, gas, and coal industries are among the most important mining sectors, contributing significantly to national economic growth. The oil and gas industry is highly sought after due to its wide usage, making it indispensable worldwide. Firstly, oil can be used for various household, industrial, power generation, and transportation purposes. It is used as industrial fuel and for diesel and heating purposes. This industry is highly needed globally, attracting many companies to engage in this business. Currently, every company must pay attention to financial issues related to its survival, although a company's stock price status does not always change(R. A. S. Pratiwi & Santoso, 2019).

To maintain or increase stock prices, investment capital provided by investors is necessary. Particularly when investing in the capital market, investors must carefully consider the selection of companies by observing the fluctuations in stock prices each year. Stock prices are determined by the law of supply and demand. The more people who want to buy a stock, the higher the stock price will rise. Conversely, the more people who want to sell a stock, the lower the stock price will be. The steps investors need to take before investing their capital include analyzing economic and capital market variables and determining which company is the most profitable for stock investment. Company performance analysis must be conducted to provide an overview of the company's value, financial performance, and future prospects(Dewi & Suayana, 2013).

According to Law No. 8 of 1995 concerning the Capital Market, the stock price essentially reflects the amount of sacrifice that each investor must make to invest in a company. If the stock exchange is closed, the market price is the closing price (Assegaf, 2014). Stock prices are the closing prices of the stock market during the observation period for each type of stock sampled, and their movements are constantly monitored by investors when selecting stocks for investment (Kurnia et al., 2020).

According to Vidiyastutik & Rahayu, (2021), "Stock prices are formed through a reflection of the value of a company to investors. The better a company manages its business to achieve profits, the higher the company's value in the eyes of investors. A relatively high stock price will provide returns to investors in the form of capital gains, which will ultimately affect the company's image." Meanwhile, according to Jogiyanto (2013), "Stock prices are the prices of stocks that occur in the stock market at a certain time, determined by market participants and driven by the supply and demand of the stocks in the capital market."

Apriani et al., (2022) adds that "stock prices are the prices of stocks determined when the stock market is in session, based on the supply and demand of the stock market itself." Stock prices represent the sacrifice made by investors to obtain proof of ownership in the company or a stake in the company formed as a limited liability company. Stock prices are the result of the success of the company's financial management. An investor must understand the behavior patterns of stock prices in the capital market.

The Debt to Equity Ratio (DER) is the ratio of debt to equity. This ratio measures the extent to which a company is financed by debt, where a higher ratio indicates a less favorable condition for the company (Sartono, 2012). Terminologically, the debt to equity ratio means the ratio of debt to equity. The debt to equity ratio is a financial ratio that allows you to compare the amount of debt a company has with its equity.

The debt to equity ratio is useful for both the company itself and external parties interested in the company, such as investors and lenders. Knowing the debt to equity ratio allows internal parties to optimize the company's financial position. A debt to equity ratio of more than 2 or 200% indicates that the company's financial position is very vulnerable to various types of risks. This situation is common on the Indonesian stock exchange. Therefore, from the above provisions, it can be seen that the financial position of Company XYZ falls into the second category. This situation is safe unless the source of debt is a bank or bonds. The British Business Bank reports that a good debt to equity ratio typically ranges between 1 and 1.5. However, this value varies by industry(Dessi Herliana, 2021).

The reason is that some industries use more debt financing than others. Debt to equity ratios often exceed 2 in capital-intensive industries such as finance and manufacturing. A high debt to equity ratio indicates that a company uses debt to finance its growth (Fangolo et al., 2023). For investors and lenders, a high debt to equity ratio can mean that a company is risky but has the potential to generate significant revenue and repay the debt (Maulidya, 2023). Conversely, a negative debt to equity ratio indicates that a company is experiencing losses exceeding its total equity. Liquidity can be measured by the Current Ratio. In this study, liquidity is measured by the Current Ratio, which is the ratio of current assets divided by current liabilities (Ferdila & Mustika, 2022). Liquidity management must contribute to the realization of creating company value (Hanifah, 2016). Liquidity is the company's ability to pay its short-term obligations. Liquidity is a serious concern for companies because it plays a crucial role in their success (Tunisa & Suwarno, 2024). Companies with good liquidity are considered to have good performance by investors. This will attract investors to invest in the company. The Current Ratio is a tool used to measure a company's ability to pay short-term obligations such as salaries and debts. This calculation is usually done by creditors, traders, and investors to assess the company's ability to pay its debts when due(Herawati, 2021).

The influence of the Current Ratio on stock prices is that the higher its value (greater than 1), the higher the quality of the stock price, which is expected to rise. Therefore, investors can decide whether the company is suitable for investment. Usually, the Current Ratio is used for companies in the same industry. This measurement is useful not only for investors and creditors but also for companies looking to develop strategies to improve liquidity. For example, a company might ask its bank to reduce interest rates(Rahmadi & Suharti, 2018).

The current ratio measures a company's ability to pay its current or short-term liabilities (debts and obligations) with its current or short-term assets such as cash, inventory, and receivables. A current ratio of less than 1.00 often means a company does not have enough capital to meet its short-term obligations if they all come due at the same time. Conversely, if the current ratio is greater than 1.00, it means the company has the funds to pay its short-term debts. However, current figures are only a snapshot and usually do not fully reflect a company's short-term liquidity or long-term solvency(Azizah, 2022).

For example, a company may have a very high current ratio, but its receivables may be very old due to slow customer payments, which may be hidden in the current ratio. Some receivables may also need to be written off. Analysts should also consider the quality of the company's other assets compared to its liabilities. If inventory cannot be sold, the current ratio may still be acceptable at some point, even though the company may default. However, the results calculated using the current ratio formula are a combination of current assets that cannot easily be converted into cash to pay off debt, such as inventory and receivables. Therefore, when analyzing it, it is important to ensure that these assets can be quickly converted into cash when they come due(Pratama & Erawati, 2016).

For investors and traders, there are no clear limits on when a liquidity ratio is considered high and when a nominal value is considered low. This is because it depends on the specific industry. Companies with high current ratios may have worse financial conditions than companies with low nominal ratios. This is because a high ratio can indicate that a company has excess cash that is "unused" because it is not being used for investment or business development(Kusuma et al., 2018). Therefore, the current figures can be said to be a benchmark for the company's development as an investment consideration. As an investor, you certainly do not want to invest your capital in a company that is not growing, right? Therefore, this analysis must be carried out. Detailed explanations of the current situation. Understanding how to calculate the liquidity ratio is very helpful for investors. Therefore, it doesn't hurt to learn about it.

This research predicts that Earning Per Share (EPS), an indicator of the market value ratio, affects stock prices. Earning Per Share helps reflect future earnings, which will help investors assess the potential earnings they will receive in the future. Earnings per share is the result of dividing the company's net income by the number of outstanding shares. In Indonesian, the term “earnings per share” is also referred to as “laba per saham.”

Investors can manually calculate a company's earnings per share using quarterly or annual financial reports. Additionally, investors can use data displayed on stock trading platforms. These platforms usually show the annual EPS value of stocks. If the current period continues, the calculation of earnings per share will be based on previous period data. Many inexperienced investors may think that the sole function of earnings per share is to calculate a company's profits. In fact, earnings per share have many other uses, including:

Calculating the P/E Ratio:The price-to-earnings (P/E) ratio is determined by dividing the current stock price by the earnings per share. Generally, the lower the P/E ratio, the better. For example, if PWON's current stock price is IDR 480 and its earnings per share is 30, then its P/E Ratio is 16. This means PWON stock investors have 16 years to recoup their capital. Investors usually choose stocks with a P/E ratio between 5 and 15 years. However, if PWON's price-to-earnings ratio is relatively low compared to other real estate stocks, then its valuation is considered quite cheap.

Calculating the PEG Ratio: The PEG ratio, or price-to-earnings-growth ratio, is a modified formula of the P/E ratio adjusted to predict a company's annual growth. The PEG ratio is calculated as the P/E ratio divided by the annual EPS growth rate and determined based on the percentage difference each period.

Measuring Company Performance: Earnings per share is an inappropriate indicator for comparing the performance of different stocks because it is easily influenced by short-term company activities. However, earnings per share is a good enough benchmark for measuring a company's annual performance. In addition to the three functions above, EPS can also be used for advanced fundamental analysis, such as calculating a dividend-adjusted PEG ratio and yield earnings. For investors, even those new to stocks, it is important to analyze EPS before deciding on an issuer. As we have discussed, earnings per share provide information about a company's profitability and market prospects(Korompis et al., 2024). High EPS figures can indicate that a company generates more profits to distribute to investors. Additionally, increasing earnings per share generally tends to raise a company's stock price. This is a positive sentiment in the eyes of investors. So if you want to resell your shares, you can clearly get a larger capital gain.

Financial Statement Analysis Wicaksono, (2015), NPM, is a measure of profitability that compares net income after interest and taxes to sales. This ratio shows the company's net income on sales. The higher the better, the more attractive to investors. The net profit margin is the percentage of income earned from business activities and calculates working capital flows and tax burdens. All these cash flows are calculated and measured to determine the percentage of profit achieved. The higher the percentage of net profit margin achieved, the more efficient and successful the business operations. Overall, the net profit margin is used to evaluate a company's financial performance, including its efficiency in generating profit or net profit from its business activities.

Additionally, it helps determine the selling price of products by considering production costs, operational expenses, and the desired net profit. The net profit margin also motivates employees to improve their performance. Because of the high net profit margin, employees can receive bonuses. Additionally, operational efficiency can also be evaluated if the company can reduce unnecessary expenses and improve operational efficiency. An increase in the net profit margin (NPM) indicates that a company has successfully increased investor wealth, and there are other factors that encourage investors to increase the amount of capital invested in a company.

This research develops the study by Triyanti & Susila, (2021), Pratiwi et al., (2020), Hardiyanti & Munari, (2022), Rosmaningsih, (2021). The first novelty of this research is the addition of 1 independent variable, namely the net profit margin, to analyze whether the net profit margin affects stock prices. Secondly, this research expands the scope of observation to oil and gas mining companies listed on the Indonesia Stock Exchange (IDX).

2. Research Method

This research is quantitative with a statistical approach. The data used in this study are secondary data in the form of current assets, current liabilities, total debt, total equity, net income, number of outstanding shares, and total revenue available in the annual reports and financial statements of each sub-sector mining company, including coal, oil, and gas, listed on the Indonesia Stock Exchange (IDX) for the period 2020-2022. This study uses statistical analysis methods with multiple linear regression analysis assisted by the SPSS (Statistical Product and Service Solution) application. The population used in this study includes all oil, gas, and coal sub-sector companies listed on the Indonesia Stock Exchange (IDX) in the form of financial reports. The sample selection is done using purposive sampling technique. The tests used in this research include classical assumption tests, hypothesis tests, and the coefficient of determination (R^2) test.

Current Ratio (CR), Debt to Equity Ratio (DER), Earnings Per Share (EPS), and Net Profit Margin (NPM) are chosen as independent variables due to their fundamental role in assessing a company's financial health and performance. CR indicates liquidity, highlighting the company's ability to cover short-term obligations, while DER reflects the financial leverage and risk associated with the company's capital structure. EPS is a key indicator of profitability and shareholder value, and NPM measures the efficiency of management in converting revenue into profit. These variables are widely supported by financial theories and have been extensively validated in previous studies as critical indicators for analyzing company performance and predicting financial outcomes. Studies such as those by Wicaksono, (2015) and (Assegaf, 2014) provide a strong theoretical foundation for the selection of these variables, demonstrating their relevance and impact on financial performance analysis.

This study uses multiple regression analysis techniques to determine the effect of independent variables on the dependent variable. The regression equation used in this study is as follows:

$HS = \alpha + \beta_1 CR + \beta_2 DER + \beta_3 EPS + \beta_4 NPM + e$

Explanation:

HS	: Stock Price
α	: Konstanta
β1 – β4	: Koefisien Regresi
CR	: Current Ratio
DER	: Debt to Equity Ratio
EPS	: Earning Per Share
NPM	: Net Profit Margin
e	: Error Term

3. Results And Discussions

The results of sample selection based on predetermined criteria can be seen in the table below::

Table 1. Sampling process

Description	Amount
Companies in the oil gas and coal sub-sector (Population)	84
Consumer Goods Industry Companies that are not listed on the Stock Exchange	(18)
Securities Indonesia and consistently publishes complete financial reports during the observation period, namely 2018-2022.	(1)
The company does not submit annual financial reports regularly and does not have complete appropriate financial data	(38)
with those needed in the variables in this research.	(27)
Companies that do not generate positive profits in a row	81
participated during the 2018-2022 period.	(37)
Total sample for a year	(18)
Total samples for three years were processed	63

Source: 2024 Data Analysis Results

Based on the sample criteria determined in this research, a sample of 27 companies was obtained each year. The total sample is 81 during the 2020-2022 period. The samples tested did not pass so 18 samples had to be outliers, so that the research data processed was 63 samples.

Normality Test Results

Normality test is conducted to assess whether in the regression model, the disturbance or residuals have a normal distribution. The statistical test used to test the normality of residuals is the non-parametric Kolmogorov-Smirnov (K-S) test, performed by setting a null hypothesis (H0) for normally distributed data and an alternative hypothesis (HA) for non-normally distributed data (Ghozali, 2011). Normality testing is considered normal if the significance value is greater than 0.05. This test uses the One Sample Kolmogorov-Smirnov test, but it was deemed non-normal because the significance value was 0.000 or less than 0.05. Similarly, the Monte Carlo test resulted in a significance output of 0.000, which also means less than 0.05. Normality testing was then conducted using the Central Limit Theorem assumption, known as the CLT assumption. According to the CLT assumption, data is considered normal if n is greater than 30 or the data under study must be >30.

Multicollinearity Test Results

The SPSS output results show that the tolerance value and VIF value of all independent variables show a VIF value ≤ 10 and a tolerance value ≥ 0.10. So it can be concluded that there is no multicollinearity between the independent variables in the regression model.

Heteroskedasticity Test Results

Table 2. Heteroscedasticity test using glejser

Variable	Sig.(2-*tailed*)	Remarks
CR	0,643	No Heteroskedasticity
DER	0,819	No Heteroskedasticity
EPS	0,630	No Heteroskedasticity
NPM	0,850	No Heteroskedasticity

Source: 2024 Data Analysis Results

The results of the SPSS output display show that the probability of significance of the Company Size variable being significant is >0.05; so it can be concluded that the regression model does not contain heteroscedasticity problems.

Autocorrelation Test Results

Table 3. Autocorrelation test

Run Test	Remarks
0,524	No Autocorrelation Occurs

Source: 2024 Data Analysis Results

The SPSS output results show that the value of Asymp. Sig. (2-tailed) namely 0.524. This means that the value of Asymp. Sig. (2-tailed) > 0.05 (significance level). So it can be concluded that there is no autocorrelation.

Model Analysis Results

Multiple regression analysis

Multiple regression analysis is a statistical technique used to demonstrate the relationship between independent variables and a dependent variable. This technique helps identify how well independent variables can explain the variation in the dependent variable and assess the influence of each variable. This study incorporates five variables: leverage, firm size, audit committee, free cash flow, and managerial ownership. The results of the multiple linear regression were analyzed using SPSS 26.

Table 4. Multiple linear regression results

Model	Unstandardized Coefficients		Standardized Coefficients	t	sig
	B	Std. Error	Beta		
Constan	0,123	0,005		22,786	0,000
CR	-0,007	0,002	-0,480	-4,656	0,000
DER	-0,008	0,003	-0,238	-2,304	0,025
EPS	-0,007	0,001	-0,491	-4,843	0,000
NPM	-0,017	0,009	-0,193	-1,898	0,063

Source: 2024 Data Analysis Results

Based on the regression results in the table above, the multiple linear regression equation can be formulated as follows:

HS = - 0,007CR – 0,008DER – 0,007EPS – 0,017 NPM

(a) The constant coefficient value is 0.123. This indicates that if CR (Current Ratio), DER (Debt to Equity Ratio), EPS (Earning Per Share), and NPM (Net Profit Margin) are considered constant, then the stock price is 0.123. (b) The coefficient value for CR is 0.007 with a negative direction. The result of the t-statistic test shows a negative -4.656, which is greater than the t-table value of 2.00172, or a significance value of 0.000, less than 0.05. Therefore, the hypothesis stating that current ratio has a positive effect on stock price is rejected. This study fails to conclude that an increase in Current Ratio leads to a rise in stock price. On the contrary, the study concludes that if the Current Ratio increases, the stock price will decrease, assuming that DER (Debt to Equity Ratio), EPS (Earning Per Share), and NPM (Net Profit Margin) remain

constant. (c) The coefficient value for DER is 0.008 with a negative direction. The result of the t-statistic test shows a negative -2.304, which is greater than the t-table value of 2.00172, or a significance value of 0.025, less than 0.05. Therefore, the hypothesis stating that Debt to Equity Ratio has a negative effect on stock price is accepted. This study successfully concludes that an increase in Debt to Equity Ratio leads to a decrease in stock price, assuming that DER (Debt to Equity Ratio), EPS (Earning Per Share), and NPM (Net Profit Margin) remain constant. (d) The coefficient value for EPS is 0.007 with a negative direction. The result of the t-statistic test shows a negative -4.843, which is greater than the t-table value of 2.00172, or a significance value of 0.000, less than 0.05. Therefore, the hypothesis stating that Earning Per Share has a positive effect on stock price is rejected. This study fails to conclude that an increase in Earning Per Share leads to a rise in stock price. Instead, the study concludes that if Earning Per Share increases, the stock price will decrease, assuming that DER (Debt to Equity Ratio), EPS (Earning Per Share), and NPM (Net Profit Margin) remain constant. (e) The coefficient value for NPM is 0.017 with a negative direction. The result of the t-statistic test shows a negative -1.898, which is greater than the t-table value of 2.00172, or a significance value of 0.063, more than 0.05. Therefore, the hypothesis stating that Net Profit Margin has a positive effect on stock price is rejected. This study fails to conclude that NPM (Net Profit Margin) has an effect on stock price, assuming that DER (Debt to Equity Ratio), EPS (Earning Per Share), and NPM (Net Profit Margin) remain constant.

F-Test Results

From the results of calculations using the SPSS computer program, a significant value of 0.000 was obtained. Because the significant value is 0.000 < 0.05, then together or simultaneously there is an influence of the Current Ratio, Debt to Equity Ratio, Earning Per Share and Net Profit Margin on the Share Prices of Mining Companies in the Oil, Gas and Coal Sub Sector.

Coefficient of Determination (R-squared) Test Results

The R2 value obtained is 0.478 or 47.8%, meaning that the Current Ratio, Debt to Equity Ratio, Earning Per Share and Net Profit Margin influence the share price of Mining Companies in the Oil, Gas and Coal Sub Sector by 47.8%, the remaining 52.2% influenced by other factors.

Discussion

The relationship between CR and share prices

If the CR (Current Ratio) increases, the company is capable of paying its short-term obligations or debts that are due when called upon in full. This means the company can demonstrate efficiency in utilizing its own capital, which can enhance stock prices. A high Current Ratio provides a good assurance indicator for short-term creditors, indicating the company's ability to settle short-term liabilities. This can potentially increase the company's stock price. Therefore, the conclusion is that there is a negative impact of CR on the stock price of mining companies in the sub-sectors of oil, gas, and coal. A high CR indicates the company's ability to meet short-term obligations and improve efficiency in utilizing its own capital, which can boost stock prices. Excess Liquidity: A high Current Ratio may indicate that the company has too much liquidity that is not efficiently used for growth or investment. Investors may view this as a signal that the company is not maximizing its capital usage.

High Cost of Capital: Maintaining high current assets to support the Current Ratio can lead to higher costs of capital, as the company must pay interest or other costs on capital that is not used productively. Suboptimal Performance: In some cases, a high Current Ratio may reflect inefficient management of working capital or excessive inventory, which can in turn affect the company's operational efficiency. Perception of Risk: Investors may perceive a high Current Ratio as a sign that the company is overly cautious or conservative in facing risks, which could reduce potential investment returns. However, it is important to note that each study should consider the specific context of the company or industry. Other variables such as capital structure, business cycles, and market factors can also influence the relationship between Current Ratio and stock price. Therefore, conclusions about the effect of Current Ratio on stock price can vary depending on the relevant conditions in each specific situation. This is supported by research (Sukayasih et al., 2019).

The relationship between DER and share prices

The correlation between DER (Debt to Equity Ratio) and Stock Price is that the debt used by a company can depict its success. The lower the debt, the greater the company's ability to distribute profits to its shareholders, which can increase the stock price. A low Debt to Equity Ratio provides a good assurance indicator for short-term creditors, indicating the company's capability to distribute profits to shareholders, thereby potentially boosting the stock price. Debt to Equity Ratio (DER) has a negative impact on the Stock Price in mining companies in the oil, gas, and coal sub-sectors due to several reasons: a) Debt Usage Risk,

the higher the DER, the greater the debt burden on the company. This increases the risk that the company may not be able to repay its debts, affecting investor confidence and leading to a decline in stock price; b) Use of Profits to Repay Debt, if a company earns profits, they are likely to use those profits to repay debt rather than distributing dividends. This can reduce the stock's value and lead to a decrease in stock price; c) Uncertainty and Risk, an increase in DER can be seen as a negative signal by the market, causing investors to avoid risk and reduce demand for the stock. This can result in a decline in stock price; d) Influence on Financial Performance, a high DER can indicate that the company has poor financial performance, leading investors to decrease their trust in the company and resulting in a decline in stock price. In several studies, the results show that DER has a negative impact on stock price, both partially and simultaneously. Therefore, mining companies with high DER tend to have lower stock prices. This research supports findings from Tita (2011) stating that DER has a significant negative partial effect, as well as (Assegaf, 2014).

The relationship between EPS and share prices

High EPS indicates good assurance for short-term creditors, demonstrating the company's ability to distribute profits to its shareholders. This can enhance stock prices. Therefore, there is an influence of EPS on the stock price of mining sector companies, specifically in oil, gas, and coal sub-sectors. High EPS shows the company's capability to distribute profits to its shareholders, potentially boosting stock prices. EPS can turn negative for several reasons: a) Net Loss, if a company experiences a net loss, EPS will also be negative. Net losses can result from higher operational costs than revenue, or unexpected costs such as legal expenses or settlement costs; b) Unexpected Costs, unexpected costs like legal fees, settlement costs, or other unforeseen expenses can lead to negative EPS; c) Revenue Reduction, if a company's revenue declines, EPS will also turn negative. Revenue reductions can stem from various factors such as sales declines, price reductions, or volume decreases; d) Use of Operating Funds, if a company uses more operating funds than revenue, EPS will also be negative; e) Incalculable Costs, incalculable costs such as intangible asset expenses, goodwill expenses, or other costs can result in negative EPS; f) External Factors Influence, external factors like market changes, government policy shifts, or monetary policy changes can lead to negative EPS; g) Internal Factors Influence, internal factors like poor operational performance, subpar product quality, or weak financial performance can cause negative EPS; h) Debt Payment Use, if a company uses funds for significant debt repayment, EPS will also be negative; i) Environmental Factors Influence, environmental factors such as weather changes, market shifts, or government policy changes can result in negative EPS; j) Financial Factors Influence, financial factors like poor financial performance, inadequate operational performance, or weak financial results can lead to negative EPS.

In some studies, results show that EPS has a negative impact on stock prices. Therefore, companies with negative EPS tend to have lower stock prices. This is supported by research (Kurnia et al., 2020), which concluded that there is a negative influence of Earnings Per Share (EPS) on the Stock Prices of Companies Listed in the LQ45 Index on the Indonesia Stock Exchange (IDX) from 2017 to 2020..

The relationship between NPM and share prices

Net Profit Margin (NPM) is only used as a financial indicator showing net profit per income, but it does not have a significant influence on stock prices. This result is supported by research conducted by Fani Lestari et al. in 2018, which found that NPM does not have a significant impact on the stock prices of oil and gas mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2012-2017. Another study by Darmadji & Fakhruddin in 2018 also did not find any influence of NPM on the stock prices of coal mining companies listed on the IDX for the period 2018-2022. This is further reinforced by research (Hanifah, 2016) which stated that net profit margin does not affect the stock prices of automotive companies listed on the Indonesia Stock Exchange.

4. Conclusion

The t-test results indicate that the Current Ratio significantly affects the stock prices of companies in the oil, gas, and coal mining sub-sectors, with a significance value of 0.000 (< 0.05). Debt to Equity Ratio also has a significant impact, with a significance value of 0.025 (< 0.05). Earnings Per Share (EPS) similarly shows a significant influence, with a significance value of 0.000 (< 0.05). However, Net Profit Margin (NPM) does not significantly affect the stock prices of companies in the oil, gas, and coal mining sub-sectors, with a significance value of 0.063 (> 0.05).

This study has several limitations that may affect the results and conclusions. Firstly, the use of secondary data from annual reports and financial statements may not capture all variables influencing stock prices, leading to potential biases. Secondly, the study is limited to companies listed on the Indonesia Stock

Exchange (IDX) from 2020-2022, which may not be representative of other periods or stock exchanges. Thirdly, external factors such as global economic conditions and commodity price fluctuations are not accounted for, which could affect the financial performance of the companies studied. These limitations suggest that the results should be interpreted with caution and may not be generalizable beyond the specific context of this research.

Future research should consider incorporating a broader range of variables, including macroeconomic indicators and global commodity prices, to provide a more comprehensive analysis of factors affecting stock prices in the mining sector. Expanding the study period and including companies from different stock exchanges could improve the generalizability of the findings. Additionally, employing different statistical techniques or models, such as panel data analysis, could offer deeper insights into the dynamic relationships between financial ratios and stock prices. Further research might also explore the impact of corporate governance and sustainability practices on the financial performance of mining companies.

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