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Influence of Earnings per Share and Price to Earnings Ratio on Stock Price: A Study on PT. Astra International Tbk in 2020–2024 Period

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ABSTRACT
This study examines the impact of earnings per share (EPS) and price-to-earnings ratio (P/E ratio) on the stock price of PT Astra International Tbk during the 2020–2024 period. Addressing the research gap in post-pandemic valuation studies within Indonesia's automotive sector, this research employs a quantitative approach using quarterly secondary data obtained from official financial reports and stock market records. Classical assumption tests confirm that the regression model satisfies the criteria for normality, multicollinearity, heteroskedasticity, and autocorrelation, ensuring the robustness of the analysis. The results demonstrate that both EPS and PER have a positive and significant impact on stock prices, indicating that profitability and valuation measures are critical determinants of market value. These findings underscore the importance of fundamental analysis in informing investment decisions and provide empirical evidence for investors and financial analysts seeking to assess corporate performance in emerging markets.

Keywords: Earnings Per Share, Price To Earnings Ratio, Stock Price, Fundamental Analysis, Investment Decision.

I. Introduction

Within a nation's financial ecosystem, the capital market plays a crucial role in channeling surplus funds from investors to sectors requiring capital. Shares, as the primary instruments traded in the market, represent partial ownership in a corporation and offer investors the potential for financial returns through dividends and capital gains. However, investment decisions extend beyond expectations of returns and risk; they are fundamentally shaped by the firm's financial performance and intrinsic value. To assess investment attractiveness, investors often rely on fundamental indicators, such as earnings per share (EPS) and the price-to-earnings ratio (P/E ratio). EPS measures a company's profitability per share, while the P/E ratio reflects market expectations of its future earnings potential. Both indicators are central to evaluating intrinsic stock value and have been widely recognized as predictors of stock price movements in financial theory.

Stock price volatility reflects a complex interplay of internal and external factors. While macroeconomic elements such as inflation and global market conditions can influence investor sentiment, micro-level fundamentals remain vital for long-term valuation. In this context, PT Astra International Tbk (ASII), one of Indonesia's largest and most diversified conglomerates, is listed in the LQ45 index and offers an insightful case for examining the role of firm-specific performance indicators in determining market value. The

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company operates across key sectors, including automotive, financial services, heavy equipment, agribusiness, infrastructure, and property. Despite the downturn in 2020 due to the COVID-19 pandemic, ASII demonstrated a strong recovery in both revenue and stock performance following 2021 (Saadah, Mukhlis, & Nugroho, 2024).n Empirical observations further suggest that positive momentum within Indonesia's automotive industry, such as during the Gaikindo Indonesia International Auto Show (GIIAS), often triggers bullish trends in ASII's stock price, indicating the importance of investor expectations alongside financial fundamentals (Saadah et al., 2024). Prior studies also reveal that inflation does not significantly affect ASII's stock volatility, implying that internal corporate factors and investor sentiment are more influential (Saadah et al., 2024).

Existing literature has documented mixed evidence regarding the determinants of stock prices in the Indonesian market. Juliani (2023) identified earnings per share, leverage, and asset growth as key variables affecting price volatility in non-financial firms, while Mayjesti, Pali, and Marampa (2023) confirmed that EPS exerts a significant and positive influence on stock prices in the consumer goods sector. However, empirical studies specifically addressing the combined influence of EPS and PER on stock prices in post-pandemic conditions, particularly within the automotive sector, remain limited. Therefore, this study aims to fill the research gap by examining the impact of earnings per share and price-to-earnings ratio on the stock price of PT Astra International Tbk during the 2020–2024 period. The findings are expected to enhance understanding of fundamental analysis as a decision-making tool for investors and contribute to the broader empirical literature on valuation in emerging markets.

II. Literature Review and Hypothesis Development

2.1. Capital Market and Stock Price

The capital market serves as a financial mechanism that connects entities requiring capital with investors who possess surplus funds for productive investment. Shares, as key instruments in the capital market, represent partial ownership in publicly listed companies and entitle investors to potential returns through dividends and capital gains. Unlike debt securities, shares do not yield fixed interest but provide returns based on the firm's performance and market valuation (Jogiyanto, 2015). Stock prices in the secondary market are determined through the interaction of supply and demand among investors. When demand exceeds supply, prices tend to rise; conversely, when supply exceeds demand, prices tend to fall. These price movements reflect the market's collective assessment of a company's performance and prospects. According to Halim (2015), a firm's profitability plays a central role in influencing stock prices; stronger earnings often lead to higher dividends and increased investor confidence, resulting in capital appreciation. Tarmizi, Hady, and Lusiana (2022) further emphasize that stock price serves as a key indicator of shareholder wealth and corporate value, illustrating how effectively management generates returns for investors. In this study, the stock price is measured using the adjusted closing price reported in the company's financial statements, as it best reflects the real market value after accounting for corporate actions such as dividends, stock splits, and rights issues.

2.2. Earnings Per Share (EPS) in Stock Analysis

In fundamental stock analysis, earnings per share (EPS) represent one of the most essential indicators for assessing a company's profitability and financial performance. Sari and Muslih (2022) highlight that net income significantly influences stock price, implying that firms generating consistent profit growth tend to experience increasing stock values, thereby enhancing both firm value and shareholder wealth. Consequently, investors commonly use EPS as a basis for evaluating a company's ability to create sustainable earnings over time. According to Al Barohin and Nasution (2023), EPS serves as a key financial metric that measures how efficiently a company converts its net income into earnings available for each outstanding share. A higher EPS

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indicates stronger profitability and greater potential returns for shareholders, which, in turn, strengthens investor confidence and market valuation. Furthermore, EPS serves as a fundamental input in calculating the price-to-earnings ratio (P/E ratio), a widely used indicator to determine whether a stock is valued appropriately relative to its earnings potential. Mathematically, EPS is obtained by dividing net income after taxes by the total number of outstanding shares. For instance, a firm reporting a net profit of one hundred billion rupiah with one billion outstanding shares would have an EPS of one hundred rupiah per share. This value enables investors to compare profitability across time periods or among companies operating within the same industry. Moreover, Al Barohin and Nasution (2023) emphasize that a rise in stock price generally accompanies an increase in EPS, as it reflects market optimism regarding the firm's growth prospects. Conversely, a decline in EPS may signal reduced profitability and trigger negative investor sentiment. Thus, EPS is not merely a statistical measure but a strategic benchmark that informs valuation analysis and investment decisions. For fundamentally oriented investors, understanding the trend and consistency of EPS is crucial in formulating long-term investment strategies and assessing a firm's intrinsic value.

2.3. Price to Earnings Ratio (PER) as a Valuation Indicator

The price-to-earnings ratio (PER) is a key indicator in fundamental stock analysis and is widely used by investors to assess corporate valuation. PER represents the relationship between a company's share price and its earnings per share (EPS), illustrating how much investors are willing to pay for each unit of profit generated by the firm. As such, PER serves as a measure of investor expectations and market sentiment toward a company's future growth prospects. Vidada et al. (2023) explain that PER functions as a valuation ratio that helps determine whether a stock is priced appropriately relative to its earnings potential. Similarly, Al Barohin and Nasution (2023) define PER as the result of dividing a company's market price per share by its earnings per share. A high PER often suggests that the market expects higher future growth, indicating optimism about the company's performance. However, it can also reflect overvaluation if earnings growth fails to materialize. Conversely, a low PER may indicate undervaluation, implying that the stock could be overlooked or that investor expectations remain modest. In addition to valuation, the P/E ratio conveys important information about risk and return. Stocks with higher PER values are generally associated with greater price volatility, as even small changes in earnings projections can significantly influence market valuation. On the other hand, stocks with lower P/E ratios are often targeted by value-oriented investors who anticipate capital appreciation as the firm's performance improves. Furthermore, PER is influenced by various determinants, including growth potential, industry competitiveness, interest rate movements, and macroeconomic conditions (Al Barohin & Nasution, 2023). Therefore, its interpretation should always be contextualized within both sectoral and broader economic environments to avoid misjudging a company's intrinsic value. Within the framework of this study, PER is utilized as a valuation metric that reflects investor perceptions of PT Astra International Tbk's ability to generate earnings in the post-pandemic recovery period. As part of fundamental analysis, PER remains one of the most relevant and practical tools for guiding investment decisions in the Indonesian capital market, particularly for evaluating whether a stock is underpriced or overpriced relative to its actual earnings capacity.

III. Research Method

3.1. Research Design

This study adopts a quantitative associative research design, aiming to analyze the relationship and influence of independent variables on a dependent variable. The independent variables are Earnings per Share (EPS) and Price-to-Earnings Ratio (PER), while the dependent variable is Stock Price of PT Astra International Tbk (ASII) during the 2020–2024 period. The use of an associative approach is appropriate because it allows for statistical examination of cause-and-effect relationships among variables within a

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measurable framework. The research aims to determine whether EPS and PER, two of the most widely used indicators in fundamental analysis, have a significant impact on a company's market valuation. The study's originality lies in its emphasis on the post-pandemic period, where fluctuations in earnings and investor sentiment have reshaped valuation patterns in Indonesia's automotive sector.

3.2. Population and Sampling Technique

The population of this study comprises all quarterly financial statements and stock price data of PT Astra International Tbk, listed on the Indonesia Stock Exchange (IDX), between Q1 2020 and Q4 2024. Using a purposive sampling technique, the research selected observations that met specific criteria: (1) availability of complete EPS and PER data, and (2) consistent recording of adjusted closing stock prices across the five years. Based on these criteria, 20 quarterly observations were obtained. Purposive sampling was chosen because it ensures that only relevant and valid data points, representing the company's consistent financial performance, are analyzed, thereby enhancing the reliability of the results.

3.3. Data Type and Sources

This study uses secondary data derived from the company's financial reports and capital market databases. The data were collected from credible sources, including the official IDX portal, Yahoo Finance, and Stockbit, ensuring accuracy and authenticity. Stock prices were measured using adjusted closing prices, as this metric accounts for corporate actions such as stock splits, dividends, and rights issues, thereby providing a more accurate reflection of the company's market value (Damodaran, 2012). Data were obtained through documentation techniques, which involved downloading financial statements and extracting EPS, PER, and stock price data from these official and verified sources.

3.4. Variable Definitions and Measurement

1. Earnings per Share (EPS) = Net Income After Tax / Total Outstanding Shares (Rp per share).
2. Price-to-Earnings Ratio (PER) = Stock Price / EPS (times).
3. Stock Price = Adjusted closing price (Rp) at the end of each quarter, reflecting the actual market value after corporate adjustments.

The selection of EPS and PER as independent variables is based on their theoretical and empirical relevance in capturing both profitability (EPS) and market valuation (PER), which together provide a comprehensive view of firm performance and investor expectations.

3.5. Data Analysis Technique

The data were processed using IBM SPSS Statistics 21. The analysis proceeded through the following stages:

1. Classical Assumption Tests, conducted to ensure model validity, covering: Normality test, Multicollinearity test, Heteroskedasticity test, and Autocorrelation test. These tests guarantee that regression results are unbiased and efficient.
2. Multiple Linear Regression Analysis, used to assess the influence of EPS and PER on Stock Price. The regression model is expressed as:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$$

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Where Y denotes Stock Price, X1 represents EPS, X2 represents PER, α is the constant, β1 and β2 are regression coefficients, and e is the error term.

3. Hypothesis Testing performed using: t-test to determine partial effects of each independent variable, F-test to examine simultaneous effects, and Coefficient of Determination (R^2) to evaluate how much variation in Stock Price is explained by EPS and PER collectively.

The methodological framework ensures both statistical rigor and practical applicability. The results are expected to inform investors, analysts, and policymakers about how key financial ratios shape stock valuation in Indonesia's post-pandemic market environment.

IV. Results and Discussion

4.1. Descriptive statistics

Descriptive statistical analysis is employed to give a general summary of the research data before further testing is performed. The descriptive measures reported consist of minimum value, maximum value, mean, and standard deviation for each research variable, including earnings per share (X1), price-to-earnings ratio (X2), and stock price (Y).

Table 1. Data of EPS, PER, and Stock Price of ASII 2020–2024

Index	Year	Quarter	Quarter-End Date	EPS (Rp)	PER (X)	Stock Price
1	2020	Q1	31-Mar-20	118.81	32.83	2,642.36
2	2020	Q2	30-Jun-20	162.24	29.59	3,649.17
3	2020	Q3	30-Sep-20	65.73	67.85	3,844.02
4	2020	Q4	31-Dec-20	52.49	114.78	4,347.72
5	2021	Q1	31-Mar-21	92.09	57.28	3,920.08
6	2021	Q2	30-Jun-21	126.05	39.19	3,418.21
7	2021	Q3	30-Sep-21	151.81	36.23	4,363.29
8	2021	Q4	31-Dec-21	128.92	44.21	3,996.53
9	2022	Q1	31-Mar-22	169.43	38.81	5,529.44
10	2022	Q2	30-Jun-22	279.5	23.7	4,738.35
11	2022	Q3	30-Sep-22	127.36	52.02	4,981.82
12	2022	Q4	31-Dec-22	138.67	41.1	4,556.32
13	2023	Q1	31-Mar-23	215.37	27.86	5,125.86
14	2023	Q2	30-Jun-23	215.64	31.42	5,676.57
15	2023	Q3	30-Sep-23	203.59	30.58	4,785.72
16	2023	Q4	31-Dec-23	201.27	28.07	4,317.00
17	2024	Q1	31-Mar-24	184.37	27.93	4,338.06
18	2024	Q2	30-Jun-24	207.29	21.52	4,335.50
19	2024	Q3	30-Sep-24	246.96	20.45	4,684.55
20	2024	Q4	31-Dec-24	202.48	24.2	4,495.80

The summary of descriptive statistics generated through SPSS processing is displayed in Table 2.

Table 2. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
EPS (Rp)	20	52.49	279.5	164.5035	59.11182
PER (X)	20	20.45	114.78	39.481	21.56647
Stock Price (Rp)	20	2642.36	5676.57	4387.3185	706.48972
Valid N (listwise)	20				

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The interpretation of Table 2 is as follows:

1. First, the earnings per share (EPS) variable (X1) has a minimum value of 52.49 and a maximum of 279.50, with a mean of 164.50. The standard deviation of 59.11 indicates a relatively wide variation of EPS values around the mean.
2. Second, the price-to-earnings ratio (PER) variable (X2) has a minimum value of 20.45 and a maximum of 114.78, with a mean of 39.48. The standard deviation of 21.57 suggests the presence of considerable diversity in PER values across the observation periods.
3. Third, the stock price variable (Y) has a minimum of 2,642.36 and a maximum of 5,676.57, with an average of 4,387.32. The standard deviation of 706.49 reflects a relatively high level of stock price fluctuations around the mean.

According to Santoso (2019), the presentation of descriptive statistics aims to provide a general overview of the research data, encompassing both central tendency (mean) and data dispersion (standard deviation), prior to conducting inferential analysis.

4.2. Classical Assumption Test

4.2.1 Normality Test

The purpose of the normality test is to assess whether the residuals of the regression model follow a normal distribution, ensuring that the classical assumptions are met. This test was conducted using the One-Sample Kolmogorov-Smirnov Test applied to the unstandardized residual values.

Table 3. Kolmogorov-Smirnov Test

	Unstandardized Residual
N	20
Normal Parameters a,b	
Mean	0
Std. Deviation	525.0207467
Most Extreme Differences	
Absolute	0.121
Positive	0.121
Negative	-0.087
Kolmogorov-Smirnov Z	0.542
Asymp. Sig. (2-tailed)	0.93

The Kolmogorov-Smirnov Z test produced a value of 0.542 with an Asymp. Sig. (2-tailed) result of 0.930. As this significance level exceeds 0.05, the null hypothesis that the residuals are normally distributed cannot be rejected. Therefore, the residuals from the regression model connecting earnings per share (EPS) and the price-to-earnings ratio (PER) with ASII's stock price can be considered normally distributed.

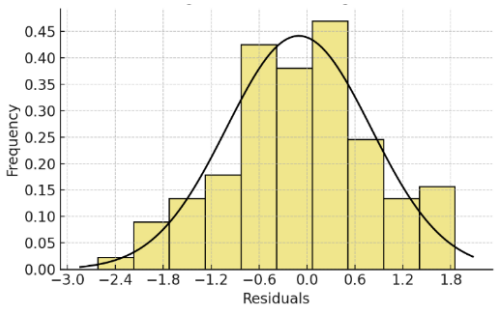

Figure 1. Residual Histogram

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The results of data visualization also support these findings. The residual histogram shows a distribution that approximates a standard bell-shaped curve, while the Normal P-P Plot illustrates data points dispersed around the diagonal line. This indicates no substantial deviation from a normal distribution.

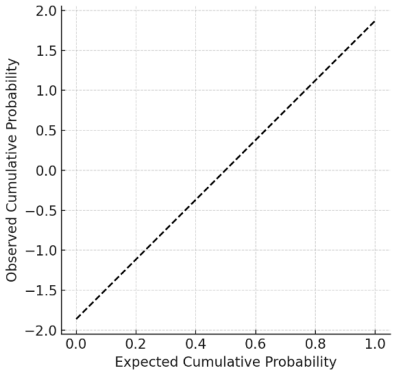

Figure 2. Normal P-P Plot

Ghozali (2018) states that in the Kolmogorov-Smirnov test, data are regarded as normally distributed when the significance level exceeds 0.05. Santoso (2019) further emphasizes that visual inspection through histograms and the Normal P-P Plot is also important to ensure that the distribution pattern approximates normality and that no significant deviations from the diagonal line are present. Based on these findings, it is concluded that the normality assumption is met, making the regression model suitable for further hypothesis testing.

4.2.2 Multicollinearity Test

The purpose of the multicollinearity test is to assess if the independent variables in the regression model exhibit strong intercorrelations. The indicators used are Tolerance and the Variance Inflation Factor (VIF). SPSS results indicate that the Tolerance value for EPS and PER is 0.348, while their VIF value is 2.874. Ghozali (2018) explains that a regression model is free from multicollinearity if the Tolerance exceeds 0.10 and the VIF is below 10. Because the current values satisfy these thresholds, the regression model is deemed free of multicollinearity. The analysis was performed using IBM SPSS Statistics 21, and the results are presented in the following table.

Table 4. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
1	EPS (Rp)	0.348
	PER (X)	0.348

a. Dependent Variable: Stock Price

4.2.3 Heteroskedasticity Test

The heteroskedasticity test is utilized to examine whether residual variances differ across observations. This test was conducted by regressing the absolute residual values (ABRESID) against the independent variables, earnings per share (EPS), and the price-to-earnings ratio (P/E ratio).

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Table 5. Heteroskedasticity Test

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	41.967	605.84		0.069	0.946
EPS (Rp)	1.412	2.312	0.248	0.611	0.550
PER (X)	3.015	6.337	0.194	0.476	0.640

a. Dependent Variable: ABRESID

The regression analysis yielded significance values of 0.550 for EPS and 0.640 for PER. Referring to Santoso (2019), significance levels above 0.05 indicate the absence of heteroskedasticity. Thus, the findings suggest that the model does not exhibit heteroskedasticity. Additionally, the scatterplot of predicted values (ZPRED) and residuals (SRESID) demonstrates a random distribution of points around the zero axis without any discernible pattern, further supporting the conclusion of homoskedasticity (Santoso, 2019). The heteroskedasticity test in this study was conducted using IBM SPSS version 21, and the results are presented as follows:

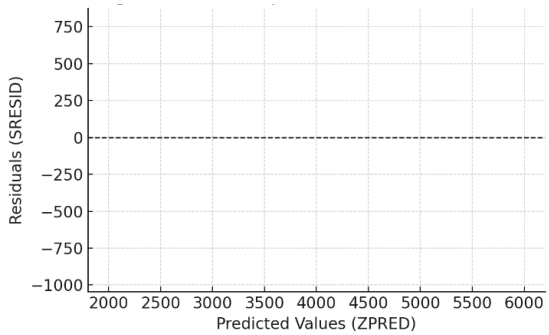

Figure 3. Heteroskedasticity Test Results (Scatter Plot)

Based on Figure 3, the scatterplot displays data points that are randomly dispersed, without forming a discernible pattern. The points are spread both above and below the zero line, and they are not concentrated in one area. Thus, it can be concluded that the data in this study do not exhibit heteroskedasticity.

4.2.4 Autocorrelation Test

The autocorrelation test is employed to assess whether residuals from the current period are correlated with those from the previous period. This test was carried out using the Durbin-Watson (DW) statistic. The SPSS output revealed a DW value of 1.939. As suggested by Ghozali (2018), values ranging from 1.5 to 2.5 imply the absence of autocorrelation. Since the obtained DW value falls within this interval, the regression model can be considered free from autocorrelation. This test aims to determine whether disturbance terms in the regression model are correlated across different time periods. An ideal regression model should not display autocorrelation. The Durbin-Watson statistic serves as a diagnostic tool, where values falling between dU and 4–dU indicate no autocorrelation. Using IBM SPSS Statistics 21, the test was conducted, and the results are presented in Table 6.

Table 6. Autocorrelation Test Results (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.669a	0.448	0.383	555.04578	1.939

a. Predictors: (Constant), PER (X), EPS (Rp)
b. Dependent Variable: Stock Price

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Furthermore, the analysis shows that with three independent variables (k = 3) and twenty observations (n = 20), the DW statistic yielded a value of 1.939. As this value lies between the critical limits of 1.5367 and 2.4633, it is concluded that the data analyzed in this study do not exhibit autocorrelation.

4.3. Multiple Regression Analysis

According to Ghozali (2018), multiple regression analysis is designed to evaluate both the strength of the relationship among two or more variables and the extent to which independent variables influence the dependent variable. The regression results are utilized to determine the effect of independent variables on the dependent variable. Based on the SPSS output, the estimated regression equation is expressed as follows:

$$Y = 1188.040 + 13.329X_1 + 25.495X_2 + e$$

The regression coefficient for X_1 is 13.329, indicating that a one-unit increase in EPS results in a 13.329 rupiah increase in stock price, assuming that other variables are held constant. Similarly, the coefficient for X_2 is 25.495, indicating that a one-unit increase in PER results in a 25.495 rupiah increase in stock price, assuming all other variables remain unchanged. According to Ghozali (2018), regression coefficients reflect both the direction and magnitude of the effect of independent variables on the dependent variable within the model. Based on the test results, the regression model used in this study meets all classical assumptions: the residuals are normally distributed, there is no multicollinearity, no heteroskedasticity is detected, and the model is free from autocorrelation. Therefore, the model is considered appropriate for subsequent hypothesis testing.

Table 7. Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1188.04	957.013		1.241	0.231
EPS (Rp)	13.329	3.652	1.115	3.65	0.002
PER (X)	25.495	10.009	0.778	2.547	0.021

a. Dependent Variable: Stock Price

Based on the test results, the regression equation obtained from the calculation is as follows:

$$\text{Stock Price} = 1188.040 + 13.329X_1 + 25.495X_2 + e$$

4.4. Coefficient of Determination Test

The coefficient of determination (R^2) is employed to assess the explanatory power of the regression model with respect to variations in the dependent variable. Its value ranges from 0 to 1, where a lower R^2 suggests that independent variables have limited explanatory capability. In contrast, a value approaching 1 indicates that the independent variables account for nearly all of the variation in the dependent variable (Ghozali, 2018). The outcomes of the coefficient of determination test are summarized below:

Table 8. Coefficient of Determination Results (Model Summary)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.669a	0.448	0.383	555.04578

a. Predictors: (Constant), PER (X), EPS (Rp)
b. Dependent Variable: Stock Price

The findings reveal that the coefficient of determination (R^2) is 0.448. This implies that the independent variables, EPS (X_1) and PER (X_2), jointly explain 44.8% of the variation in stock prices, whereas the remaining 55.2% is attributable to other factors not included in the model. As stated by Santoso (2019), the

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closer the R^2 value is to unity, the greater the regression model's explanatory power. Consequently, the model in this study demonstrates a moderate ability to explain the variations in ASII's stock prices.

4.5. Hypothesis Testing

4.5.1. t-Test

The t-test was conducted to determine the partial effect of each independent variable on the dependent variable. Based on the data analysis, the following findings were obtained:

a. Effect of EPS on stock price
   The calculated t-value for EPS is 3.650, which is greater than the critical t-table value of 2.110, with a significance level of 0.002 < 0.05. This suggests that EPS has a positive and statistically significant impact on the stock price of ASII. Therefore, the hypothesis stating that EPS influences stock price is accepted.
b. Effect of PER on stock price
   The calculated t-value for PER is 2.547, which is greater than the critical t-table value of 2.110, with a significance level of 0.021 < 0.05. This finding shows that PER also has a positive and significant effect on the stock price of ASII.

According to Ghozali (2018), the decision-making criteria for the t-test state that if the significance value is less than 0.05 or the calculated t-value exceeds the t-table value, the null hypothesis (H_0) is rejected and the alternative hypothesis (H_a) is accepted. Thus, based on both the significance values and the comparison of calculated and critical t-values, it can be concluded that EPS and PER each have a significant effect on stock price.

4.5.2. 2. F-Test

A simultaneous F-test was conducted to assess the combined effect of the independent variables on the dependent variable. The analysis revealed that the computed F-value was 6.891 with a significance level of 0.006. Additionally, this value exceeded the critical F-table threshold of 3.59 at the 5% significance level with degrees of freedom df = 2 and df = 17. These results indicate that EPS and PER jointly exert a significant effect on the stock price of ASII. Following the criteria outlined by Ghozali (2018), if the significance level is below 0.05 or the calculated F-value surpasses the table value, the null hypothesis (H0) must be rejected and the alternative hypothesis (Ha) accepted. This implies that the independent variables collectively influence the dependent variable. Consequently, the F-test results validate that the regression model is suitable for predicting the stock price of ASII based on EPS and PER.

Table 9. F-Test Results (ANOVA)

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	4,246,137.85	2	2,123,068.93	6.891	0.006b
Residual	5,237,288.90	17	308,075.82	—	—
Total	9,483,426.75	19	—	—	—

a. Dependent Variable: Stock Price
b. Predictors: (Constant), PER (X), EPS (Rp)

The ANOVA results show that the calculated F-value is 6.891 with a significance level of 0.006, which is less than 0.05. This indicates that EPS and PER jointly have a significant effect on the stock price of ASII, confirming the feasibility of the regression model.

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4.6. Discussion

The results of the partial t-test indicate that Earnings per Share (EPS) exerts a positive and significant influence on the stock price of PT Astra International Tbk, as evidenced by a t-value of 3.650 and a significance level of 0.002 (< 0.05). This outcome suggests that higher profitability enhances investor confidence and market valuation. The finding supports the signaling theory, which posits that earnings serve as credible indicators of a company's performance and prospects (Brigham & Houston, 2019). When firms consistently report high EPS, investors interpret this as a signal of operational efficiency and sustainable growth, leading to increased demand for shares and upward price adjustments. These findings are consistent with those of Sari and Muslih (2022) and Mayjesti, Pali, and Marampa (2023), who also found that profitability metrics significantly affect market valuation across various sectors.

The t-test result for Price-to-Earnings Ratio (PER) also reveals a positive and significant relationship with stock price, with a t-value of 2.547 and a significance level of 0.021 (< 0.05). This indicates that investor perception and optimism regarding future earnings play a vital role in determining share valuation. A higher PER reflects the market's willingness to pay more for each unit of earnings, signaling growth expectations and confidence in the company's long-term prospects. These findings align with Vidada et al. (2023) and Al Barohin and Nasution (2023), who argue that PER encapsulates investor sentiment and serves as a forward-looking valuation tool. From a behavioral finance perspective, such optimism may stem from positive market expectations following post-pandemic recovery in Indonesia's automotive sector.

The results of the simultaneous F-test further confirm that EPS and PER collectively have a significant effect on stock price, as indicated by an F-value of 6.891 and a significance level of 0.006 (< 0.05). This implies that profitability and valuation jointly determine investor decisions in capital markets. The outcome reinforces the principles of the efficient market hypothesis (Fama, 1970), suggesting that stock prices reflect all relevant information, including internal financial performance indicators. When both earnings potential and valuation ratios move favorably, the market tends to reward firms with increased stock prices. From a theoretical standpoint, these findings validate the interaction between fundamental analysis and market-based valuation frameworks. EPS represents the company's internal strength in generating profits, while the P/E ratio captures the external perception of future growth. Together, they explain a substantial portion of stock price variation, confirming that fundamental indicators remain pivotal even in a market increasingly influenced by behavioral and speculative factors. The implications of this research are multidimensional:

1. For Investors, the results emphasize the relevance of EPS and PER as core metrics in portfolio screening and valuation assessment. Monitoring these indicators enables investors to identify stocks that are undervalued or overvalued, thereby optimizing their investment strategies.
2. For Corporate Management, the findings underscore the importance of maintaining profitability and transparent earnings reporting to enhance investor trust and market credibility. By managing earnings quality and sustaining stable growth, firms can positively influence their stock valuation.
3. For Policymakers and Regulators, the evidence highlights the need for stronger disclosure standards and financial reporting regulations to uphold market transparency and efficiency, ensuring that valuation metrics accurately reflect company fundamentals.
4. For Academics and Future Researchers, the results provide empirical validation of fundamental valuation theory within the Indonesian context, while also opening avenues for comparative analysis across industries and timeframes.

The study confirms that profitability and market valuation metrics are significant determinants of stock price dynamics. The combination of EPS and PER provides a comprehensive picture of both internal performance and external investor sentiment, reinforcing the enduring relevance of fundamental analysis in predicting stock value within developing capital markets.

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V. Conclusion

This study investigated the impact of Earnings per Share (EPS) and the Price-to-Earnings Ratio (PER) on the stock price of PT Astra International Tbk from 2020 to 2024. The results demonstrate that both EPS and PER, analyzed individually and jointly, have a positive and significant effect on stock prices. This suggests that profitability and valuation metrics play a crucial role in shaping investor confidence and determining market value. The positive relationship between EPS and stock price suggests that consistent profitability enhances investors' perception of a firm's performance and stability. Similarly, the significant effect of PER confirms that market participants value firms with strong growth potential, viewing them as more attractive investments. These findings reinforce the continued relevance of fundamental analysis as a framework for evaluating stock performance, particularly within Indonesia's post-pandemic market environment. The moderate coefficient of determination ($R^2 = 0.448$) suggests that while EPS and PER account for a substantial portion of price variation, other factors—such as macroeconomic conditions, interest rates, and investor sentiment—also influence stock price behavior. Theoretically, this research supports signaling theory and the efficient market hypothesis, which assert that financial information and market expectations are embedded in stock prices. Practically, the findings provide valuable insights for investors, managers, and regulators: investors should monitor EPS and PER as key valuation tools; management must maintain earnings transparency to sustain investor trust; and regulators should ensure the quality of financial disclosure to promote market efficiency. Future studies are encouraged to integrate broader financial and macroeconomic variables to enhance the explanatory power and comprehensiveness of the model.

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