

The Effect of Liquidity, Profitability, Leverage and Activity on Stock Return: The Case of Health Care Sector Firms Listed on Indonesia Stock Exchange

Rosyadi Hidayatullah^{*}, Abid Djazuli & Choiriyah

Magister Manajemen, Program Pascasarjana, Universitas Muhammadiyah Palembang

Corresponding Author: rosyadihidayatullah16@gmail.com

abid_djazuli@um-palembang.ac.id, choiriyah.ump17@gmail.com

Article Information:

Received: December 11, 2025, Accepted: December 20, 2025, Published: December 26, 2025

Abstract

The problem formulation in this study concerns the effects of liquidity, profitability, leverage, and activity on stock returns of healthcare companies listed on the Indonesia Stock Exchange. The purpose of this study is to examine the effects of liquidity, profitability, leverage, and activity on stock returns of healthcare companies listed on the Indonesia Stock Exchange. This type of research is associative. The population used in this study is companies listed in the Healthcare sector. The sample comprised 8 companies, employing purposive sampling. The data used in this study are secondary. Data were collected through Documentation. The data analysis technique used is multiple linear regression. The results of this study indicate that liquidity, profitability, leverage, and activity simultaneously affect stock returns for healthcare companies listed on the Indonesia Stock Exchange. The study's results indicate that profitability has a significant effect on stock returns for healthcare companies listed on the Indonesia Stock Exchange. The results of the determination coefficient show that the contribution of liquidity, profitability, leverage, and activity to stock returns is 23.8%

Keywords: Financial Ratio, Stock Return, Health Care Sector, Indonesia Stock Exchange

1. Introduction

Every company desires and plans to expand its business. Companies can do many things, such as opening branches in other cities with expansion potential. To achieve this, organizations naturally require significant assets. One way to create additional assets is through the issuance and sale of shares. The rapid development of Indonesia's capital market has encouraged many organizations to register with the market to explore issuing shares, which are then sold on the market to raise capital.

A country's economic growth can also be seen through its capital market. The capital market has a certain allure, as it serves as a means of raising funds other than banking, allowing investors to choose investment types based on their preferences. The capital market is also known as a market where those with funds meet those who need funds through the trading of

securities, which generally have a maturity of more than one year. The place where these securities are traded is called the Stock Exchange. The capital market is a market that trades long-term instruments, such as equity instruments.

Investors purchase shares in the capital market and first analyze the company's financial performance to ensure a return on their investment. Achieving a return is the primary goal of investors in the capital market. Investors have various methods to achieve the desired return, including conducting their own analysis.

Stock returns have two components: current income and capital gains (profits from price differences). Current income is the profit earned from periodic payments, such as interest on deposits, bond interest, dividends, and so on, which are usually in cash or cash equivalents, allowing for quick conversion. Capital gains are the difference between the value of an ongoing business and the costs of the previous period. Stock returns are the results obtained from investing resources in stocks. Returns can be recognized returns that have already occurred or anticipated returns that have already occurred but should occur now ([Jogiyanto, 2010](#)).

Financial performance, specifically the achievement of an organization's accomplishments over a specific period, relates to the organization's funds. Through these achievements, an organization can demonstrate its performance ([Rengganis, Valianti & Oktariansya, 2020](#)). Finance is the foundation of organizational tasks and must be monitored appropriately. Poor financial performance management can inevitably lead to misfortune and, in extreme cases, prevent an organization from knowing how far the organization has progressed over a given period. It can serve as a basis for future organizational adjustments and for assessing a department's commitment to achieving the organization's overall goals.

Profit strategy is an approach that addresses the responsibility for (money) between clients and buyers, whether the buyer returns it to investors as profit or for use within the organization. This implies that the payment must be contributed within the organization. Profit is the net gain distributed to investors. Over time, the supervisor must determine whether the organization's profits will be allocated entirely or partially, with the remainder retained (retained earnings). Stocks, of course, are inseparable from profits (returns). The primary goal of any business is to achieve optimal profits. Therefore, financial backers need to analyze the rate of return on their company's shares. Furthermore, profit strategies fundamentally concern the utilization of profits, which are the investor's discretionary assets. If substantial profits are delivered, the stock price will rise, which in turn will lead to higher stock returns. A company's financial performance can influence investor decisions and confidence in investing. Financial ratios are used to assess a company's economic performance. A financial ratio is a comparison of one financial statement item with another item that has a relevant relationship. Ratios that can assess financial performance include liquidity ratios, profitability ratios, leverage ratios, and activity ratios. Liquidity ratios are ratios used to measure a company's ability to meet short-term (current) financial obligations maturing within one year. Liquidity ratios serve to indicate or quantify a company's ability to meet its maturing obligations. Some liquidity ratios include the current ratio, quick ratio, and cash ratio. The ratio used in this study is the Current Ratio (CR) ([Siswanto, Arianti & Mardianah, 2024](#)). Profitability ratios measure a company's ability to generate profits using existing resources such as assets, capital, or sales. This ratio assesses the extent to which a company is financed by debt or external parties relative to its capital (equity). Several profitability ratios are measured, including return on assets, net profit margin, and return on equity. The ratio used in this study is Return on Assets (ROA) ([Siswanto, Arianti &](#)

[Mardianah, 2024](#)).

Financial performance is also measured using the leverage ratio. The leverage ratio as a measure of how much a company is financed with debt. Companies with high leverage ratios face a greater risk of loss but also offer the opportunity for significant profits. Some leverage ratios include the debt-to-asset ratio, the debt-to-equity ratio, and the debt-to-capital ratio. The Debt-to-Equity Ratio (DER) is used in this study. Financial performance is also measured using activity ratios. [Kasmir \(2015\)](#) defines activity ratios as ratios used to measure a company's effectiveness in utilizing its assets, or the efficiency of resource utilization. This activity ratio measures management's ability to operate and optimize its assets. The activity ratio used is total asset turnover. Total asset turnover is the ability of funds invested in all revolving holdings within a given period, or the ability of invested capital to generate revenue.

Previous research conducted by [Kusuma and Sari \(2025\)](#) found that liquidity, leverage, activity, and profitability significantly influence stock returns. Research demonstrating the effect of the Current Ratio (CR) on stock returns was conducted by [Priyoto, Wibowo and Diarsyad \(2018\)](#), who found that CR significantly influenced stock returns. [Kurniawan and Supriati \(2025\)](#) research showed that CR had a positive and significant effect on stock returns. [Nurazizah, Hermuningsih and Maulida \(2022\)](#) study showed that CR had a positive and significant impact on stock returns. This contrasts with Kanivia's (2020) research, which showed that CR had no significant effect on stock returns. [Kusuma and Sari \(2025\)](#) stated that liquidity had no significant impact on stock returns.

Further research examining the effect of return on assets on stock returns was conducted by [Handayani and Zulyanti \(2018\)](#), which showed that ROA significantly influenced stock returns. [Nurazizah, Hermuningsih and Maulida \(2022\)](#) found that ROA had a positive and significant effect on stock returns. [Kusuma and Sari \(2025\)](#) stated that profitability significantly influenced stock returns. This contrasts with research by [Samalam, Mangantar and Saerang \(2018\)](#), which showed that ROA had no significant effect on stock returns.

Further research examining the effect of the debt-to-equity ratio on stock returns was conducted by [Handayani and Zulyanti \(2018\)](#), which showed that DER had a significant impact on stock returns. [Nurazizah, Hermuningsih and Maulida \(2022\)](#) found that DER had a substantial adverse effect on stock returns. This contrasts with research by [Samalam, Mangantar and Saerang \(2018\)](#), which showed that ROA and DER had no significant effect on stock returns. [Kurniawan and Supriati \(2025\)](#) results show that DER has a substantial, adverse impact on stock returns. [Kusuma and Sari \(2025\)](#) stated that leverage has no significant effect on stock returns. Previous research conducted by [Nurazizah, Hermuningsih and Maulida \(2022\)](#) showed that TATO had a positive and significant effect on stock returns. This contrasts with the study by [Kurniawan and Supriati \(2025\)](#), which found that TATO had no significant impact on stock returns. [Kusuma and Sari \(2025\)](#) stated that activity had no significant effect on stock returns.

The health and care sector is one of the sub-sectors that contributes to the national economy. The Ministry of Industry of the Republic of Indonesia states that the market value of pharmaceutical products in Indonesia accounts for approximately 27% of the ASEAN pharmaceutical market. Based on the 2015-2035 National Industrial Development Master Plan (RIPIN), the pharmaceutical industry is a leading sector that will play a significant role in future development. Furthermore, the Ministry of Industry projects the health and care industry to become a leading sector by encouraging increased investment. Health research companies are part of publicly traded companies listed on the Indonesian Stock Exchange. The emerging

phenomenon in the Indonesian health and care industry has also drawn attention to this sector. One of these is monitoring online drug sales, which apparently has a significant market share. On the one hand, online over-the-counter drug sales pose high security risks, particularly regarding product quality assurance and safety. However, the economic potential is also quite significant. (www.idxchannel.com, 2024). Several pharmaceutical issuers' shares also did not show awe-inspiring performance on the stock exchange. Throughout 2023, at the close of the first session, the most significant decline was recorded by PT Duta Intidaya Tbk, down 43.87% year-to-date (ytd). PT Mitra Keluarga Karyasehat Tbk (50.21%), PT Royal Prima Tbk (25.34%), and PT Sarana Meditama Metropolitan Tbk (17.92%). Among those that recorded gains was PT Siloam International Hospitals Tbk, which maintained its share price, rising 25.70%. Meanwhile, PT Medikaloka Hermina Tbk also recorded an increase in its share performance, growing 37.53% (www.idxchannel.com, 2024). For international pharmaceutical companies operating in Indonesia, the combination of higher costs and a smaller market results in lower returns on investment. Markets with lower returns and more extended business recovery periods are generally unfavorable for investors, especially when potential partners do not incur unlimited research and development costs. Furthermore, such policies encourage local organizations to wait for partnership offers rather than invest in research and development themselves. (www.bisnis.com, 2023).

Preliminary data show that healthcare company stock returns fluctuated annually from 2019 to 2023. The stock return in the pharmaceutical subsector was 0.28 in 2019, then decreased to -0.7 in 2020. It increased to 0.59 in 2021, then declined significantly to 0.09 in 2022, and then fell again to -0.1 in 2023. Stock returns fluctuate each year, raising questions about their causes. Data also shows that the average liquidity ratio of companies in the Health Care sector on the Indonesia Stock Exchange for the 2019-2023 period, calculated using the Current Ratio (CR), fluctuates from year to year. The highest average current ratio was in 2019, at 2.56. The lowest average current ratio was in 2023, at 2.38, and most companies experienced losses that year. The average profitability ratio, calculated using Return on Assets (ROA) for the Health Care sector on the Indonesia Stock Exchange for the 2019-2023 period, tends to be unstable from year to year. The highest average Return on Assets (ROA) was in 2021, at 0.08. Meanwhile, the lowest average company Return on Assets (ROA) was 0.02 in 2019. The average leverage ratio, calculated using the Debt-to-Equity Ratio (DER) for the Health Care sector on the Indonesia Stock Exchange for the 2019-2023 period, increased. In 2019, it was 0.86, placing it at the lowest average Debt-to-Equity Ratio (DER). Meanwhile, the highest average Debt-to-Equity Ratio (DER) for companies was in 2023, at 5.24. The average activity ratio, calculated using Total Assets Turnover (TATO) for the Health Care sector on the Indonesia Stock Exchange for the 2019-2023 period, showed both increases and decreases. In 2020, it was 0.63, placing the average Total Assets Turnover (TATO) at the lowest position. Meanwhile, the average Total Assets Turnover (TATO) of companies was highest in 2023, at 0.79. Based on the above phenomena, the average Stock Return indicates that Health Care sector companies on the Indonesia Stock Exchange for the 2019-2023 period experienced instability. The average stock return was at its lowest position in 2020, at -0.07. Meanwhile, the average stock return was at its highest in 2021, at 0.59. Liquidity, Profitability, Leverage, and activity experience instability in stock returns each year.

2. Literature Review

The Effect of Liquidity, Profitability, Leverage, and Activity on Stock Returns. According to [Mayuni & Suarjaya \(2018\)](#), micro factors influence stock returns, including internal company

factors such as net profit, book value, profitability ratios, solvency ratios, liquidity ratios, market capitalization ratios, leverage ratios, activity ratios, and others. In this study, the variables used, as stated above, are profitability ratios, liquidity ratios, leverage ratios, and activity ratios. Previous research by [Kusuma and Sari \(2025\)](#) found that liquidity, leverage, activity, and profitability significantly influence stock returns. Research demonstrating the effect of the Current Ratio (CR) on stock returns by [Priyonoto, Wibowo and Diarsyad \(2018\)](#) showed that CR significantly influenced stock returns. This contrasts with Kanivia's (2020) research, which showed that CR had no significant effect on stock returns. Subsequent research examining the impact of return on assets on stock returns was conducted by [Handayani and Zulyanti \(2018\)](#), which showed that ROA significantly influenced stock returns. This contrasts with research by [Samalam, Mangantar and Saerang \(2018\)](#), which showed that ROA had no significant effect on stock returns. Further research examining the impact of the debt-to-equity ratio on stock returns was conducted by [Handayani and Zulyanti \(2018\)](#), which showed that DER had a significant effect on stock returns. This contrasts with research by [Samalam, Mangantar and Saerang \(2018\)](#), which showed that ROA and DER had no significant effect on stock returns. Previous research by [Nurazizah, Hermuningsih and Maulida \(2022\)](#) showed that TATO had a positive and significant impact on stock returns. This contrasts with research by [Kurniawan and Supriati \(2025\)](#), which showed that TATO had no significant effect on stock returns. Based on several previous studies, there remains a research gap regarding the relationships between Liquidity, Profitability, Leverage, and Activity ratios and Stock Returns. Furthermore, stock returns are affected by phenomena related to liquidity, profitability, leverage, and activity ratios.

The Effect of Liquidity on Stock Returns. According to [Mayuni & Suarjaya \(2018\)](#), micro factors influence stock returns, including internal company factors such as liquidity ratios. In this study, the variable used, as stated above, is the liquidity ratio. Research demonstrating the effect of the Current Ratio (CR) on stock returns has been conducted by [Priyonoto, Wibowo and Diarsyad \(2018\)](#), [Kurniawan and Supriati \(2025\)](#), and [Nurazizah, Hermuningsih and Maulida \(2022\)](#). Their research indicates a positive, significant effect of CR on stock returns. This contrasts with Kanivia's (2020) research, which showed no significant effect of CR on stock returns. [Kusuma and Sari \(2025\)](#) stated that liquidity has no significant impact on stock returns. Several previous studies have revealed a research gap regarding the liquidity ratio and stock returns. This phenomenon, particularly in the current assets and current liabilities indicators, affects stock returns, both in the current and previous stock prices.

The Effect of Profitability on Stock Returns. According to [Mayuni & Suarjaya \(2018\)](#), factors influencing stock returns include micro factors, such as internal company factors, including profitability ratios. In this study, the variable used, as stated above, is the profitability ratio. Subsequent research examining the effect of return on assets on stock returns has been conducted by [Handayani and Zulyanti \(2018\)](#), [Nurazizah, Hermuningsih and Maulida \(2022\)](#), and [Kusuma and Sari \(2025\)](#), who found that profitability significantly influences stock returns. This contrasts with research by [Samalam, Mangantar and Saerang \(2018\)](#), which showed that ROA had no significant effect on stock returns. Several previous studies have identified a research gap regarding the relationship between profitability ratios and stock returns. This phenomenon, particularly in the profit before tax and total assets indicators, influences stock returns, both current and prior stock prices.

The Effect of Leverage on Stock Returns. According to [Mayuni & Suarjaya \(2018\)](#), factors influencing stock returns include micro factors, which are internal company factors, including

the leverage ratio. In this study, the variable used, as stated above, is the leverage ratio. Subsequent research examining the effect of the debt-to-equity ratio on stock returns has been conducted by [Handayani and Zulyanti \(2018\)](#). [Nurazizah, Hermuningsih and Maulida \(2022\)](#) found that DER had a significant adverse effect on stock returns. This contrasts with research by [Samalam, Mangantar and Saerang \(2018\)](#), which showed that ROA and DER had no significant effect on stock returns. [Kurniawan and Supriati \(2025\)](#) research showed that DER had a negative but significant effect on stock returns. [Kusuma and Sari \(2025\)](#) stated that leverage had no significant effect on stock returns. Several previous studies have shown a research gap regarding the leverage ratio on stock returns. The phenomenon in the leverage ratio, especially in the total money and equity indicators, thus affects the current stock price indicator and the previous period's stock price.

The Influence of Activity on Stock Returns. According to [Mayuni & Suarjaya \(2018\)](#), factors influencing stock returns include micro factors, which are internal company factors, including the activity ratio. In this study, the variable used, as stated above, is the activity ratio. Previous research conducted by [Nurazizah, Hermuningsih and Maulida \(2022\)](#) showed a positive and significant effect of TATO on stock returns. This contrasts with the research by [Kurniawan and Supriati \(2025\)](#), which found no significant effect of TATO on stock returns. [Kusuma and Sari \(2025\)](#) stated that activity had no significant effect on stock returns. Several previous studies have shown a research gap regarding the Activity Ratio to Stock Returns. The phenomenon observed in the activity ratio, particularly in sales and total assets, influences stock returns, both in current and prior stock prices.

3. Research Method

This research was conducted on companies in the Health and Care sub-sector listed on the Indonesia Stock Exchange. Data were obtained from the Investment Gallery of the Faculty of Economics and Business, Muhammadiyah University of Palembang, located on Jl. Jend A. Yani, 13 Ulu Village, Palembang City, South Sumatra, Indonesia, or can be accessed through the websites www.idx.co.id/, www.lembarsaham.com, and www.investing.com. In this study, the five variables examined were X1 (Liquidity), X2 (Profitability), X3 (Leverage), X4 (Activity), and Y (Stock Return) for companies in the Health and Care sub-sector listed on the Indonesia Stock Exchange. The stock return indicators were the current and previous periods' share prices. The liquidity indicators were current assets and current liabilities. The profitability indicators were profit before tax and total assets. The leverage indicators were total debt and equity. The activity indicators were sales and total assets. The population in this study was companies in the Health Care sector on the Indonesia Stock Exchange for the 2019-2023 period. The population in this study consisted of 16 Health Care sector stocks on the Indonesia Stock Exchange. In this study, the researcher used a purposive sampling technique, selecting companies listed in the health care sector that had complete financial report data and data related to the study's variables. Thus, 8 companies were obtained. The data collection method used in this study was documentation. Secondary data in the form of balance sheets and financial reports of pharmaceutical sub-sector companies, and financial research from trusted websites, namely www.idx.co.id/, www.lembarsaham.com, and www.investing.com. The data analysis method used in this study was multiple regression.

4. Findings and Discussions

This multiple linear regression analysis was used to determine the effect of liquidity, profitability, leverage, and activity on stock returns. The results of the multiple linear regression

analysis can be seen in the following table:

Table 1. Regression Result

Model		Unstandardized Coefficients		Standardized Coefficients
		B	Std. Error	Beta
1	(Constant)	-.171	.079	
	Liquidity	-.068	.021	-.514
	Profitability	2.950	.664	.746
	Leverage	-.016	.008	-.356
	Activity	.430	.112	.657

a. Dependent Variable: Stock Return

Based on the results of the multiple linear regression test, the multiple linear regression is as follows:

$$Y = -0.171 - 0.068 X_1 + 2.950 X_2 - 0.016 X_3$$

The constant is -0.171, indicating that if liquidity, profitability, leverage, and activity are all zero, the stock return remains -0.171. A negative constant value indicates that when there is no influence from all independent variables, the stock return is -0.171. Liquidity has a regression coefficient of -0.068. This indicates that each increase in liquidity will decrease stock returns by 0.068, assuming other variables remain constant. Profitability has a regression coefficient of 2.950. This indicates that each increase in profitability will increase stock returns by 2.950, assuming other variables remain constant. Leverage has a regression coefficient of -0.016. This indicates that each increase in leverage will decrease stock returns by 0.016, assuming other variables remain constant. Activity has a regression coefficient of 0.430. This indicates that each increase in activity will increase stock returns by 0.430, assuming other variables remain constant.

The F-test is used to determine whether liquidity, profitability, leverage, and activity variables simultaneously influence stock returns. The results are shown in the following table:

Table 2. F-test Result

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1.936	4	.484	12.060	.000 ^b
Residual	1.405	35	.040		
Total	3.340	39			

a. Dependent Variable: Stock Return

b. Predictors: (Constant), Liquidity, Profitability, Leverage, Activity

Determining F-table with a 95% confidence level and an error rate (α) of 5% = 0.05, with degrees of freedom (df) $V_1 = k - 1 = 5 - 1 = 4$ and $V_2 = 40 - 5 = 35$, so the F-table value = 2.64. It can be seen that the calculated F value (12.060) is greater than Ftable (2.64) with a Sig F level of $0.000 < 0.05$, so H_{a1} is accepted, indicating a significant influence of liquidity, profitability, leverage, and activity on stock returns in Health and Care Sub-Sector companies on the

Indonesia Stock Exchange.

The t-test aims to test the independent variable partially/individually against the dependent variable, with the following results:

Table 3. t-test Result

Model	t	Sig.
1 (Constant)	-2.167	.037
Liquidity	-3.276	.002
Profitability	4.443	.000
Leverage	-1.958	.058
Activity	3.840	.000

a. Dependent Variable: Stock Return

Determine the t-table with a 95% confidence level and a 5% error rate (α) of 0.05 and degrees of freedom (df) = n-k. Therefore, (df) = 0.05/2 (40-5) or (df) = 0.025 (35), so the t-table value is 2.03. The (partial) t-test, the following can be seen: (1) The calculated t-value for liquidity (X1) is $-3.276 > t\text{-table } -2.03$ with a significance level of $0.002 > 0.05$ (significant). Therefore, Ha2 is accepted, indicating a significant negative effect of liquidity on stock returns in companies in the Health Care sector on the Indonesia Stock Exchange. (2) The calculated t-value for profitability (X2) is $4.443 > t\text{-table } 2.03$ with a significance level of $0.000 < 0.05$ (significant), so Ha3 is accepted, meaning there is a significant effect of profitability on stock returns in Health Care Sector companies on the Indonesia Stock Exchange. (3) The calculated t-value for leverage (X3) is $-1.958 < t\text{-table } -2.03$ with a significance level of $0.058 > 0.05$ (not significant), so Ho4 is accepted, meaning there is a negative and insignificant effect of leverage on stock returns in Health Care Sector companies on the Indonesia Stock Exchange. (4) The calculated t-value for activity (X4) is $3.840 > t\text{-table } 2.03$ with a significance level of $0.000 < 0.05$ (significant), so Ho5 is accepted, meaning there is no significant effect of activity on stock returns in Health Care Sector companies on the Indonesia Stock Exchange.

The Effect of Liquidity, Profitability, Leverage, and Activity on Stock Returns in Healthcare Companies on the Indonesia Stock Exchange. Based on the calculation results, the calculated F value is $12.060 > F\text{ table } 2.64$ with a significance level of $0.000 < 0.05$. Therefore, Ha1 is accepted, indicating that liquidity, profitability, leverage, and activity significantly affect stock returns in Healthcare Companies on the Indonesia Stock Exchange. The results of this study align with the theory proposed by [Mayuni & Suarjaya \(2018\)](#), which states that factors influencing stock returns include liquidity, profitability, leverage, and activity. This research is also supported by previous research conducted by [Kusuma and Sari \(2025\)](#), which found that liquidity, leverage, activity, and profitability significantly influence stock returns. Based on the analysis, issues were identified in each company's stock returns—their returns from 2019 to 2023 fluctuated. The lowest stock return was -0.57 for PT Sejahteraraya Anugrahjaya TBK in 2019, while the highest was 1.83 for PT Prodia Widayahusada TBK in 2019.

The Effect of Liquidity on Stock Returns in Health Care Companies on the Indonesia Stock Exchange. Based on the calculation results, the calculated t-value for liquidity (X1) was -3.276, which is greater than the t-table value of -2.03 at the 0.05 significance level (significant). Therefore, Ha2 was accepted, indicating a significant negative effect of liquidity on stock returns in Health Care Companies on the Indonesia Stock Exchange. The results of this study align with the theory proposed by [Mayuni & Suarjaya \(2018\)](#), which states that liquidity is one

of the factors influencing stock returns. Liquidity reflects a company's ability to meet its short-term obligations. Excessively high liquidity levels can indicate suboptimal utilization of current assets for productive investments. However, excessively low liquidity also shows a risk of financial distress. The research findings show a significant negative correlation in the healthcare sector, indicating that liquidity has an insignificant negative relationship with stock returns. This means that the higher a company's liquidity, the lower its stock returns. This may occur because excessively high liquidity indicates a company with a large number of idle current assets, thus suboptimally generating returns for shareholders. For investors, liquidity may not be a primary factor, as this sector focuses on developing innovation and long-term profitability. Furthermore, investors are more interested in generating profits than in meeting short-term obligations. The liquidity value of each company. The development of liquidity values from 2019 to 2023 experienced varying fluctuations. The lowest liquidity value was recorded for PT Royal Prima TBK in 2019 at 0.39, while the highest was recorded in 2020 at 8.74. The researcher suggests that companies need to ensure a balanced level of liquidity, neither too high to reduce efficiency nor too low to threaten financial stability, by optimizing the use of current assets for productive investments.

The Effect of Profitability on Stock Returns in Healthcare Companies on the Indonesia Stock Exchange. Based on the calculation results, the calculated t for profitability (X_2) is 4.443, which is greater than the t table value at 2.03 with a significance level of $0.000 < 0.05$ (significant). Therefore, H_{a3} is accepted, indicating a significant effect of profitability on stock returns in Healthcare Companies on the Indonesia Stock Exchange. High profitability indicates operational efficiency and a company's success in generating profits. In the Healthcare sector, this is crucial because it reflects business sustainability amidst competition and strict regulations. The results of this study align with the theory proposed by [Mayuni & Suarjaya \(2018\)](#), which states that profitability is one of the factors influencing stock returns. These results are supported by research conducted by [Handayani and Zulyanti \(2018\)](#), [Nurazizah, Hermuningsih and Maulida \(2022\)](#), and [Kusuma and Sari \(2025\)](#), which found that profitability significantly influences stock returns. In contrast to research by [Samalam, Mangantar and Saerang \(2018\)](#), which found that ROA had no significant effect on stock returns, this study differs from previous studies in terms of sample size and analytical techniques. The profitability values for each company fluctuated significantly from 2019 to 2023. The lowest profitability was recorded in PT Prodia Widyahusada TBK in 2020 at -0.08, while the highest was recorded in 2019 at 0.23. The researchers recommend that companies continue to increase profitability through innovation, operational efficiency, and cost management, and that they provide transparent financial information to investors to boost market confidence.

The Effect of Leverage on Stock Returns in Healthcare Companies on the Indonesia Stock Exchange. Based on the calculation results, the calculated t -value for leverage (X_3) is $-1.958 < t\text{-table } -2.03$ with a significance level of $0.058 > 0.05$ (not significant). Therefore, H_{o4} is accepted, indicating a negative and insignificant effect of leverage on stock returns in Healthcare Companies on the Indonesia Stock Exchange. These research results align with the theory proposed by [Mayuni & Suarjaya \(2018\)](#), which states that leverage is one of the factors influencing stock returns. Leverage indicates the extent to which a company uses debt in its capital structure. Moderate debt use can increase company value, but excessive debt increases financial risk. The research results show a negative, insignificant effect in the Healthcare sector because higher leverage tends to decrease stock returns. This negative impact suggests that investors may avoid companies with high leverage, as this sector requires significant investment

in innovation and strict regulations. Furthermore, the risks associated with high debt are not aligned with investors' preferences, which prioritize stability. The amount of leverage for each company. The development of leverage values between 2019 and 2023 fluctuated. The lowest leverage was recorded in PT Sejahterajaya Anugrahjaya TBK in 2019 at 0.05, while the highest was recorded in PT Medikaloka Hermina TBK in 2019 at 38.17. The researchers recommend that companies maintain a healthy debt ratio and minimize the risk of default, and increase internal funding sources, such as retained earnings, to reduce reliance on debt.

The Effect of Activity on Stock Returns in Health Care Companies on the Indonesia Stock Exchange. Based on the calculation results, the calculated t-value for activity (X4) is $3.840 > t\text{-table } 2.03$ with a significance level of $0.000 < 0.05$ (significant). Therefore, H_{a5} is accepted, indicating a substantial effect of activity on stock returns in Health Care Companies on the Indonesia Stock Exchange. The results of this study align with the theory proposed by [Mayuni & Suarjaya \(2018\)](#), which states that one factor influencing stock returns is activity. Previous research conducted by [Nurazizah, Hermuningsih and Maulida \(2022\)](#) showed that TATO (Tato) has a positive and significant effect on stock returns. This contrasts with Indiyani et al. (2020), who found that TATO had no significant effect on stock returns. [Kusuma and Sari \(2025\)](#) stated that activity had no significant effect on stock returns. Activity reflects a company's efficiency in using its assets to generate revenue. High efficiency should positively impact company performance and attract investor interest. The activity value for each company fluctuates significantly from 2019 to 2023. The lowest activity value was recorded for PT Royal Prima TBK in 2023 (0.19), whereas the highest was recorded for PT Medikaloka Hermina TBK in 2019 (2.24). The researchers recommend that companies improve operational efficiency to support profitability and identify underproduction

5. Conclusion

Liquidity, profitability, leverage, and activity have a significant positive effect on stock returns in the Health Care Sector on the Indonesia Stock Exchange. Companies need to ensure a balanced level of liquidity, neither too high to reduce efficiency nor too low to threaten financial stability, by optimizing the use of current assets for productive investments. Companies must continue to increase profitability through innovation, operational efficiency, and cost management, while also providing transparent financial information to investors to boost market confidence. Companies need to maintain a healthy debt ratio and minimize the risk of default, as well as increase internal funding sources, such as retained earnings, to reduce reliance on debt. Companies need to improve operational efficiency to support profitability, identify less productive assets, and maximize their revenue contribution.

References

- Handayani, R., & Zulyanti, N. R. (2018). Pengaruh Earning Per Share (Eps), Debt To Equity Ratio, (Der), Dan Return on Assets (Roa) Terhadap Return Saham Pada Perusahaan Manufaktur Yang Terdaftar Di Bei. *JPIM (Jurnal Penelitian Ilmu Manajemen)*, 3(1), 615-620. DOI: <https://scholar.archive.org/work/b36y7x2jgfdkjh6vtrtew3wx4/access/wayback/http://jurnalekonomi.unisla.ac.id/index.php/jpim/article/download/143/141>
- Jogiyanto, H. (2010). Teori portofolio dan analisis investasi. *Edisi Ketujuh. BPFE. Yogyakarta*, 579-591. https://books.google.com/books/about/PORTOFOLIO_DAN_ANALISIS_INVESTASI.html?hl=id&id=s7mBEAAAQBAJ

- Kasmir (2015) *Analisis Laporan Keuangan*. Jakarta: Rajagrafindo Persada.
<https://www.rajagrafindo.co.id/produk/analisis-laporan-keuangan/>
- Kurniawan, A., & Supriati, D. (2025). The effect of DER, EPS, ROE and inflation on stock returns in the construction, property and real estate companies. *Asian Journal of Corporate Governance and Financial Performance*, 1(1), 37-48. DOI: <https://journal.steipress.org/index.php/acgfp/article/view/64>
- Kusuma, A. G., & Sari, D. (2025). The Influence of Profitability, Leverage, Liquidity, and ESG Scores on Firm Value of Lq45 Low Carbon Leaders Index Listed Companies for the Period 2021–2024. *Journal Research of Social Science, Economics, and Management*, 5(1), 2526-2543. DOI: <https://doi.org/10.59141/jrssem.v5i1.933>
- Mayuni, I. A. I., & Suarjaya, G. (2018). *Pengaruh ROA, FIRM SIZE, EPS, dan PER terhadap return saham pada sektor Manufaktur di BEI* (Doctoral dissertation, Udayana University).
[http://download.garuda.kemdikbud.go.id/article.php?article=1370117&val=989&title=PE NGARUH%20ROA%20FIRM%20SIZE%20EPS%20DAN%20PER%20TERHADAP%20RETURN%20SAHAM%20PADA%20SEKTOR%20MANUFAKTUR%20DI%20BEI](http://download.garuda.kemdikbud.go.id/article.php?article=1370117&val=989&title=PE%20NGARUH%20ROA%20FIRM%20SIZE%20EPS%20DAN%20PER%20TERHADAP%20RETURN%20SAHAM%20PADA%20SEKTOR%20MANUFAKTUR%20DI%20BEI)
- Nurazizah, D. R., Hermuningsih, S., & Maulida, A. (2022). Pengaruh profitabilitas, likuiditas, dan solvabilitas terhadap return saham pada perusahaan perbankan yang terdaftar di bursa efek Indonesia. *Kinerja*, 19(2), 327-337.
<https://scholar.archive.org/work/j2mbhtuoubevxoi3vhsqkg2h5a/access/wayback/https://jurnal.feb.unmul.ac.id/index.php/KINERJA/article/download/10960/2001>
- Priyoto, B., Wibowo, A.S., & Diarsyad, M.I. (2018). Pengaruh Current Ratio, Debt to Equity Ratio, Return on Equity Terhadap Return Saham Pada Perusahaan Consumer Goods di Bursa Efek Indonesia. DOI: <https://doi.org/10.13140/RG.2.2.23901.87529>
- Rengganis, O., Valianti, R. M., & Oktariansyah, O. (2020). Analisis Kinerja Keuangan Pada PT. Bank Pembangunan Daerah Sumatera Selatan dan Bangka Belitung. *Jurnal Media Akuntansi (Mediasi)*, 2(2), 111-135. DOI: <https://doi.org/10.31851/jmediasi.v2i2.4942>
- Samalam, F. N. A., Mangantar, M., & Saerang, I. S. (2018). Pengaruh Return on Asset, Return on Equity Dan Debt To Equity Ratio terhadap return saham pada perusahaan asuransi di BEI periode 2012-2016. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 6(4). DOI: <https://doi.org/10.35794/emba.6.4.2018.21912>
- Siswanto, S., Asriati, N., & Mardaniah, M. (2024). Evaluasi Sistem Manajemen Keuangan Sekolah Menengah Pertama (SMP): Dampak terhadap Kualitas Pendidikan. *Jurnal Pendidikan Dan Pembelajaran Indonesia (JPPI)*, 4(4), 1756-1764. DOI: <https://doi.org/10.53299/jppi.v4i4.771>

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>)



