

# Firm-Specific Determinants of Stock Prices in the Post-Pandemic Era: Evidence from IDX Consumer Goods Manufacturing Firms

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## ABSTRACT

*Purpose—This study aims to analyze the influence of firm-specific factors—specifically Cash Flow, Profitability, Firm Size, and Capital Structure—on the Stock Prices of consumer manufacturing firms listed on the Indonesia Stock Exchange (IDX). This sector is strategically vital due to its substantial contribution to the national Gross Domestic Product (GDP), yet its stocks frequently face challenges related to volatility and price decline, raising critical questions about which fundamental signals are most effectively received and acted upon by the market. Design/Methodology—Employing a multiple linear regression method, this research utilizes secondary data from annual financial reports covering the period 2019 to 2024. The novelty lies in its comprehensive simultaneous analysis of these four fundamental variables in this sector, specifically emphasizing the differential signaling effect between Cash Flow and Profitability. Findings—Partial test results indicate that Cash Flow from Investing Activities/CFI and Firm Size have a positive and significant effect on Stock Prices. This suggests that investors perceive Cash Flow as a more reliable signal of a company's financial health than Profitability, which was found to be partially insignificant. Simultaneously, all four variables collectively demonstrate a significant effect on Stock Prices. Conclusion—In the Indonesian market context, Cash Flow from Investing Activities/ CFI and Firm Size are the key factors that command the most attention from investors in their investment decision-making processes within the consumer manufacturing sector.*

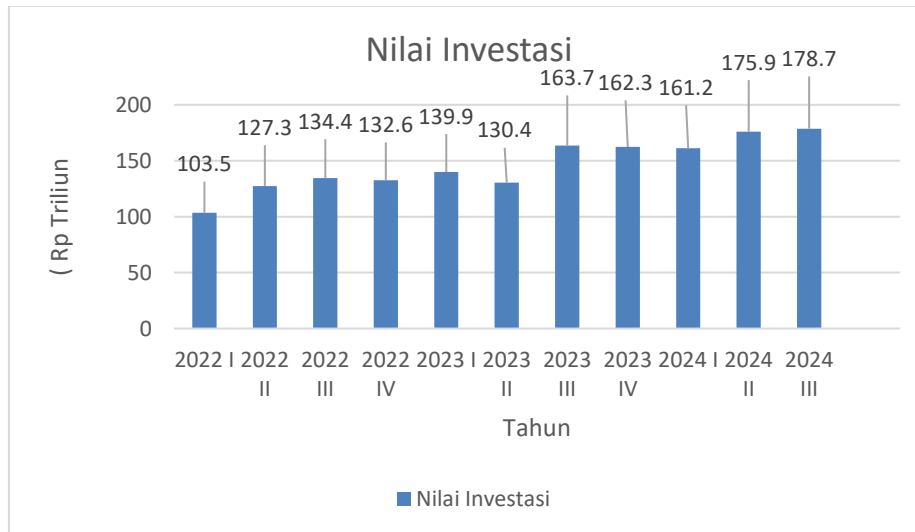
*Keywords: cash flow, profit, firm size, capital structure, stock price, manufacturing sector*

## INTRODUCTION

*Correction:* Remove the redundancy. Start directly: "A company is generally defined as a legal entity established by individuals who collaborate to carry out business activities with the aim of maximizing profits. (Pangaribuan & Nuryati, 2023). Companies are generally classified into three categories: services, trading, and manufacturing (Tjandrakirana, Ermadiani, & Budiman, 2021). Among these, the manufacturing sector plays a crucial role as it transforms raw materials into semi-finished or finished goods with added value.

The strategic role of manufacturing is highly visible in Indonesia. Statistics Indonesia (BPS, 2023) reported that the manufacturing sector contributed 18.67% to the national Gross Domestic Product (GDP), the highest compared to trade (12.94%), agriculture (12.53%), mining (10.52%), and construction (9.92%). This evidence confirms that manufacturing continues to serve as the backbone of Indonesia's economic structure. Moreover, the sector has attracted substantial investments, reflecting investor confidence in its long-term growth potential. Data from the Ministry of Industry shows that manufacturing investment rose from IDR 103.5 trillion in Q1 2022 to IDR 178.7 trillion in Q3 2024, accounting for 41.4% of total national investment (Ministry of Industry, 2024). Details are presented in Figure 1.1.





**Figure 1.1 Manufacturing Investment Value, 2022–2024**

Source: Ministry of Industry (2024)

The industry-specific stock index (IHSG) performance of these three groups, observed before and after the COVID-19 pandemic, provides further insights into market responses.

Sector	2019–2020	2021–2022
Basic and Chemical	Decreased 11.46%	Increased 5.89%
Miscellaneous Industry	Decreased 27.60%	Increased 23.34%
Consumer Goods	Decreased 22.73%	Increased 1.10%

Source: Processed data from (Nur Halimah Tus Sa'diyah & Sulfitri, 2024)

As shown in Table 1, the sector with the highest post-pandemic recovery was the basic and chemical industry, followed by the miscellaneous industry. In contrast, the consumer goods sector experienced minimal growth compared to the other two sectors. The decline in the performance of issuers in the consumer goods sector was primarily driven by weakened purchasing power throughout 2020, which led to falling stock prices in this sector. Reduced purchasing power caused lower demand for consumer goods, thereby decreasing corporate revenues and profits. Consequently, cash flows became constrained due to declining sales, which reduced profit margins. Lower profit projections also weakened market (investor) expectations of the company's future performance, negatively influencing investment decisions and further suppressing stock prices (Marbun, 2024).

Despite the optimistic trend in investment and its strong contribution to GDP, stock market performance within the manufacturing subsectors shows contrasting dynamics. The **consumer goods sector**, which is strategically important because it encompasses food and beverages, pharmaceuticals, tobacco, cosmetics, and household goods (PT Bursa Efek Indonesia, 2023) has experienced **persistent stock price declines**. As shown in Table 2, between 2019 and 2023, stock prices of consumer goods companies listed on the IDX fell consistently, with the sharpest drop in 2020 (-28.64%) during the COVID-19 pandemic.

Table 2. Development of Consumer Goods Companies' Stock Prices Listed on IDX (2019–2023)

Year	Stock Price (Rp)	Change (%)
2019	4,174	-
2020	2,979	-28.64
2021	2,461	-17.38
2022	2,397	-2.59
2023	2,333	-2.67

Source: Processed secondary data

## Paradox of the Consumer Goods Sector

Despite its strong fundamentals and consistent contribution to the economy, the consumer goods subsector has experienced persistent stock price declines. While the basic and chemical industry and miscellaneous industry showed significant post-pandemic recovery, the consumer goods sector recorded only modest growth (Table 1). Between 2019 and 2023, the stock index of consumer goods firms listed on the IDX decreased from IDR 4,174 to IDR 2,333, marking a cumulative decline of 44.1%. The sharpest fall occurred in 2020 (-28.64%) when the COVID-19 pandemic severely weakened consumer purchasing power. This decline created a paradox: although the sector supports economic growth, its capital market performance has lagged.

## Research Gap

Prior empirical evidence regarding the influence of firm fundamentals on the market valuation of consumer goods companies is inconsistent. While some studies affirm a positive correlation, others report a non-significant effect, particularly when moderated by macroeconomic uncertainty.

Table 3. Comparison of Previous Research Findings

Study	Sample	Finding	Notes
(Haritsar, Sanusi, & Assih, 2023)	Consumer goods firms, IDX 2015-2020	Fundamentals positively affect stock prices	Demonstrates significant correlation between earnings and stock value
(Purnama, Yuniarti, Terdpaopong, Subiyantoro, & Khourouh, 2024)	Manufacturing & consumer goods firms, 2016–2021	No significant effect of financial performance on stock prices	Highlights gap between fundamentals and market perception
(PT Bursa Efek Indonesia, 2023)	IDX data 2019–2023	Consumer goods stock prices declined despite strong economic contribution	Reveals paradox rarely addressed in prior studies

The contrast between these findings underlines a clear research gap. Although the consumer goods sector remains a vital contributor to the Indonesian economy, its stock market performance lags behind other subsectors. This discrepancy highlights the need to further investigate how internal firm factors—specifically cash flow from investing activities, profitability, firm size, and capital structure—affect stock prices during the post-pandemic recovery period.

Stocks are among the most attractive financial instruments for investors, primarily due to their potential for high returns (Muhtar Sapiri., Fatmawaty, & Faridah, Faridah. Rahmawati, 2023). These returns are typically realized in two from: dividends, which are profits distributed by the company, and capital gains—which represent the increase in a stock's value over time. Stock prices are not fixed; they are dynamic, determined by market supply and demand, and heavily influenced by a company's financial performance as reported in its financial statements. According to Indonesian Financial Accounting Standards (PSAK) No. 1, financial statements are required to include six essential sections, namely: financial position, comprehensive income, equity movements, cash flow report, notes to the accounts, and comparative information on financial position. For investors, cash flow statement and the income statement are essential tools for assessing a firm's financial health and performance (Saribu, Tambunan, & Meysin, 2022). They provide insights into how a company generates and uses its funds from various business activities. Consistent with PSAK 2, cash flows are divided into three categories: operating, investing, and financing activities. A company with a robust cash flow position is often viewed as more valuable, as it signals a strong capacity for sustainable earnings (Febri, Iman, & Norsita, 2022). Similarly, a high net income allows for larger dividend distributions, which can significantly enhance investor interest and, in turn, positively influence stock prices. These financial indicators are essential for investors to make informed decisions about a company's value (Aishey & , Nazariah, 2024)

While fundamental performance is a key driver, firm size and capital structure are also crucial determinants of stock prices. According to research (Nabila Rizki Egitasari, Emilia Gustini, 2023) larger firms tend to be more appealing to investors compared to their smaller counterparts. According to (Bisri, Suropto, & Sugiyanto, 2023), This preference stems from the perception that companies with substantial assets possess greater business stability, which allows for more reliable profit predictions. This stability can influence investment decisions and, as a result, a company's stock price. According to (Anggraeni & Fatwara, 2023), the composition of debt and equity employed to fund a company's operations, known as its capital structure, is another critical factor. A high reliance on debt, as a financing source, can increase a company's financial risk. This heightened risk may make the company less attractive to investors, potentially leading to a decline in its stock price.

Nevertheless, prior studies have produced mixed results. (Febri et al., 2022) documented a positive association between cash flow and stock prices, whereas (Saribu et al., 2022) found that investment cash flow had no significant impact. Similarly, (Yuliana & ., 2019) reported a positive influence of profitability on stock performance, but (Saribu et al., 2022) reached an opposing conclusion. Variations are also evident in research related to firm size and capital structure (Winata, Yuniar, Olivia, & Sinaga, 2021); (Fajar, Consa, & Mulyanti, 2023); Tahulending et al., 2022; (Nabila Rizki Egitasari, Emilia Gustini, 2023)). These conflicting outcomes underline the presence of a research gap, particularly concerning consumer goods manufacturing firms in Indonesia during the post-pandemic period.

The novelty of this study lies in three main aspects. First, it extends the observation period to cover the post-COVID-19 recovery phase (2019–2024), a period rarely examined in previous research. Second, unlike earlier studies that often focused on a limited number of variables, this research simultaneously analyzes the impact of four internal factors: cash flow from investing activities, profitability, firm size, and capital structure, thereby providing a more comprehensive understanding. Third, by focusing specifically on the consumer goods manufacturing subsector, a vital yet under-researched industry in Indonesia, this study enriches the sector-specific empirical evidence available for this market. Based on the background outlined, this study seeks to provide a comprehensive analysis of the relationship between internal firm factors and stock prices. Specifically, the objective is to examine the influence of cash flow from investing activities, profitability, firm size, and capital structure on the stock prices of consumer goods manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019-2024 period. This research will address how these key financial and structural variables individually and collectively affect a firm's market valuation.

This study aims to examine the influence of cash flow from investing activities, profitability, firm size, and capital structure on the stock prices of consumer goods manufacturing companies listed on the IDX during 2019–2024, with a specific focus on explaining the paradox of declining stock prices despite the sector's strong economic contribution.

## LITERATURE REVIEW

### Theoretical Foundation

This study is underpinned by two core financial theories:

Signaling Theory and the Pecking Order Theory. Signaling Theory (Muhtar Sapiri. et al., 2023) posits that corporate management, holding superior information (*information asymmetry*), strategically communicates its financial health and future outlook to external stakeholders, primarily investors, through public disclosures like financial statements. Positive signals, such as high Profitability ( $X_2$ ) and strategic Cash Flow from Investing Activities ( $X_1$ ) indicating asset expansion, are expected to enhance investor confidence and subsequently drive up the Stock Price ( $Y$ ).

The Pecking Order Theory (Maki, Kikuchi, Sugiyama, & Seto, 1975) meanwhile, dictates a company's hierarchical preference for funding sources (internal funds first, then debt, then new equity). This process directly shapes the Capital Structure ( $X_4$ ). A prudent capital structure, minimizing risky debt reliance, signals financial stability to the market. Furthermore, Firm Size ( $X_3$ ) serves as an additional signal, as larger firms are generally perceived as more stable and resilient

(Silalahi, Sinaga, & Purba, 2022). Exploring the combined effect of these four internal fundamentals is crucial to explaining the paradoxical valuation of the consumer goods sector.

### Prior Research

Prior research examining the relationship between internal fundamental factors (capital structure, cash flow, profitability, and firm size) and stock prices demonstrates **inconsistent results** (*mixed results*). This inconsistency strengthens the justification for conducting a re-examination, specifically within the Indonesian consumer goods sector during the post-pandemic period.

Table 4 Summarizes The Key Findings of Relevant Studies.

NO.	Relevant Variables	Key Relevant Variables	Key Research Findings
1	(Silalahi et al., 2022)	Capital Structure, Firm Size (→ Stock Price)	Positive. Capital Structure and Firm Size positively affect the Stock Prices of manufacturing companies listed on the IDX.
2	(Melinda & Dewi, 2023)	Net Income, Firm Size, Capital Structure (→ Stock Price).	Positive. Net Income, Firm Size, and Capital Structure positively affect the Stock Prices of food and beverage manufacturing sub-sector companies. Liquidity was not found to have an effect.
3	(Fajar et al., 2023)	Capital Structure, Firm Size, Profitability (→ Stock Price)	Contradictory. Capital Structure and Firm Size have a Negative effect; Profitability has a Positive effect on Stock Prices.
4	(Bisri et al., 2023)	Capital Structure, Total Cash Flow (→ Stock Price) Capital Structure No Effect on Stock Prices in the consumer goods sector.	Total Cash Flow Positive. Total Cash Flow affects Stock Price.
5	(Welan, Rate, & Tulung, 2019)	Profitability (ROA), Leverage (DER), Firm Size (Total Asset) (→ Stock Price)	Mixed. ROA and DER No Significant Effect; Total Assets (Firm Size) Significant Positive Effect on the Stock Prices of consumer goods manufacturing companies.

Sources: previous research, 2025

Conclusion from Prior Research: The variables Firm Size (X3) and Profitability (X2) generally yield more positive results, supporting the signaling theory, although contradictions exist (Fajar et al., 2023); (Welan et al., 2019)). Meanwhile, Capital Structure (X4) and Cash Flow (X1) show the most significant variation in findings, ranging from a positive influence (Silalahi et al., 2022) to no effect (Bisri et al., 2023). This observed inconsistency provides a robust empirical basis for re-testing these relationships, particularly by focusing on the *Cash Flow from Investing Activities* as a specific cash flow proxy, amidst the unique conditions of the post-pandemic market.

### Synthesis of Prior Research and Research Gap

Empirical evidence regarding the influence of internal fundamentals on stock prices remains highly inconsistent, thus necessitating further investigation, particularly within the post-pandemic context of the Indonesian consumer goods sector.

Table 5. Summarizes The Key Findings of Relevant Studies.

Author(s) (Year)	Key Independent Variable	Main Finding/Notes	Notes
(THAIB & UNIVERSITAS, 2020)	Cash Flow from Investing (X1)	<b>Positive Effect</b>	Investment cash flow is viewed as a signal of future growth.
(Saribu et al., 2022)	Cash Flow from Investing (X1)	<b>Not Significant</b>	Contradicting findings; investment cash flow had no significant impact.
(Kurniawan & Deliza Henny, 2023), (Indrati & Amelia, 2022)	Profitability (X2)	<b>Positive Effect</b>	High earnings increase shareholder returns and stock prices.
(Asiah & Mulyani, 2020)	Profitability (X2)	<b>Contradictory Results</b>	Profitability did not show a consistent positive correlation.
(Melinda & Dewi, 2023), (Nabila Rizki Egitasari, Emilia Gustini, 2023)	Firm Size (X3)	<b>Positive Effect</b>	Larger size signals greater stability, attracting investors
(Fajar et al., 2023)	Firm Size (X3)	<b>Not Significant</b>	Firm size was not a significant determinant of stock prices.
(Winata et al., 2021)	Capital Structure (X4)	<b>Positive Effect</b>	Well-managed capital structure supports stock valuation.

Sources: previous research, 2025

This persistent inconsistency, coupled with the unexplained paradox of the consumer goods sector's weakening stock prices despite strong economic contribution, confirms a clear research gap that this study aims to address.

### Conceptual Framework

The conceptual framework is designed to illustrate the presumed causal links between the company's internal financial indicators (X) and its market valuation (Y), serving as the blueprint for hypothesis testing.

Table 6. Conceptual Framework.

Componen	Variable	Description
<b>Dependent Variable</b>	<b>Y</b>	Stock Price. This is the variable being explained or influenced. In this study, it represents the market valuation of consumer goods firms, which is hypothesized to be affected by internal fundamental factors.
<b>Independent Variable 1</b>	X <sub>1</sub>	Cash Flow from Investing Activities (CFI). This variable typically represents the firm's cash generation capacity, often proxied by Cash Flow from Investing Activities (CFI) to signal future growth and asset expansion to investors (Signaling Theory).
<b>Independent Variable 2</b>	X <sub>2</sub>	Net Income / Profitability (Laba Bersih / Profitabilitas). This is a core measure of the firm's efficiency and ability to generate returns, directly influencing investor interest and potential dividends.
<b>Independent Variable 3</b>	X <sub>3</sub>	Firm Size (Ukuran Perusahaan). Often proxied by the natural logarithm of total assets, this variable is used as a signal of stability and resilience against market volatility.
<b>Independent Variable 4</b>	X <sub>4</sub>	Capital Structure (Struktur Modal). This represents the proportion of debt and equity used for financing. It influences

		financial risk, which is a key factor in determining market price (Pecking Order Theory).
<b>Partial Hypotheses</b>	H <sub>1</sub> to H <sub>4</sub>	Partial Effect. These represent the separate and individual influence of each independent variable (X <sub>1</sub> , X <sub>2</sub> , X <sub>3</sub> , X <sub>4</sub> ) on the Stock Price (Y).
<b>Simultaneous Hypothesis</b>	H <sub>5</sub>	Simultaneous Effect. This represents the combined or collective influence of all independent variables (X <sub>1</sub> , X <sub>2</sub> , X <sub>3</sub> , and X <sub>4</sub> ) on the Stock Price (Y) in a single model.

**Source:** Processed and adapted from previous studies (Jogiyanto, 2012; (Saribu et al., 2022), Bonifasius, & Meysin, 2022; (Febri et al., 2022); (Nabila Rizki Egitasari, Emilia Gustini, 2023); (Bisri et al., 2023)).

## METHOD

### Research Population

The population for this study comprises all consumer goods manufacturing companies consistently listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 observation period. The term "population" refers to the entire group of subjects or objects that share specific characteristics relevant to the study (Apriyanti & Supandi, 2019). Based on official data from the IDX, the total population consists of 46 companies.

### Sampling Technique and Sample Size

The sampling technique used is purposive sampling, which involves selecting a sample based on specific criteria relevant to the research objective. The criteria applied were: Consumer goods manufacturing companies consistently listed on the IDX from 2019 to 2024; Companies that published complete and consecutive annual financial statements during the 2019–2024 period; Companies possessing complete and available data for all variables required for the study.

After applying these selection criteria, the final sample for this research consists of 41 companies. With an observation period of 6 years (2019–2024), the total number of panel data observations utilized in this study is 246 observations (41 companies × 6 years).

### Variable Operationalization

The operational definitions of the variables ensure that each research concept can be measured consistently using quantifiable financial proxies, as outlined in Table 7.

**Table 7** Variable Operationalization

Variable	Notation	Conceptual Definition	Measurement (Proxy)	Scale	Data Source
<b>Stock Price</b>	Y	The market value of the company's shares, reflecting investor valuation.	<b>Annual Closing Stock Price</b>	Rupiah (Rp)	IDX Annual Statistics
<b>Cash Flow from Investing Activities (CFI)</b>	X <sub>1</sub>	The cash movement related to the acquisition or disposal of long-term assets, signaling growth potential.	<b>Cash Flow from Investing Activities (CFI).</b>	Rupiah (Rp)	Cash Flow Statement
<b>Net Income</b>	X <sub>2</sub>	The firm's ability to generate profit after deducting all expenses and taxes.	<b>Net Income After Tax</b>	Rupiah (Rp)	Income Statement
<b>Firm Size</b>	X <sub>3</sub>	The scale or magnitude of the company, determined by its total assets.	<b>Natural Logarithm (Ln) of Total Assets (Ln Total Assets).</b>	Ln Rupiah	Statement of Financial Position
<b>Capital Structure</b>	X <sub>4</sub>	The proportion of the company's funding sourced from debt relative to equity.	<b>Debt to Equity Ratio (DER).</b>	Ratio/ Percentage (%)	Statement of Financial Position

**Source:** Processed and adapted from (Muhtar Sapiri. et al., 2023), (Saribu et al., 2022), Bonifasius, & Meysin (2022), Iman & Norsita (2022), (Nabila Rizki Egitasari, Emilia Gustini, 2023), (Bisri et al., 2023), (Anggraeni & Fatwara, 2023)

## Data Analysis Technique

### Panel Data Regression Analysis

This study employs Panel Data Regression Analysis because the dataset combines *time series* data (6 years) and *cross-section* data (41 companies). The model estimation will be conducted using statistical software (e.g., Eviews or Stata) to determine the effect of the independent variables ( $X_1, X_2, X_3, X_4$ ) on the dependent variable ( $Y$ ).

### Data Analysis and Classical Assumptions

The primary analytical method is Multiple Linear Regression (Chatterjee & Simonoff, 2013), applied to the panel data set. Prior to hypothesis testing, the Classical Assumption Tests (Normality, Multicollinearity, Heteroskedasticity, and Autocorrelation) must be performed to ensure the model produces Best Linear Unbiased Estimators (BLUE) (Outcomes, n.d.).

**Table 8.** Classical Assumption Tests and Remedial Measures

Assumption Violation	Rationale for Testing	Remedial Action
<b>Heteroskedasticity</b>	Unequal variance of residuals leads to inefficient standard errors and biased hypothesis tests.	Employing <b>White Cross-Section/Period Standard Errors</b> or <b>Robust Standard Errors</b> during panel data regression estimation.
<b>Multicollinearity</b>	High correlation between independent variables makes coefficient estimates unstable and unreliable.	<b>Applying Logarithmic Transformation (Ln)</b> to scale-sensitive variables (like <b>Total Assets</b> ), or excluding one of the highly correlated independent variables. If detected (e.g., $VIF > 10$ ), <b>Transform the data using the Natural Logarithm (Ln)</b> , as already done for Firm Size ( $X_3$ ), or exclude one of the highly correlated variables.
<b>Non-Normality</b>	Violates the assumption required for valid statistical inference.	<b>Data transformation</b> (e.g., Ln transformation) or relying on the large number of panel data observations ( $N=175$ ) based on the Central Limit Theorem.

**Source:** Adapted from Gujarati & Porter (2009); Wooldridge (2016); Baltagi (2021).

## DATA COLLECTION METHOD

### Type of Data

This study utilizes secondary data, which is defined as data that has been previously collected and processed by other parties for purposes other than the current research (Sugiyono, 2020). Secondary data is the most appropriate type of data for this study because it relies on existing financial records and stock market information. The secondary data for this research consists of: Annual financial reports of consumer manufacturing firms; Annual closing stock price data for the same companies. All data was sourced from the official website of the Indonesian Stock Exchange (IDX) at [www.idx.co.id](http://www.idx.co.id), covering the research period from 2019 to 2024. This method ensures the data is reliable and publicly verifiable.

### Operational Definitions of Variables

Research variables are concepts or characteristics established by a researcher for further study, aiming to obtain new information or results and ultimately draw a conclusion (Sugiyono, 2020). This study utilizes two main types of variables: independent variables (free) that influence and dependent variables (bound) that are affected.

### Independent Variables (X)

Independent variables are factors that are assumed to influence or cause changes in the dependent variable (Sugiyono, 2020) In this study, one of the independent variables is Cash Flow ( $X_1$ ), which represents the net movement of cash into and out of a company. As a measure of

financial health, cash flow is assessed through the total net cash generated from operating, investing, and financing activities (Jabir & Lahaya, 2023). Specifically, cash flow from investing activities captures cash movements related to the acquisition and disposal of long-term assets, with the primary objective of generating future income and cash inflows for the company (THAIB & UNIVERSITAS, 2020) This variable is measured as the net cash flow from investing activities.

Profit (X2) Profit, representing the financial outcome of a company's performance, is calculated by deducting all expenses and taxes from its total revenue (Setyowati, Valianti, & Rismansyah, 2021) This figure is a critical indicator of profitability that directly influences a firm's dividend policy and investor confidence (Aishey & Nazariah, 2024).

Firm Size (X3) Firm size refers to the scale of a business entity. In this study, firm size is measured using the natural logarithm (LN) of total assets. Total assets are chosen as a proxy because they are considered more stable compared to other metrics like market capitalization or sales, which tend to be more volatile (Andriansyah & Suharto, 2019).

Capital Structure (X4) Capital structure describes the mix of debt and equity a company uses to fund its operations. It is measured using the Debt to Equity Ratio (DER), which indicates the proportion of a company's funding from debt (Bisri et al., 2023). A higher ratio signifies greater financial risk.

### Dependent Variable (Y)

Stock Price (Y): stock price serves as an indicator of corporate performance and reflects firm's value (Pasaribu, Nasti, ., & Andri, 2021); (Silalahi et al., 2022); (Anggraeni & Fatwara, 2023). Higher stock prices indicate successful profit generation and meeting investor expectations (Anggraeni & Fatwara, 2023) Stock price is measured using the annual closing price.

### Data Analysis Methods

This study utilizes quantitative analysis with all statistical computations performed using SPSS version 25. The data was processed through a series of specific statistical procedures to test the study's hypotheses.

**Descriptive Statistics:** To summarize data characteristics without generalization (Sugiyono, 2019).

**Classical Assumption Testing:** Prior to conducting regression analysis, a series of tests were performed to ensure the data met the necessary classical assumptions. These tests—including for normality, multicollinearity, heteroscedasticity, and autocorrelation—were essential to validate the reliability of the regression model (Outcomes, n.d.); (Chatterjee & Simonoff, 2013)). **Multiple Linear Regression Analysis** is a statistical approach used to determine how several independent variables, both individually and collectively, affect a dependent variable (Chatterjee & Simonoff, 2013). To evaluate the hypotheses, a series of statistical tests were performed. The Partial Test (t-test) examined the effect of each independent variable separately, while the Simultaneous Test (F-test) assessed the combined impact of all independent variables on the dependent variable. In addition, the Coefficient of Determination (Adjusted R<sup>2</sup>) was applied to measure the proportion of variation in the dependent variable that can be explained by the independent variables.

### RESEARCH NOVELTY

This study makes several novel contributions to the existing literature. First, it addresses a pivotal and under-examined timeframe spanning from 2019 to 2024. This period is marked by the unprecedented economic disruption of the COVID-19 pandemic, followed by a subsequent recovery and the establishment of a new market normal. Such a dynamic environment, characterized by extreme market volatility and significant shifts in consumer and corporate behavior, provides a unique setting to re-evaluate how traditional financial variables impact stock prices.

Second, the research offers a concentrated analysis on the consumer goods manufacturing sector. This sector is particularly susceptible to fluctuations in purchasing power and supply chain stability. By examining 46 companies within this specific industry, the study provides granular and highly relevant empirical evidence, setting it apart from broader, multi-sector investigations. Finally, by analyzing data from a period of market turmoil and recovery, this research aims to

resolve the conflicting results found in previous studies. The findings are expected to bridge an existing knowledge gap by providing a more up-to-date and robust understanding of the key factors influencing stock prices in the post-pandemic market. Consequently, this work is not merely a replication but a timely and pertinent academic inquiry that offers fresh insights for investors, managers, and policymakers.

## RESULTS

### Descriptive Statistics

Descriptive statistics are used to summarize and describe the main features of a dataset. In this study, descriptive analysis was conducted on 246 data samples from manufacturing companies in the consumer sector for the period 2019–2024.

Table 9. Descriptive Statistics

Variable	N	Min	Max	Mean	Std. Deviation
<b>Cash Flow (X<sub>1</sub>)</b> (in Trillions Rp)	246	-948.00	12.00	-3.76	60.47
<b>Profit (X<sub>2</sub>)</b> (in Trillions Rp)	246	-52.56	13.72	0.063	5.25
<b>Firm Size (X<sub>3</sub>)</b> (Ln Total Assets)	246	23.31	32.94	28.46	1.76
<b>Capital Structure (X<sub>4</sub>)</b> (DER)	246	-23.62	27.04	1.13	2.98
<b>Stock Price (Y)</b> (Rp)	246	16.00	53,000.00	2,868.86	6,001.85

Source: Processed data, 2025

### Summary of Findings:

The negative **Mean Cash Flow (X<sub>1</sub>)** (–Rp 3.76 trillion) suggests that, on average, the firms experienced net cash outflows during the period, likely due to high investment or financing activities. The high variability in **Stock Price (Y)** (Std. Dev.=Rp 6,001.85) and the wide range of **Profit (X<sub>2</sub>)** (from a loss of –Rp 52.56 trillion to a gain of Rp 13.72 trillion) indicate significant heterogeneity in both firm performance and market valuation within the consumer goods sector. In contrast, the low standard deviation for **Firm Size (X<sub>3</sub>)** (1.76) suggests that the companies sampled are relatively comparable in scale.

### Classical Assumption Tests

Before performing the multiple linear regression analysis, several classical assumption tests were conducted. These tests are essential to ensure that the regression model is valid and that its estimates are accurate, unbiased, and consistent. The assumptions tested were normality, heteroscedasticity, multicollinearity, and autocorrelation. The results of these tests are presented in the following tables.

### Normality Test Results (Kolmogorov-Smirnov)

The Normality Test was conducted to verify whether the regression residuals were normally distributed, a fundamental requirement for the validity of the regression model. The Kolmogorov-Smirnov (K-S) Test was employed, using the criterion that the Sig. (2-tailed) value must be greater than 0.05 (Sig.>0.05) to confirm normal distribution. The initial test results (Table 4.9) indicated a Sig.(2-tailed) value of 0.000. As this value is less than the 0.05 threshold (0.000<0.05), the residuals were initially not normally distributed, violating the assumption. To remedy this issue, a Natural Logarithm (LN) transformation was applied to the data. Following this transformation, the normality test was rerun, yielding a Kolmogorov-Smirnov test statistic (interpreted as the Sig. value) of 0.200 (Table 10). Since this value is greater than 0.05 (0.200>0.05), it is concluded that the residuals are now normally distributed. Thus, the normality assumption for the regression model is fulfilled.

Table 10. Normality Test Results Summary

Test Phase	Test Method	Sig. (2-tailed) / p-value	$\alpha$	Conclusion
<b>Initial Test</b>	Kolmogorov-	0.0000	0.05	<b>Not Normal</b>

	Smirnov			(0.000<0.05)
<b>After LN Transformation</b>	Kolmogorov-Smirnov	0.2000	0.05	<b>Normal</b> (0.200>0.05)
Source: SPSS output, Processed data (2025)				

### Heteroskedasticity

The heteroskedasticity test is conducted to examine whether there is an **inequality of variance** in the residuals across different observations in the regression model (Chatterjee & Simonoff, 2013). A desirable regression model must satisfy the **homoskedasticity** assumption, meaning the variance of the residuals remains constant. In this study, the **Glejser Test** was used. The decision rule is: If the significance value (Sig.) is less than  $\alpha$  (0.05), heteroskedasticity is present; If the significance value (Sig.) is greater than  $\alpha$  (0.05), homoskedasticity is present (no heteroskedasticity).

### Glejser Test Results

The results of the heteroskedasticity test using the Glejser method are presented in Table 11.

Table 11. Heteroskedasticity Test Results (Glejser Test)

Independent	Significance (Sig.)	$\alpha$ Threshold	Conclusion
<b>Cash Flow (LN_X<sub>1</sub>)</b>	0.464	0.05	No Heteroskedasticity
<b>Profit (LN_X<sub>2</sub>)</b>	0,673	0.05	No Heteroskedasticity
<b>Firm Size (LN_X<sub>4</sub>)</b>	0,174	0.05	No Heteroskedasticity
<b>Capital Structure (X<sub>3</sub>)</b>	0,057	0.05	No Heteroskedasticity

Source: SPSS output, Processed data (2025)

Based on Table 11, the significance values for all independent variables are greater than the 0.05 threshold. Specifically, the significance value for Cash Flow is 0.464, Profit is 0.673, Firm Size is 0.174, and Capital Structure is 0.057. Since  $\text{Sig} > 0.05$  for every variable, it is concluded that no heteroskedasticity issue is detected in the regression model. This finding confirms that the variance of the residuals is consistent across observations, thereby satisfying the homoskedasticity assumption.

### Multicollinearity Test and Visualization

According to (Chatterjee & Simonoff, 2013), the multicollinearity test is used to examine whether independent variables in a regression model are correlated. Ideally, independent variables should not correlate with each other. Multicollinearity is considered present when the Variance Inflation Factor (VIF) exceeds 10, or the tolerance value is below 0.10.

Table 12. Multicollinearity Test Results

Independent Variable	Tolerance (Sig.)	VIF	Conclusion
<b>Cash Flow (LN_X<sub>1</sub>)</b>	0.970	1.031	No Multicollinearity
<b>Profit (LN_X<sub>2</sub>)</b>	0.987	1.014	No Multicollinearity
<b>Firm Size (LN_X<sub>4</sub>)</b>	0.985	1.016	No Multicollinearity
<b>Capital Structure (X<sub>3</sub>)</b>	0.944	1.060	No Multicollinearity

Source: SPSS output, Processed data (2025)

Based on Table 6, each independent variable has a tolerance value  $\geq 0.10$  and a VIF value  $\leq 10$ . Therefore, it can be concluded that none of the independent variables in this study exhibit multicollinearity. This indicates that the regression model is free from redundancy issues among predictors, making it suitable for further analysis.

### Autocorrelation Test

Autocorrelation testing is a crucial step in ensuring the validity of regression analysis, particularly when using time-series data. According to (Chatterjee & Simonoff, 2013), the autocorrelation test determines whether there is a correlation between the disturbance error term at period  $t$  and the error term at period  $t-1$  (the previous period). A good regression model must be free from autocorrelation. The results of the autocorrelation test are presented in Table 13.

Table 13. Durbin-Watson Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.386	0.149	0.134	1.37146	2.074
Source: SPSS output, Processed data (2025)					

Based on the criteria and the calculated statistics, the critical values for the model were determined to be  $dL = 1.829$  and  $dU = 2.171$  (based on the sample size  $N$  and the number of independent variables  $k$ ). The calculated Durbin-Watson value was **2.074**, which lies within the range of  $dU < DW < (4 - dU)$ , specifically:  $1,829 < 2.074 < 2.171$ . Since the calculated Durbin-Watson statistic is close to 2 and falls within the acceptance region, it can be concluded that the regression model is free from autocorrelation. Therefore, the data is considered appropriate for subsequent hypothesis testing.

### Multiple Regression Analysis

Multiple regression analysis aims to determine the influence of several independent variables on a dependent variable (Chatterjee & Simonoff, 2013). In this study, the regression model examines whether **Cash Flow (X1), Profit (X2), Firm Size (X3), and Capital Structure (X4)** affect **Stock Price (Y)**.

The multiple linear regression model is formulated as:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Table 8 presents the findings of the multiple linear regression analysis. The table outlines the regression coefficients, standard errors, t-values, and significance levels for each independent variable. These results help to interpret the impact of **Cash Flow (X1), Profit (X2), Firm Size (X3), and Capital Structure (X4)** on **Stock Price (Y)**. A positive coefficient implies that an increase in the variable is likely to raise the stock price, while a negative coefficient indicates a potential decrease. Furthermore, the p-values reveal which variables have statistically significant effects, highlighting the main factors that influence changes in stock prices within the studied sample.

Table 14. Multicollinearity Test Results

Variable	Coefficient (B)	Std. Error	Beta	t-value	Sig. (p)	Interpretation
Constant	-21.875	5.083	-	-3.770	0.000	Significant
Ln-X1	0.148	0.075	0.132	1.979	0.049	Positive & Significant
Ln-X2	-0.091	0.080	-0.075	-1.131	0.260	Negative not Significant
Ln-X3	8.584	1.571	0.375	5.465	0.000	Positive & Significant
Ln-X4	-0.322	0.382	-0.057	-0.845	0.399	Negative not Significant

Source: SPSS output, Processed data (2025)

The following explains the meaning of each coefficient in the multiple linear regression model, showing how each independent variable affects Stock Price (Y) while keeping other variables constant: **Intercept (a = -21.875)** Represents the estimated stock price when all independent variables are zero. **Cash Flow (X1, 0.148)**: A positive coefficient indicates that an increase in Cash Flow is associated with a slight increase in stock price, assuming other variables remain constant. **Profit (X2, -0.091)**: Shows a negative relationship, suggesting that an increase in Profit is associated with a small decrease in stock price, holding other variables constant. **Firm Size (X3, 8.584)**: Has the largest positive effect, indicating that larger companies tend to have higher stock prices. **Capital Structure (X4, -0.322)**: Negative coefficient implies that higher debt levels slightly reduce stock price, assuming other factors remain constant.

Based on Table 9, the multiple linear regression analysis can be summarized by the following equation:

$$Y = -21.875 + 0.148 \ln X_1 - 0.091 \ln X_2 + b_3 X_3 + b_4 X_4 + e$$

The **intercept (a = -21.875)** represents the estimated stock price when all independent variables—Cash Flow ( $X_1$ ), Profit ( $X_2$ ), Firm Size ( $X_3$ ), and Capital Structure ( $X_4$ ) are zero. **Cash Flow (X1, 0.148)** has a positive coefficient, indicating that a one-unit increase in cash flow is associated with a 0.148 increase in stock price, assuming all other variables remain constant. **Profit (X2, -0.091)** shows a negative relationship, suggesting that an increase in profit slightly reduces stock price when other factors are unchanged. **Firm Size (X3, 8.584)** has the largest positive effect, meaning that larger firms tend to have higher stock prices. Finally, **Capital Structure (X4, -0.322)** has a negative coefficient, implying that an increase in the debt ratio slightly lowers stock price, with other variables held constant. Overall, the equation demonstrates that **Cash Flow and Firm Size positively influence stock price**, while **Profit and Capital Structure have minor negative effects**.

### HYPOTHESIS TESTING

The t-test was used to examine the individual effect of **Cash Flow, Profit, Company Size, and Capital Structure** on **Stock Price**. Each variable's **t-value** was compared with the critical **t-table** at a **5% significance level**. In this study, the significance level ( $\alpha$ ) was set at 0.05 for a two-tailed test, which corresponds to  $\alpha/2 = 0.025$ . The degree of freedom was calculated as  $df = 246 - 5 = 241$ , resulting in a critical t-value (**t-table**) of 1.970.

#### The Effect of Cash Flow ( $X_1$ ) on Stock Price (Y)

Based on the calculations presented in Table 8, the hypothesis regarding the effect of cash flow on stock price is accepted. In Table 4.15, the t-count value is 2.000, while the t-table value is 1.970 ( $t = 241$ ;  $\alpha = 0.025$ ) with a significance level of 0.047, which is less than 0.05. This result indicates that cash flow has a significant impact on stock price.

**T-Value Comparison** Your finding that the **t-count (2.000)** is greater than the **t-table value (1.970)** is a valid reason to reject the null hypothesis. The t-critical value of 1.970 defines the boundary of the **rejection region**. Since your calculated t-statistic falls outside this boundary, you can conclude that the observed relationship is statistically significant.

**Significance Level (p-value) Analysis** The p-value analysis reinforces your conclusion. With a p-value of 0.047, which is less than the common alpha level of 0.05, you have strong evidence against the null hypothesis. The p-value indicates that there is less than a 5% chance of observing this result if cash flow truly had no effect on stock price. The consistent results from both methods provide a robust basis for accepting your alternative hypothesis ( $H_{a1}$ ), confirming that cash flow is an important factor in determining stock prices.

#### The Effect of Profit ( $X_2$ ) on Stock Prices (Y)

**T-Value Comparison** The text states that the calculated t-count of -0.567 falls within the range of the t-table values (-1.970 to 1.970). For a two-tailed hypothesis test, the null hypothesis ( $H_0$ ) is accepted if the t-count falls within the t-table range. Since  $-1.970 < -0.567 < 1.970$ , the null hypothesis ( $H_{02}$ ) cannot be rejected.

**Significance Level (p-value) Analysis** Another criterion for making a decision is to compare the significance value (p-value) with the predetermined significance level ( $\alpha$ ). The text shows that the **p-value (0.571) is greater than  $\alpha$  (0.05)**. When the p-value is greater than  $\alpha$ , we do not have enough evidence to reject the null hypothesis. Both of these methods lead to the same conclusion: the null hypothesis ( $H_{02}$ ) is accepted and the alternative hypothesis ( $H_{a2}$ ) is rejected. This means there is no strong statistical evidence to state that profit has a partial effect on stock price.

#### The Effect of Firm Size ( $X_3$ ) on Stock Price (Y)

**T-Value Comparison** Test compares the absolute value of the calculated t-value (t-count) to the critical t-table value. The decision rule is to reject the null hypothesis if the t-count is larger than the t-table value. Your analysis correctly notes that  $6.280 > 1.970$ . Since the calculated value falls into the rejection region of the distribution, it is considered statistically significant. **P-Value**

**Analysis** The p-value of 0.000 is less than the significance level ( $\alpha$ ) of 0.05. This extremely low p-value indicates that there is virtually no chance the observed relationship is due to random chance alone. Since both of these statistical criteria are met, you can confidently **reject the null hypothesis (H<sub>0</sub>) and accept the alternative hypothesis (H<sub>a</sub>)**. This confirms that firm size has a statistically significant partial effect on stock price.

### The Effect of Capital Structure (X<sub>4</sub>) On Stock Price (Y)

**T-Value Comparison** The text correctly notes that the t-count (-0.362) falls within the acceptance range of the t-table values (-1.970 to 1.970). For a two-tailed hypothesis test, the null hypothesis (H<sub>0</sub>) is accepted if the t-count falls within this range. Since  $-1.970 < -0.362 < 1.970$ , this condition is met. **Significance Level (p-value) Analysis** The text also shows that the p-value (0.718) is greater than the significance level ( $\alpha$ ) of 0.05. When the p-value is greater than the alpha level, we do not have enough evidence to reject the null hypothesis. Both of these statistical methods lead to the same conclusion: the null hypothesis (H<sub>0</sub>) is accepted and the alternative hypothesis (H<sub>a</sub>) is rejected. This confirms that there is no strong statistical evidence to conclude that Capital Structure has a significant partial effect on Stock Price.

### F-Test (Simultaneous Test)

The F-test is applied to assess whether the independent variables in a regression model jointly exert a significant influence on the dependent variable. This involves comparing the F-value obtained from the regression output with the critical value from the F-distribution table. A significant F-test indicates that the regression model as a whole is valid, demonstrating that the set of independent variables effectively explains or predicts variations in the dependent variable.

**Table 15. F-Test Results**

Source	Sum Of Squares	df	Mean Square	F	Sig. (p)
<b>Regression</b>	79.128	4	19.782	10.517	0.000
<b>Residual</b>	453.300	241	1.881	-	-
<b>Total</b>	532.428	245	-	-	-

Source: SPSS output, Processed data (2025)

The results of the F-test, as presented in the ANOVA table 13, provide strong evidence that the independent variables Cash Flow (X<sub>1</sub>), Profit (X<sub>2</sub>), Company Size (X<sub>3</sub>), and Capital Structure (X<sub>4</sub>) as a group, significantly influence the logarithm of Stock Price (LN\_Y). This conclusion is supported by two key pieces of statistical evidence. First, the calculated F-statistic of 10.517 is considerably larger than the critical F-value of 2.410 at a 5% significance level, placing the result squarely in the rejection region of the null hypothesis (H<sub>0</sub>). Second, the p-value of 0.000 is well below the standard 0.05 alpha level. Both findings lead to the rejection of the null hypothesis, which posits that the independent variables have no collective effect on the dependent variable. Consequently, we can confidently conclude that at least one of the independent variables has a statistically significant relationship with the stock price.

### Determination Coefficient Test (R<sup>2</sup>)

The determination coefficient (R<sup>2</sup>) measures the extent to which the independent variables contribute to explaining the variation in the dependent variable. In this study, the results of the R<sup>2</sup> test are presented in Table 16.

**Table 16 Results of the Coefficient of Determination (R<sup>2</sup>) Test**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.386	0.149	0.134	1.37146

Source: SPSS Output, Processed Data 2025

The results of the coefficient of determination ( $R^2$ ) test in Table 16 show that the **R Square value is 0.149 or 14.9%**. This indicates that the independent variables, namely **cash flow, profit, firm size, and capital structure**, are able to explain 14.9% of the variation in the dependent variable. Meanwhile, the remaining **85.1%** is explained by other factors outside the research model. The **Adjusted R Square value of 0.134** reflects the adjustment for the number of variables included in the model and confirms that the explanatory power of the independent variables remains relatively low. Thus, although the independent variables have a relationship with the dependent variable, their influence is still limited and not dominant in explaining the variation of the dependent variable.

## DISCUSSION

The findings of this study provide valuable insights into the factors influencing stock prices of consumer manufacturing companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2024. Our analysis confirms that while some financial metrics are significant predictors, others are not, challenging traditional assumptions and offering a more nuanced understanding of investor behavior.

The results show that **Total Cash Flow (X1)** has a **significant positive effect** on stock prices ( $t=2.000, p<0.05$ ). This finding aligns with Signalling Theory, which suggests that strong cash flow serves as a reliable signal of a company's financial health and operational efficiency to investors (Spence, 1973). This signal reduces information asymmetry and increases investor confidence, consequently driving up stock prices. Our findings are consistent with previous research by (Gea & Tobing, 2022) who also reported a positive relationship between total cash flow and stock prices. However, our findings diverge from studies like (Pelitawati, Kurniawati, & Wulandari, 2023), which found no significant effect of investment cash flow on stock prices, suggesting that the specific type of cash flow matters to investors.

In contrast, **Profit (X2)** was found to have **no significant partial effect** on stock prices ( $t=-0.567, p>0.05$ ). This result is counterintuitive, as profit is a fundamental measure of corporate performance. This finding suggests that investors in the consumer manufacturing sector in Indonesia may be more influenced by factors other than reported earnings. This can be attributed to several reasons, including the focus on future expectations and the potential for profits to be a result of temporary or non-recurring events. This outcome is consistent with previous research by (Meidiana Puri, Yuliani, & Thamrin, 2024), who similarly concluded that profit does not have a significant effect on stock prices.

Furthermore, **Firm Size (X3)** has a **positive and significant effect** on stock prices ( $t=6.280, p < 0.01$ ). This result reinforces the tenets of Signalling Theory, where larger firms are perceived as more stable, mature, and less risky investments due to their established market position and greater access to resources. This perception of stability attracts more investors, leading to higher stock valuations. This finding is consistent with recent literature, such as the study by (Parnata, Elfarosa, Kencanawati, Suryadi, & Utthavi, 2023) which also confirmed a positive relationship between firm size and stock prices.

Conversely, the study found that **Capital Structure (X4)** has **no significant partial effect** on stock prices ( $t=-0.362, p>0.05$ ). This suggests that a company's mix of debt and equity, as measured by the Debt-to-Equity Ratio (DER), does not consistently influence investor decisions in this sector. This finding can be explained by **Pecking Order Theory**, which posits that managers have a preferred hierarchy of financing, prioritizing internal funds before resorting to external debt or equity (Maki et al., 1975). If investors perceive that a company has ample internal funds, they may not view changes in capital structure as a critical signal of financial health. Our result aligns with the findings of (Gea & Tobing, 2022), who similarly concluded that capital structure does not have a significant impact on stock prices.

Finally, the **F-test** confirms that **Cash Flow, Profit, Firm Size, and Capital Structure collectively have a significant effect on stock prices ( $F=10.517, p<0.01$ )**. While only some variables are individually significant, their combined influence is strong. The **coefficient of determination ( $R^2$ ) of 14.6%** indicates that these four variables explain a meaningful portion of

the variance in stock prices, with the remaining 85.4% being attributable to other unexamined factors such as macroeconomic conditions, industry trends, and company-specific news.

### Implications and Future Research

The findings of this study have several practical implications for different stakeholders:

**For Investors:** Our research suggests that investors in the Indonesian consumer manufacturing sector should prioritize **Total Cash Flow** and **Firm Size** as key indicators of a company's financial health and potential for stock price growth. Relying solely on profit may lead to suboptimal investment decisions, as our study shows it does not have a significant direct effect on stock prices.

**For Company Management:** Managers should focus on strategies that not only generate profits but also ensure robust and sustainable cash flows. Strengthening operational efficiency and pursuing strategic growth to increase firm size are likely to be more effective in attracting investors and increasing stock valuations than simply managing the capital structure.

**For Regulators (IDX, OJK):** Regulators should consider highlighting the importance of transparent and detailed cash flow reporting, as it is a more relevant signal for investors in this market.

Future research could expand on these findings by including additional variables, such as brand reputation, corporate governance, and corporate social responsibility (CSR) initiatives, to better understand the remaining 85.4% of the variation in stock prices. Furthermore, a comparative analysis across different sectors of the IDX could provide a broader perspective on how these financial variables affect investor behavior.

### CONCLUSION

Based on the research findings and discussion, this study concludes that fundamental factors have a varied impact on the stock prices of consumer manufacturing companies listed on the Indonesia Stock Exchange (IDX) during the 2019–2024 period.

**Effect of Cash Flow on Stock Prices:** This study found that cash flow has a **positive and significant effect** on stock prices. This finding underscores the importance of cash flow information to investors. Companies with strong cash flow—from operations, investments, and financing—are perceived as financially healthy, leading to increased investor confidence and a subsequent rise in stock prices. **Effect of Profit on Stock Prices:** The test results indicate that profit has **no significant partial effect** on stock prices. This suggests that the market does not always react directly to a company's reported earnings. Investors often look beyond the net profit figure, considering broader macroeconomic factors, long-term growth expectations, or the sustainability of earnings. If net profit is perceived as unsustainable or a result of temporary conditions, investors may not view it as a strong indicator for stock price. **Effect of Firm Size on Stock Prices:** The analysis confirms that **firm size has a positive and significant effect** on stock prices. Contrary to the initial interpretation, a larger firm size is associated with a higher stock price. This is because larger companies are generally perceived as more stable, resilient to business challenges, and capable of generating higher profits due to their substantial asset base. This perception makes them more attractive to investors, thereby increasing their stock prices. **Effect of Capital Structure on Stock Prices:** The study reveals that capital structure has **no significant effect** on stock prices. This finding suggests that investors in the consumer manufacturing sector in Indonesia do not primarily rely on the Debt-to-Equity Ratio (DER) when making investment decisions. Instead, they may place more weight on other company information to assess risk and growth potential. **Simultaneous Effect:** Collectively, Cash Flow, Profit, Firm Size, and Capital Structure **have a significant effect** on stock prices. This indicates that while some variables may not be significant individually, their combined influence is essential in explaining the movement of stock prices.

### Practical and Policy Implications

This research provides several key implications for various stakeholders: **For Investors:** Our findings suggest that investors should not solely focus on a company's profit when evaluating its stock. Prioritizing the analysis of **cash flow statements** and **firm size** will provide a more

comprehensive understanding of a company's intrinsic value and potential for growth. **For Company Management:** Managers should focus on strategies that not only generate profits but also ensure robust and sustainable operational cash flows. Pursuing strategic growth to increase firm size and enhance operational efficiency are likely to be more effective in building investor confidence and increasing share value than merely managing the capital structure. **For Regulators (OJK, IDX):** The results can inform regulators of the importance of promoting greater transparency in cash flow reporting, as this information is a highly relevant signal for investors in this market. **Limitations and Suggestions for Future Research**

This study has several limitations that can be addressed in future research: **Limited Time Period:** The study covers a specific five-year period (2019-2024). Future research could extend this period to provide more robust and generalizable results. **Internal Variables Only:** The research focuses exclusively on internal, fundamental variables. Subsequent studies could incorporate external factors such as macroeconomic conditions, inflation rates, or government policies to provide a more holistic understanding. **Exclusion of Non-Financial Factors:** The study does not account for non-financial factors like corporate governance, brand reputation, or corporate social responsibility (CSR), which may also influence investor perception and stock prices.

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