EEAJ 14 (2) (2025) 213-226

Economic Education Analysis Journal

SINTA 3 Accredited

https://journal.unnes.ac.id/journals/eeaj

Before, During, and After the Covid-19 Pandemic (2018–2023), the Creditability of Stock Returns

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DOI: 10.15294/eeaj.v14i2.25458

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Article History

Received: 23 May 2025
Approved: 30 June 2025
Published: 10 July 2025

Keywords

Covid 19 Pandemic; Financial Performance; Indonesia Stock Exchange; SOE; Stock Returns

Abstract

This research examines the relationship between stock returns and the financial performance of State-Owned Enterprises (BUMN) listed on the Indonesia Stock Exchange (IDX) before, during, and after the Covid-19 epidemic (2018–2019, 2020–2021, and 2022–2023). Financial performance indicators are the return on invested capital (ROIC), earnings per share (EPS), working capital turnover, total asset turnover, cash ratio, debt-to-equity Ratio, debt-to-asset Ratio, Current Ratio, and cash ratio. The study's primary sources are BUMN's annual financial reports and stock price data. A multiple linear regression model examined the connection between stock returns and financial performance. According to the findings, the variables influencing stock returns varied throughout time. Before the pandemic, cash ratio and earnings per share (EPS) significantly enhanced stock returns, reflecting investor attention to liquidity and profitability during economic stability. During the pandemic, total asset turnover emerged as the key variable impacting stock returns, emphasizing the necessity for efficient asset management amidst economic uncertainty. After the pandemic, earnings per share (EPS) and return on invested capital (ROIC) became the most influential factors, indicating investors' focus on profitability and the ability to generate investment returns. The study concludes that the COVID-19 epidemic has significantly impacted the correlation between stock returns and financial performance. These results provide corporate management and investors with important information for creating flexible financial plans that adjust to shifting market conditions.

How to Cite

Hasibuan, K., & Puspitasari, E.(2025). Before, During, and After the Covid-19 Pandemic (2018–2023), the Creditability of Stock Returns. *Economic Education Analysis Journal*, 14 (2), 213-226.

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p-ISSN 2252-6544
e-ISSN 2502-356X

INTRODUCTION

The Composite Stock Price Index (IHSG) is the leading indicator of the performance of the Indonesian capital market, reflects the movement of stock prices as a whole, and is a benchmark for market sentiment. Before the COVID-19 pandemic (2018-2019), the IHSG showed a decline of -2.53% in 2018, reaching 6,195, and an increase of 1.69% in 2019, reaching 6,300. During the Covid-19 pandemic (2020-2021), the IHSG experienced significant fluctuations, with a sharp decline of -5.10% in 2020 to a level of 5,979, followed by a strong recovery of 10.07% in 2021 to a level of 6,581. Entering the post-Covid 19 pandemic period (2022-2023), the JCI continues to show a positive trend with growth of 4.10% or 6,851 in 2022 and 6.16% in 2023, reaching its highest level at 7,273.

In line with the movement of the JCI, the stock returns of state-owned companies showed significant variations between sectors in the three periods. Based on data from IDX.co.id, the BMRI Finance sector moved from -0.02 to -0.03, then improved to 0.01, BBNI from -0.11 to -0.06 and improved to -0.03, BBRI from 0.10 to -0.03 then recovered significantly to 0.18, while BBTN was consistently negative from -0.23 to -0.09 and remained at -0.15. In the energy sector, both issuers experienced a gradual decline, with PTBA falling from 0.18 to 0.01 and remaining at 0.01, while PGAS fell from 0.12 to -0.20 and slightly improved to -0.04.

In the Infrastructure sector, JSMR moved from -0.06 to -0.13, then improved to 0.20, TLKM was relatively stable from -0.05 to 0.03, then to -0.01, PTPP continued to decline from -0.22 to -0.15 to -0.34, WIKA fell from 0.14 to -0.22 to -0.49, ADHI declined from -0.21 to -0.06 then to -0.41, and WSKT deteriorated from -0.18 to -0.29 to -0.44. In the Basic Material sector, SMGR moved from 0.10 to -0.19, then to -0.06, ANTM rose drastically from 0.16 to 0.73 and after the pandemic fell to -0.13, SMBR fluctuated from -0.64 to 0.50 then to -0.33, TINS moved from 0.03 to 0.39 and after the pandemic fell to -0.32, and KRAS from -0.15 rose to 0.19 then fell to -0.39. The Transportation and Logistics sector, represented by GIAA, experienced a consistent decline from 0.33 to -0.32 to -0.37. Finally, the health sector showed high volatility, where INAF moved from -0.38 drastically up to 1.59 after the pandemic and fell to -0.49, while KAEF rose from -0.28 to 0.99 and fell to -0.11. These phenomena show that the pandemic has impacted each sector differently.

A key element in the movement of this stock return is the company's financial performance, as assessed by various ratios. Several SOEs face significant challenges, such as GIAA, which experienced liquidity difficulties in 2021 with a spike in debt from 20 trillion to 70 trillion rupiah. KRAS faced a solvency crisis in 2018, with total debt exceeding equity by 34.86 trillion rupiah, while WSKT faced profitability problems in 2023 with a loss of 3.77 trillion rupiah. In addition, The COVID-19 pandemic also caused PT Garuda Indonesia (Persero) Tbk (GIAA) to see a 15% drop in operational capacity and an activity ratio fall.

The impact of financial ratios on stock returns has been the subject of conflicting findings in earlier research. According to research by Tuni Lasa and H. Mustafa (2023), stock returns in the liquidity ratio were unaffected by the current Ratio. However, Anjani and Syarif's (2019) research revealed a noteworthy impact. For the Cash Ratio, research by Lumban Batu et al. (2023) showed a significant effect, while Surono and Hadinata (2020) did not find a significant impact. In the solvency ratio, research by Tuni Lasa and H. Mustafa (2023) revealed the effect of the Asset Ratio on stock returns, in contrast to Karla et al. (2020), who stated that there was no significant effect. For the debt-equity Ratio, Fakhri Rana Sausan et al. (2020) and Anjani and Syarif (2019) found a significant effect, while research by Shafitri and Astuti (2024) found no significant impact.

Profitability ratios also provide varying results. Narayan and Reddy (2018) found an effect of Return on Invested Capital on stock

returns, unlike Pratiwi and Noveria (2023), who showed no significant impact. For Earnings Per Share, Devita and Arviana's (2023) research stated no significant effect, while Paryanto and Sumarsono (2018) showed a significant impact. In the activity ratio, Wibowo and Raharja (2014) stated that Working Capital Turnover significantly affected stock returns, while Mayasari and Anggraini (2016) concluded otherwise. For the Total Asset Turnover Ratio, Tuni Lasa and H. Mustafa's (2023) research.

According to Thomas Sumarsan Goh (2023), businesses communicate financial information to stakeholders and investors to lessen information asymmetry, according to the signal theory. When a company has greater knowledge about its economic situation and prospects than other parties, this is known as information asymmetry. Positive signals can increase stock values because they raise investor demand for shares. Because they undermine investor confidence, negative signals can lower stock values. This will impact investors' stock returns.

For this, there are several related things, such as investment theory, financial proxies (including Stock Return, Current Ratio, Cash Ratio, Debt to Equity Ratio, Debt to Asset Ratio, Return on Invested Capital, Earning Per Share, Working Capital Turnover, and Total Asset Turnover).

Current Ratio's Impact on Stock Returns Before, During, and Following the COVID-19 Pandemic

A liquidity measure called the current Ratio shows how well a business can use its current assets—cash, receivables, and inventory—to pay its short-term debts. Before the COVID-19 epidemic, a high current ratio was seen favorably by investors as a sign of sufficient liquidity and low default risk. Liquidity took center stage during the COVID-19 epidemic, and a high current ratio demonstrated the company's resilience in the face of uncertainty, boosting investor confidence. The current Ratio indicates the company's readiness to grow, attract investors, and increase stock returns, which is still essential for recovery, expansion, and adjustment to the new normal following the COVID-19 pandemic.

H1: Before the COVID-19 outbreak, the current Ratio strongly and positively impacted stock returns for state-owned enterprises listed on the IDX over 2018–2019.

H2: Stock returns for state-owned enterprises listed on the IDX between 2020 and 2021 are significantly and favorably impacted by the current Ratio during the COVID-19 epidemic.

H3: The current Ratio considerably positively impacts stock returns for state-owned enterprises listed on the IDX for 2022–2023 after the COVID-19 epidemic.

Financial Ratio's Impact on Stock Returns Before, During, and Following the COVID-19 Pandemic

The ability of a business to satisfy short-term obligations solely with cash or cash equivalents is demonstrated by the cash ratio, a liquidity ratio. A high cash ratio was viewed favorably before the COVID-19 outbreak since it demonstrated liquidity security without requiring the sale of other assets. During the COVID-19 pandemic, cash needs increased due to cash flow pressures and decreased revenue, so a high cash ratio signals a company's ability to survive the crisis. After the COVID-19 pandemic, the cash ratio remains important to indicate sufficient cash reserves to support expansion and face uncertainty. It attracts investor interest because it shows the company's readiness for economic recovery opportunities.

H4: In 2018 and 2019, before the COVID-19 epidemic, the cash ratio had a considerable and positive impact on stock returns for state-owned enterprises listed on the IDX.

H5: Stock returns for state-owned enterprises listed on the IDX for 2020–2021 are significantly and favorably impacted by the cash ratio during the COVID-19 epidemic.

H6: For state-owned enterprises listed on the IDX between 2022 and 2023, the cash ratio significantly and favorably affects stock returns after the COVID-19 epidemic.

Debt to Equity Ratio's Impact on Stock Returns Before, During, and Following the COVID-19 Pandemic

Debt to Equity Ratio (DER) reflects the proportion of debt to a company's equity and indicates financial risk. Before the COVID-19 pandemic, a high DER was considered a negative signal for investors because it showed a significant debt burden that risked lowering stock returns if revenues were insufficient to pay off debt. During the COVID-19 pandemic, the risk of debt became more accurate, with high DER companies facing potential bankruptcy due to declining revenues, so investors and returns avoided their shares. After the COVID-19 pandemic, although the economy recovered, a high DER remains a concern because it indicates vulnerability to uncertainty, which can depress stock returns until the company can reduce its debt burden.

H7: For the 2018–2019 period before the COVID-19 epidemic, the debt-to-equity ratio significantly and negatively impacted stock returns for state-owned enterprises listed on the IDX.

H8: The debt-to-equity Ratio indicates that, for state-owned enterprises listed on the IDX between 2020 and 2021, the COVID-19 epidemic significantly and negatively impacts stock returns.

H9: The debt-to-equity Ratio significantly and negatively affects stock returns for state-owned enterprises listed on the IDX between 2022 and 2023 after the COVID-19 epidemic.

Debt to Asset Ratio's Effect on Stock Returns Before, During, and Following the COVID-19 Pandemic

The Ratio of a company's total debt to its assets is called the debt to asset ratio, or DAR. This Ratio indicates the proportion of a company's assets funded by debt. Before the COVID-19 epidemic, a high debt-to-asset ratio (DAR) suggested that the business relied significantly on debt to finance its assets, raising financial risk and decreasing stock returns and investor interest. A high DAR during the COVID-19 epidemic lowered investor trust and raised the default risk. It caused a decline in stock returns because the company was considered more vulnerable to liquidity problems. After the COVID-19 pandemic, although the economy recovered, companies with high DARs were still considered risky because large debts limited growth and financial stability. Hence, investors preferred companies with safer capital structures, which suppressed the increase in stock returns.

H10: For the 2018–2019 period before the COVID-19 epidemic, the debt-to-asset Ratio significantly and negatively impacted stock returns for state-owned enterprises listed on the IDX.

H11: During the COVID-19 pandemic in 2020–2021, the debt-to-asset Ratio significantly and negatively affects stock returns for state-owned enterprises listed on the IDX.

H12: The debt-to-asset Ratio significantly and negatively affects stock returns for state-owned enterprises listed on the IDX between 2022 and 2023 after the COVID-19 epidemic.

The Impact of Return on Capital Invested on Stock Returns Before, During, and Following the COVID-19 Epidemic

The efficiency with which a business generates profits from invested capital—debt and equity—is gauged by its return on invested capital or ROIC. A high ROIC indicates that a company can use capital efficiently to generate profits. Before the COVID-19 pandemic, companies with high ROIC were considered to have efficient capital management, giving investors a positive signal about potential growth and profitability, which drove an increase in stock returns by Signaling Theory. During the COVID-19 pandemic, a high ROIC became an important indicator of efficiency and productivity, signaling that the company could adapt to challenges and continue to show resilience, increasing investor confidence and stock returns. Following the COVID-19 pandemic, investors began to pay more attention to businesses with high return on capital (ROIC) as an indication of operational effectiveness and possible long-term

profitability, which reflected capable management and raised stock returns and investor confidence.

H13: The stock returns of state-owned enterprises listed on the IDX before the COVID-19 pandemic in 2018 and 2019 were positively and significantly impacted by the return on invested capital.

H14: Return on invested capital significantly and favorably affects stock returns for state-owned enterprises listed on the IDX between 2020 and 2021 during the COVID-19 epidemic.

H15: In state-owned companies listed on the IDX in 2022–2023, return on invested capital significantly and favorably affects stock returns following the COVID-19 epidemic.

Earnings Per Share's Impact on Stock Returns Before, During, and Following the COVID-19 Pandemic

The profit made by a business per share of the outstanding stock is measured as earnings per share or EPS. A company with a high EPS typically makes significant and highly profitable earnings. An organization's capacity to produce steady profits that boost investor confidence and propel stock returns was indicated by high earnings per share (EPS) before the COVID-19 pandemic. A company's capacity to sustain or raise EPS in the face of economic strains during the COVID-19 pandemic served as a gauge of operational effectiveness, sending a favorable signal to investors and boosting stock gains. Following the COVID-19 outbreak, EPS became crucial for fostering market trust. A high EPS signals sound financial standing and potential for long-term growth, drawing investors in and boosting stock returns.

H16: Before the COVID-19 pandemic, state-owned companies listed on the IDX saw a positive and significant impact on stock returns in 2018–2019 based on earnings per share.

H17: During the COVID-19 pandemic in 2020–2021, stock returns for state-owned enterprises listed on the IDX were positively and significantly impacted by earnings per share.

H18: In 2022–2023, stock returns for state-owned enterprises listed on the IDX were positively and significantly impacted by earnings per share after the COVID-19 epidemic.

Working Capital Turnover's Impact on Stock Returns Before, During, and Following the COVID-19 Pandemic

A working capital turnover ratio gauges how well a business generates sales using its working capital. The more effectively the business manages working capital, the greater this Ratio is. Before the COVID-19 epidemic, a high Working Capital Turnover (WCT) signaled to the market that the company was effectively managing working capital to produce revenue. This raised investor interest and stock returns, sending a positive message about sound financial management. During the COVID-19 pandemic, working capital efficiency became crucial amid cash flow pressures, and companies with high WCT signaled adaptability that attracted investors and increased stock returns. After the COVID-19 pandemic, a high WCT reflects management efficiency and a strong business model, indicating the ability to generate revenue without relying on additional debt, thereby increasing investor confidence and positively impacting stock returns.

H19: Before the COVID-19 epidemic, working capital turnover significantly and favorably impacted stock returns for state-owned enterprises listed on the IDX in 2018–2019.

H20: Working capital turnover significantly and favorably affects stock returns for state-owned companies listed on the IDX between 2020 and 2021 during the COVID-19 epidemic.

H21: For state-owned enterprises listed on the IDX for the 2022–2023 period, working capital turnover has a considerable and positive impact on stock returns after the COVID-19 epidemic.

Total Asset Turnover's Impact on Stock Returns Before, During, and Following the COVID-19 Pandemic

The efficiency with which a business generates sales from all its assets is measured by its total asset turnover. The ability of the industry to fully utilize its assets is reflected in this Ratio. A high Total Asset Turnover (TAT) before the COVID-19 pandemic demonstrated the company's effectiveness in leveraging assets to produce income, sending a good signal to investors on operational health that raised interest and stock returns. Businesses with high Total Asset Turnover (TAT) demonstrated flexibility and effectiveness in navigating market obstacles during the COVID-19 epidemic, sending a productivity signal that drew in investors and raised stock returns. Following the COVID-19 criteria, a high Total Asset Turnover (TAT) indicates flexible company strategy and excellent asset management, providing investors with assurance of an effective business model that boosts revenue and profit growth and benefits stock returns.

H22: For the 2018–2019 fiscal year before the COVID-19 epidemic, stock returns for state-owned enterprises listed on the IDX were positively and significantly impacted by total asset turnover.

H23: Total asset turnover in state-owned companies listed on the IDX for 2020–2021 positively and significantly impacts stock returns during the COVID-19 epidemic.

H24: Overall asset turnover significantly and favorably affects stock returns for state-owned enterprises listed on the IDX in 2022–2023 after the COVID-19 epidemic.

METHODS

Examination of Bibliographic Data

Population and Sample

The study's population consists of all state-owned companies listed on the Indonesia Stock Exchange (IDX) between 2018 and 2023. This work uses three eras of analysis: before COVID-19 (2018–2019), during COVID-19 (2020–2021), and after COVID-19 (2022–2023). For every time, the population consists of 40 observation units. To select the study's sample, the researcher employed the purposive sampling technique, which is predicated on preset criteria.

In this investigation, the following sample criteria were used: (a) Companies that published thorough annual financial reports during the research period; and (b) Companies that, from 2018 to 2023, exhibit positive average earnings per share (EPS).

RESULTS AND DISCUSSION

The Influence of Social Interaction on Self-Confidence

Descriptive Analysis

This study evaluates state-owned enterprises' financial performance and stock returns before, during, and after the Covid-19 pandemic. Stock returns increased from an average of -0.08 before the pandemic to 0.09 during the pandemic but decreased to -0.12 after the pandemic. The current Ratio (CR) decreased from 1.38 before the pandemic to 1.29 during the pandemic, then increased again to 1.43 after the pandemic, reflecting the liquidity recovery. The cash ratio (CaR) increased slightly from 0.34 before the pandemic to 0.36 during and after, indicating the stability of cash reserves. The debt to equity ratio (DER) increased from 2.87 before the pandemic to 3.48 during the pandemic and decreased to 3.11 after the pandemic, reflecting a reduction in dependence on debt post-pandemic. The debt-to-asset Ratio (DAR) increased from 0.63 to 0.64 during the pandemic and then decreased to 0.60 after the pandemic.

Return on invested capital (ROIC) decreased from 0.69 before the pandemic to 0.50 during and 0.40 after, indicating profitability pressure. Earnings per share (EPS) decreased from 251.53 before the pandemic to 169.74 during the pandemic but recovered to 285.85 after the pandemic, indicating an improvement in the company's performance post-pandemic. Working capital turnover (WCT) increased drastically from -3.34 before the pandemic to

4.15 during the pandemic, then decreased to 1.41 after the pandemic, indicating efficient working capital management. Total asset turnover (TATO) decreased from 0.45 before the pandemic to 0.38 during the pandemic but increased slightly to 0.42 afterward.

Multiple Linear Regression Analysis

The equation for multiple linear regression prior to COVID-19, Y is equal to -0.491 minus 0.270X1 + 0.527X2 + 0.035X3 + 0.274X4 + 0.041X5 + 0.000X6 + 0.002X7 + 0.430X8+ e. During COVID-19, the Multiple Linear Regression Equation, the formula is Y = 0.877 - 0.049X1 - 0.812X2 - 0.014X3 - 0.774X4 + 0.024X5 - 0.001X5 - 0.035X6 + 0.912X7 + e . Equation for Multiple Linear Regression During COVID-19, Y = -0.052 - 0.155X1 - 0.132X2 + 0.005X3 - 0.123X4 + 0.077X5 + 0.001X5 + 0.000X6 + 0.132X7 + e

Hypothesis Testing

Simultaneous Test (F Test)

The F-test results show a significant simultaneous influence of independent variables on stock returns in all three periods: before the pandemic (F=3.074; sig.0.017), during the pandemic (F=2.564; sig.0.037), and after the pandemic (F=3.309; sig.0.012). The period after the pandemic shows the most substantial simultaneous influence.

Table 2. Simultaneous Test (F Test)

Model	F Test	Sig.
Before the Covid 19 Pandemic (2018-2019)	3.074	0.017*
During the Covid 19 Pandemic (2020-2021)	2.564	0.037*
After the Covid 19 Pandemic (2022-2023)	3.309	0.012*

*Significant at **α**=5% (Sig. <0.05)

Source: Processed Primary Data, 2024

Partial Test (t-Test)

The influence of each independent variable on the dependent variable independently is ascertained using a partial test (t-test). One-way hypothesis testing with a 5% significance threshold is used in this investigation.

H1: Current Ratio positively and significantly affects stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for 2018-2019.

With a coefficient of -0.480 and a one-way significance of 0.021 <0.05, the test results demonstrate that the Current Ratio negatively and substantially impacted stock returns before the COVID-19 pandemic (2018–2019). Since the direction of its influence is opposite to what was predicted, this discovery dispro-

Table 1. Results of Multiple Linear Regression Analysis Test

Model	Before Covid 19		During Covid 19		After Covid 19	
	B	Sig.	B	Sig.	B	Sig.
(Constant)	-0.491	0.256	0.877	0.223	-0.052	0.865
Current Ratio	-0.270	0.041	-0.049	0.894	-0.155	0.037
Cash Ratio	0.527	0.044	-0.812	0.172	-0.132	0.605
Debt To Equity Ratio	0.035	0.166	-0.014	0.704	0.005	0.813
Debt To Asset Ratio	0.274	0.505	-0.774	0.369	-0.123	0.746
Return On Invested Capital	0.041	0.191	0.024	0.760	0.077	0.076
Earning Per Share	0.000	0.031	-0.001	0.316	0.001	0,000
Working Capital Turnover	0.002	0.175	-0.035	0.002	0.000	0.913
Total Asset Turnover	0.430	0.127	0.912	0.055	0.132	0.551

Source: Processed Primary Data, 2024

Table 3. Partial Test Results (T Test)

Model	Coefficient	Standardized Coefficients	T count	Sig. two way	Sig. one way
Before the Covid 19 Pandemic (2018-2019)	Current Ratio	-0.480	-2,163	0.041	0.021*
	Cash Ratio	0.645	2,126	0.044	0.022*
	Debt To Equity Ratio	0.356	1.429	0.166	0.083
	Debt To Asset Ratio	0.199	0.677	0.505	0.253
	Return On Invested Capital	0.230	1.349	0.191	0.096
	Earning Per Share	0.329	2.294	0.031	0.016*
	Working Capital Turnover	0.220	1.400	0.175	0.088
	Total Asset Turnover	0.442	1.585	0.127	0.064
During the Covid 19 Pandemic (2020-2021)	Current Ratio	-0.039	-0.135	0.894	0.447
	Cash Ratio	-0.540	-1.409	0.172	0.086
	Debt To Equity Ratio	-0.092	-0.385	0.704	0.352
	Debt To Asset Ratio	-0.276	-0.915	0.369	0.185
	Return On Invested Capital	0.064	0.309	0.760	0.380
	Earning Per Share	-0.213	-1.024	0.316	0.158
	Working Capital Turnover	-0.635	-3.463	0.002	0.001*
	Total Asset Turnover	0.488	2.025	0.055	0.028*
After the Covid 19 Pandemic (2022-2023)	Current Ratio	-0.355	-2.218	0.037	0.019*
	Cash Ratio	-0.150	-0.525	0.605	0.303
	Debt To Equity Ratio	0.056	0.240	0.813	0.407
	Debt To Asset Ratio	-0.094	-0.328	0.746	0.373
	Return On Invested Capital	0.362	1.859	0.076	0.038*
	Earning Per Share	0.661	4.286	0.000	0.000*
	Working Capital Turnover	-0.017	-0.111	0.913	0.457
	Total Asset Turnover	0.141	0.606	0.551	0.276

*Significant at α=5% (Sig.one way <0.05)
Source: Processed Primary Data, 2025

ves the proposed hypothesis; for every unit increase in the current Ratio, stock returns fall by 0.480 units.

H2: The current Ratio positively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

The results of testing the Current Ratio's impact during the COVID-19 pandemic (2020–2021) were inconsequential, with a one-way significance of 0.447>0.05 and a coefficient value of -0.039. Because it had a negative and insignificant impact on both the current Ratio and stock returns throughout that time, these data refute the proposed hypothesis and show that changes in the current Ratio had no discernible impact on the movement of stock returns.

H3: Current Ratio positively and significantly affects stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for 2022-2023.

Analysis of the influence of the Current Ratio after the COVID-19 pandemic (2022-2023) produces a coefficient of -0.355 with a one-way significance of 0.019 <0.05, indicating a significant negative influence. This result rejects the proposed hypothesis because although it has a considerable effect, the direction of the influence is opposite to that hypothesized, where every 1 unit increase in the Current Ratio reduces stock returns by 0.355 units.

H4: Cash Ratio positively and significantly affects stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for 2018-2019.

With a coefficient of 0.645 and a one-way significance of 0.022 <0.05, the cash ratio test conducted before the COVID-19 pandemic (2018–2019) demonstrated a substantial beneficial effect. This result supports the theory that, for every unit increase in the cash ratio, stock returns will rise by 0.645 units. This suggests that, at that time, investors viewed high firm liquidity favorably.

H5: Cash Ratio positively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

With a one-way significance of 0.086 > 0.05 and a coefficient of -0.540, Cash Ratio testing during the COVID-19 pandemic (2020–2021) revealed a negative and negligible effect. Because the Cash Ratio had a negative and insignificant impact on stock returns during the pandemic, this data disproves the suggested hypothesis and shows that investors do not give this aspect much thought when making investment decisions.

H6: Cash Ratio positively and significantly affects stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for 2022-2023.

Following the COVID-19 pandemic (2022–2023), cash ratio analysis yields a coefficient of -0.150 with a one-way significance of 0.303> 0.05, suggesting a negative and negligible impact. Because changes in the Cash Ratio had no discernible effect on stock returns in the post-pandemic period, this data disproves the theory that was put out.

H7: Debt To Equity Ratio negatively and significantly affected stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for the 2018-2019 period.

Before the COVID-19 pandemic, the debt-to-equity ratio test (2018–2019) had a coefficient of 0.356 and a one-way significance of 0.083> 0.05. This result disproves the hypothesis as the Debt Equity Ratio has a positive and negligible impact on stock returns, suggesting that investors did not prioritize the company's level of leverage when making judgments about their investments at that time.

H8: Debt To Equity Ratio negatively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

During the COVID-19 pandemic (2020–2021), the Debt Equity Ratio test yielded a coefficient of -0.092 with a one-way significance of 0.352> 0.05, suggesting a negative but negligible influence. Since the debt-equity Ratio has no discernible impact on stock returns during the epidemic, this result disproves the premise.

H9: Debt To Equity Ratio negatively and significantly affects stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for 2022-2023.

After the COVID-19 pandemic (2022-2023), the debt-equity ratio analysis produces a coefficient of 0.056 with a one-way significance of 0.407> 0.05, indicating a positive and insignificant effect. This finding rejects the proposed hypothesis because changes in the Equity Ratio do not significantly affect stock returns in the post-pandemic period.

H10: Debt To Asset Ratio negatively and significantly affected stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for the 2018-2019 period.

Debt to Asset Ratio test before the Covid 19 pandemic (2018-2019) showed a coefficient of 0.199 with a one-way significance of 0.253 > 0.05. This finding rejects the proposed hypothesis because the debt-asset Ratio has a positive effect and is insignificant to stock returns in that period.

H11: Debt To Asset Ratio negatively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

Testing the debt-asset Ratio during the COVID-19 pandemic (2020-2021) produced a coefficient of -0.276 with a one-way significance of 0.185> 0.05, indicating a negative but insignificant effect. This result rejects the proposed hypothesis because the Debt to Asset Ratio does not significantly affect stock returns during the pandemic.

H12: Debt To Asset Ratio negatively and significantly affects stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for 2022-2023.

The analysis of the debt-to-asset Ratio after the COVID-19 pandemic (2022-2023) produces a coefficient of -0.094 with a one-way significance of 0.373> 0.05, indicating a negative but insignificant effect. This finding rejects the proposed hypothesis because changes in the Debt to Asset Ratio do not significantly affect stock returns in the post-pandemic period.

H13: Return on Invested Capital positively and significantly affects stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for 2018-2019.

Return On Invested Capital test results before the COVID-19 pandemic (2018-2019) showed a coefficient of 0.230 with a one-way significance of 0.096> 0.05. This finding rejects the proposed hypothesis because Return On Invested Capital has a positive but insignificant effect on stock returns during that period.

H14: Return on Invested Capital positively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

Testing Return On Invested Capital during the COVID-19 pandemic (2020-2021) produced a coefficient of 0.064 with a one-way significance of 0.380> 0.05, indicating a positive but insignificant effect. These results reject the proposed hypothesis because Return On Invested Capital does not significantly affect stock returns during the pandemic.

H15: Return on Invested Capital has a positive and significant effect on stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for the 2022-2023 period.

Analysis of Return On Invested Capital after the COVID-19 pandemic (2022-2023) produces a coefficient of 0.362 with a one-way significance of 0.038 <0.05, indicating a significant positive effect. This finding accepts the proposed hypothesis: every 1 unit increase in Return On Invested Capital will increase stock returns by 0.362 units.

H16: Earning Per Share positively and significantly affected stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for 2018-2019.

Earning Per Share test before the Covid 19 pandemic (2018-2019) showed a significant positive effect with a coefficient of 0.329 and a one-way significance of 0.016 <0.05. This finding accepts the proposed hypothesis, where every increase in earnings per share by 1 unit will increase stock returns by 0.329.

H17: Earning Per Share positively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

Testing Earning Per Share during the Covid 19 pandemic (2020-2021) produced a coefficient of -0.213 with a one-way significance of 0.158 > 0.05, indicating a negative and insignificant effect. These results reject the proposed hypothesis because Earning Per Share does not significantly affect stock returns during the pandemic period.

H18: Earning Per Share positively and significantly affects stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for 2022-2023.

Analysis of Earning Per Share after the Covid 19 pandemic (2022-2023) shows a significant positive effect with a coefficient of 0.661 and a one-way significance of 0.000 <0.05. This finding accepts the proposed hypothesis, where every 1 unit increase in earnings per share will increase stock returns by 0.661 units, indicating the most substantial effect among all the variables tested.

H19: Working Capital Turnover positively and significantly affected stock returns before the COVID-19 pandemic in state-owned companies listed on the IDX for 2018-2019.

The Working Capital Turnover test before the COVID-19 pandemic (2018-2019) showed a coefficient of 0.220 with a one-way significance of 0.088> 0.05. This finding rejects the proposed hypothesis because Working Capital Turnover had a positive but insignificant effect on stock returns during that period.

H20: Working Capital Turnover positively and significantly affects stock returns during the COVID-19 pandemic in state-owned companies listed on the IDX for 2020-2021.

Testing Working Capital Turnover during the COVID-19 pandemic (2020-2021) produced a coefficient of -0.635 with a one-way significance of 0.001 <0.05, indicating a significant adverse effect. This result rejects the proposed hypothesis because although it has a considerable impact, the direction of the effect is opposite to that hypothesized.

H21: Working Capital Turnover positively and significantly affects stock returns after the COVID-19 pandemic in state-owned companies listed on the IDX for 2022-2023.

Working Capital Turnover analysis after the COVID-19 pandemic (2022-2023) produces a coefficient of -0.017 with a one-way significance of 0.457 > 0.05, indicating a negative and insignificant effect. This finding rejects the proposed hypothesis because changes in Working Capital Turnover do not significantly affect stock returns in the post-pandemic period.

H22: Before the COVID-19 epidemic, total asset turnover positively and considerably impacted stock returns for state-owned enterprises listed on the IDX during the years 2018–2019.

A one-way significance level of 0.064 > 0.05 and a coefficient of 0.442 were found in the total asset turnover test conducted before the COVID-19 pandemic (2018–2019). This data disproves the premise since Total Asset Turnover had a favorable but negligible impact on stock returns over that time.

H23: Stock returns for state-owned enterprises listed on the IDX during 2020–2021 during the COVID-19 epidemic are positively and dramatically impacted by total asset turnover.

With a coefficient of 0.488 and a one-way significance of 0.028 <0.05, the testing of total asset turnover during the COVID-19 pandemic (2020–2021) reveals a significant positive effect. This result supports the premise that stock returns will rise by 0.488 units for every unit increase in TATO.

H24: Following the COVID-19 epidemic, total asset turnover positively and significantly impacts stock returns for state-owned

enterprises listed on the IDX for 2022–2023.

Analysis of Total Asset Turnover after the COVID-19 pandemic (2022-2023) produces a coefficient of 0.141 with a one-way significance of 0.276> 0.05, indicating a positive but insignificant effect. This finding rejects the proposed hypothesis because changes in Total Asset Turnover do not significantly affect stock returns in the post-pandemic period.

Table 4. Determination Coefficient Test

Model	R Square	Adjusted R Square
Before the Covid 19 Pandemic (2018-2019)	0.517	0.349
During the Covid 19 Pandemic (2020-2021)	0.471	0.288
After the Covid 19 Pandemic (2022-2023)	0.535	0.373

Source: Processed Primary Data, 2025

The results of the determination coefficient test show that the financial performance variable has the highest explanatory ability on stock returns in the post-pandemic period (2022-2023) with an R Square of 53.5% and an Adjusted R Square of 37.3%. Followed by the pre-pandemic period (2018-2019) with an R Square of 51.7% and an Adjusted R Square of 34.9%, and the lowest in the period during the pandemic (2020-2021) with an R Square of 47.1% and an Adjusted R Square of 28.8%. Although significant, other external factors still influence stock returns outside this research model.

The liquidity ratio's impact on stock returns exhibits a variety of patterns. The Current Ratio had a notable adverse effect before COVID-19, suggesting that excess liquidity was considered an inefficient use of assets. On the other hand, the Cash Ratio had a significant beneficial influence because it demonstrated financial stability. Both ratios showed a diminishing effect during COVID-19, suggesting that liquidity is no longer necessary for stock performance. Following COVID-19, investors' views on liquidity management changed, as seen by the current Ratio's significant decline and the cash ratio's decline to insignificance.

The debt-to-asset and debt-to-equity ratios exhibit intriguing variations in solvency. Neither Ratio had a substantial impact before COVID-19. Both were unneeded but displayed a negative trend during COVID-19, suggesting investors preferred a more cautious capital structure. Both ratios had little effect after COVID-19 but indicated that debt management had stabilized as the economy recovered.

Stock returns are consistently positively impacted by profitability ratios. Before COVID-19, ROIC had a positive but negligible impact, whereas EPS demonstrated a considerable beneficial effect. Even though EPS sensitivity was still strong during COVID-19, its implications and ROICs were insignificant. Following COVID-19, EPS again showed highly significant beneficial effects, followed by a positive impact from ROIC, underscoring profitability's crucial role in investment choices. Diverse dynamics can be seen in activity ratios that incorporate working capital turnover and total asset turnover. Before COVID-19, both ratios showed a slight but positive impact. While total asset turnover continued to have a positive and significant effect during COVID-19, working capital turnover experienced a considerable negative impact due to operational disruptions. Due to the normalization of corporate operations that no longer directly affected stock returns, both ratios were no longer crucial after COVID-19.

CONCLUSION

Before the pandemic (2018–2019), the primary determinants of stock returns were cash ratio and earnings per share (EPS). This illustrates how investors focus primarily on a company's liquidity and profitability when assessing stock performance during periods

of economic stability. Total asset turnover was the primary metric influencing stock returns during the epidemic (2020–2021). The company's asset usage efficiency became the primary priority in surviving in the face of economic uncertainty brought on by the pandemic. This shift demonstrates how crucial it is for businesses to adapt to make the most use of their resources when dealing with demands from the global economy.

After the pandemic, return on invested capital (ROIC) and earnings per share (EPS) have once again been the key metrics affecting stock returns (2022–2023). Concentrating investors' attention on profitability and the opportunity to generate added value from capital investments enhances the company's financial performance following the pandemic and signals a recovery period. The study's results support the idea that external variables, such as the COVID-19 pandemic, significantly affect the relationship between stock returns and economic success. Implementing responsive financial strategies, managing adaptability to change, and overcoming challenges are keys to a company's success in handling changes in a dynamic business environment.

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