



THE EFFECT OF RETURN ON ASSETS (ROA) AND DEBT TO EQUITY RATIO (DER) ON THE SHARE PRICE OF PT TELKOM INDONESIA (PERSERO) TBK. PERIOD 2015-2024

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Abstract. This study aims to find out and analyze the Return on Assets (ROA) and Debt to Equity Ratio (DER) in the share price of PT Telkom Indonesia (Persero) Tbk for the 2015–2024 period. The method used is a quantitative approach with secondary data in the form of the company's annual financial statements processed using multiple linear regression analysis. The results showed that ROA and DER simultaneously affected stock prices, although the contribution was relatively small at 0.6%, while 99.4% was influenced by other factors outside the research model. In part, neither ROA nor DER has a significant influence on the stock price because their significance value is greater than 0.05. During the research period, PT Telkom's ROA fluctuated, reaching a high point in 2017 and a low in 2022, while DER showed an upward trend, reaching its peak in 2024. Stock prices also show a trend of fluctuations, with values high in 2017 and lows in 2024. These findings show that fundamental factors, such as profitability and capital structure, are not always the main determinants of Telkom's share price movements. Therefore, investors should also consider external factors and macroeconomic conditions before making investment decisions.

Keywords: return on equity (roa); debt to equity ratio (der); stock price.

1. Introduction

One of the important ways to encourage the economic growth of a country is the capital market. The capital market allows companies to get funds from the public to expand, and investors get investment options in the hope of earning returns. Stock prices are an important tool for measuring the success of investments in the capital market, as they reflect the value of a company based on market expectations of the company's financial performance and prospects.

Investors and analysts often use a company's financial performance primarily through profitability indicators such as ROA and capital structure indicators such as DER to assess the value of a company's shares at the global and national levels. PT Telkom Indonesia Tbk (TLKM) continues to be a pillar of digital and telecommunications infrastructure in Indonesia, despite the pressures of digital transformation and macroeconomic stability. According to data for the first quarter of 2025, Telkom has a DER (liability-to-equity) ratio of 0.44–0.5 and ROA of around 8 percent. This value indicates that leverage and profitability are relatively stable. In the midst of capital market changes such as the decline in the JCI and the pressure of the rupiah, understanding how fundamental indicators affect stock prices is very important.

In the midst of changing economic conditions and fierce industry competition, PT Telkom Indonesia faces challenges in maintaining investor confidence. Although ROAs and DERs theoretically influence market perceptions of profitability and risk, stock price movements do not necessarily directly indicate these important metrics. For example, Telkom's share price had fallen from around IDR 3,950 (2023) to around IDR 2,710 at

the end of 2024 SEC+1, although ROA remained stable above the industry average (around 8 percent compared to the industry median of 2.5%). The main issue that needs further research is the difference that exists between the performance of the fundamental and the response of the market.

Stock prices are influenced by a number of variables, including those originating within the company, such as the company's financial performance, and macroeconomic conditions. Financial ratios are often used in fundamental analysis to evaluate business conditions and project stock price movements. Return on Assets (ROA) and Debt to Equity Ratio (DER) are two of the most commonly used ratios. ROA indicates a company's ability to generate profits from all assets it owns, whereas DER indicates the proportion between debt and equity.

The influence of ROA and DER on Telkom's share price appears to be inconsistent, according to various research results. Different times and approaches produce different results. This shows the need for more sophisticated research. It may incorporate the latest financial data (up to 2025) and take into account the latest market conditions and moderation. Consistent quantitative methods and more in-depth time analysis, such as quarterly, can help uncover unexplored dynamics.

The results of various studies show that the findings related to the influence of ROA and DER on Telkom's share price are inconsistent. Different times and approaches produce different results. This shows the need for more sophisticated research. It may incorporate the latest financial data (up to 2025) and take into account the latest market conditions and moderation. Unexplored dynamics can be found through consistent quantitative approaches and more in-depth time analysis.

The capital market is one of the important instruments in the modern financial system because it is a means that brings together those who have excess funds with those who need funds. Through the trading of long-term securities, such as stocks and bonds, the capital market allows for an efficient process of financial intermediation. According to Tandelilin (2017:25), the capital market is a meeting between parties who have excess funds and those who need funds by trading securities. This definition shows that the capital market not only functions as a place to buy and sell financial instruments, but also as a mechanism that supports the circulation of funds in the economy.

The same thing was expressed by Martalena (2011:3), who stated that the capital market plays an important role in increasing the equity, growth, and economic stability of a country. In other words, the existence of the capital market makes a real contribution to economic development because it can channel public funds for productive activities, thereby encouraging sustainable growth.

The concept of stocks in the investment world has a fundamental meaning for capital market players. Sapto (2006:31) explained that stocks are securities instruments that function as concrete evidence of a person's ownership of a company. This view is reinforced by Fahmi (2012:81), who emphasizes that stocks have become the main investment choice among investors because of their potential profits that promise optimal returns.

In practice, stocks can be understood as a representation of capital participation invested by individuals or institutions into a business entity. This share ownership gives shareholders the privilege to obtain a share of the company's profits through dividends, as well as the opportunity to achieve capital gains from stock price appreciation in the secondary market.

Stock prices are a reflection of the value of companies traded on the capital market. Sartono (2011:192) explained that the formation of stock prices occurs through the dynamics of demand and supply on the stock exchange, where investors with various motivations and expectations meet to make transactions. This concept is strengthened by Jogiyanto (2013:157), who defines stock prices as value agreements reached by market participants at a certain time in trading activities.

Return on Assets (ROA) is a fundamental profitability metric that measures a company's effectiveness in converting its assets into profits. Husnan (2005) characterized ROA as a barometer of management efficiency in optimizing the utilization of all company assets to produce maximum returns for stakeholders.

Kasmir (2018) provides an operational perspective by explaining that ROA is calculated through a comparison between net profit and total assets, where a higher ROA value indicates the company's superior effectiveness in transforming assets into profitability. This concept becomes very relevant in the context of strategic management because it reflects the company's ability to allocate resources optimally.

Debt to Equity Ratio (DER) is a fundamental leverage ratio that analyzes the composition of a company's capital structure through a comparison between total liabilities and its own capital. Fahmi (2015:128) defines DER as an instrument for measuring the capital structure that functions as an indicator of the level of guarantee and security available to creditors in the context of providing credit or financing.

This ratio has strategic significance in evaluating a company's financial risk profile, as it reflects how much the company relies on external financing compared to internal capital. The optimal DER level indicates a balance between leverage benefits and acceptable financial risk.

Effendi (2022) found that ROA and DER had a significant positive effect on the share price of PT Telkom Indonesia Tbk for the 2011–2020 period. On the other hand, Halimah and Nurmasari (2024) stated that ROA does not have a significant effect, while DER has a significant effect on the share price of PT Telkom Indonesia Tbk for the 2011–2023 period.

In the telecommunications sector, Pauranan, Kambey, and Miran (2023) found that ROA had a significant negative effect, while DER had a significant positive effect on stock prices. Different results were found by Budastra (2023), who stated that DER has a negative effect on stock prices, while ROA is insignificant.

ROA as a Positive Signal of Profitability. ROA describes the efficiency of a company in generating profits from the assets it owns. A high ROA value gives a positive signal to investors that the company has good profitability, thus potentially boosting investor confidence and causing an increase in stock prices. The study by Zuhriatul Ummah et al (2023) and Hasan & Rizaldi (2023) confirmed the positive influence of ROA on stock prices during its research period.

Referring to signal theory, the framework of this study aims to explain how two variables, ROA and DER, can affect investor perception, which is ultimately reflected in the stock price movement of PT Telkom Indonesia (Persero) Tbk. In simple terms, the relationship between these variables can be explained as follows:

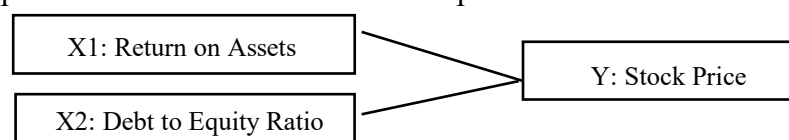


Figure 1. Frame of Mind

2. Research Methods

The objects of this research are Return on Asset, Debt to Equity Ratio and Stock Price. With the scope of the research on the Effect of Return on Equity and Debt to Equity Ratio on Stock Prices in PT Telkom Indonesia (Persero) Tbk. This research uses a descriptive method. The data analysis techniques used in this study are as follows:

1. Classic Assumption Test
2. Analysis of the Multiple Linear Regression
3. Coefficient of Determination
4. Hypothesis Test

3. Results And Discussion

Table 1. Return on Assets and Debt to Equity Ratio to Share Price of PT Telkom Indonesia (Persero) Tbk for the 2014-2024 Period

Year	Return of Assets %	Debt to Equity Ratio %	Stock Price Rp
2015	14.0	0.37	3105
2016	16.2	0.30	3980
2017	16.5	0.32	4440
2018	13.1	0.38	3750
2019	12.5	0.44	3970
2020	12.0	0.5	3310
2021	12.2	0.5	4040
2022	10.1	0.4	3750
2023	11.2	0.4	3950
2024	10.3	0.5	2710

Source: data processed by researchers, 2025

Based on Table 1. Return on Assets (ROA) is used to measure a company's ability to generate net profit from total assets under management. The higher the value of the ROA, the more efficient the company will be in utilizing assets to create profits, which in turn can increase the attractiveness of the stock in the eyes of investors.

During the 2015–2019 period, Telkom's ROA tended to be stable with an increasing trend. This shows solid operational performance and asset use efficiency, thus supporting the market's positive perception of the company's fundamentals.

However, in 2020–2021, ROA experienced a significant decline due to the impact of the COVID-19 pandemic, which suppressed revenue and net profit, while assets did not experience major changes. This pressure on profitability has an impact on declining investor confidence, which is reflected in the volatility of stock prices in the period.

From 2022 to 2024, ROA began to recover in line with the national economic recovery and the acceleration of Telkom's digital transformation, including the expansion of data, cloud, and network infrastructure. Although it has not fully returned to pre-pandemic levels, the increase in ROA in this period gives a positive signal to the company's prospects, thus encouraging the recovery of the stock price.

In general, Telkom's ROA is in a fairly healthy condition in the long term. Companies still need to optimize assets and increase productivity so that profitability returns to maximum. In the context of research, the dynamics of ROA that occurred throughout 2015–2024 are one of the important variables that affect stock prices, along

with other factors such as the Debt to Equity Ratio (DER). Consistent and improved ROA performance will strengthen the company's fundamentals, which are usually appreciated by investors through rising stock prices.

Debt to Equity Ratio (DER) measures the extent to which a company uses debt-based funding compared to its own capital. A lower ratio indicates a company relies more on equity, while a high ratio indicates a greater level of leverage. For investors, the DER is important because it reflects the level of financial risk that can affect the stability of the company and, ultimately, the stock price.

In 2015–2017, Telkom's DER was at a low to moderate level. This condition reflects a relatively conservative financial policy, where companies prefer funding from equity or retained earnings to support operational activities and investments.

Entering the 2018–2020 period, DER increased significantly. This increase is likely related to financing strategic infrastructure projects, such as fiber optic network expansion, data center development, satellite launches, and acquisitions that support the company's digital transformation. The surge in DER shows that Telkom chooses to utilize external financing sources to expand its business scale. However, the increase in leverage needs to be balanced with adequate operating cash flow capabilities so that interest and principal debt payment obligations remain under control.

In 2021–2024, DER shows a gradual downward trend. This can be caused by debt restructuring, increasing capital through retained earnings, and more selective control of capital expenditure. This improvement in capital structure reflects proactive management steps in strengthening the balance sheet, while increasing financing capacity in the future. The decline in DER also improves the perception of risk in the eyes of investors, which usually has a positive impact on stock valuations.

Overall, Telkom's leverage during 2015-2024 is relatively under control. The company managed to maintain a balance between the use of debt and equity, especially after an aggressive expansion phase. The post-2021 DER improvement strategy strengthens the financial position and lowers the risk of default, thereby boosting market confidence. In the context of this study, DER fluctuations are an important variable that has the potential to affect Telkom's share price, along with Return on Assets (ROA) as an indicator of profitability.

The increase in DER in the expansion phase is reasonable as long as operating cash flow is stable enough to meet debt repayment obligations. However, risks can arise if revenue growth or EBITDA is not as expected, which can trigger liquidity pressures and negatively impact net profit and ROA.

In contrast, the decline in DER after 2021 reflects management actively strengthening its capital structure. This move is usually appreciated by investors because it reduces financial risk, lowers capital costs, and provides more room to finance growth sustainably. Therefore, a consistent downward trend of DER is often associated with positive market perception and the potential for stock price increases.

Stock prices reflect the market's perception of a company's future value and prospects. Its fluctuations are influenced by fundamental performance, financing strategies, and external dynamics. At PT Telkom Indonesia, price movements throughout 2015–2024 show a close interaction between internal and external factors such as economic conditions and the dynamics of the telecommunications industry.

During 2015–2017, the share price increased consistently, in line with stable earnings and ROA growth. Market sentiment in this period is positive because Telkom is considered to be able to manage assets efficiently and maintain a healthy capital structure.

However, in 2018–2019, stock prices moved stagnantly and even weakened slightly. This is in line with the increase in DER due to funding of large-scale infrastructure projects, which raises market concerns about leverage risks and profit margin pressures. A sharp correction occurred in 2020 as a result of the COVID-19 pandemic and global uncertainty. Investors revised their expectations for Telkom's profit growth and cash flow stability

In 2021–2023, stock prices gradually recovered, driven by economic recovery, growth in broadband services, data centers, and digital solutions, as well as improvements in financial indicators: ROA began to strengthen, while DER gradually declined.

However, in 2024 there will be a significant decline in stock prices even though financial performance does not show a comparable decline. This high volatility and downward trend create new uncertainty regarding how the market assesses the sustainability of Telkom's digital transformation, the effectiveness of leverage management, and the consistency of profitability. This phenomenon shows that there is a gap between market expectations and fundamental performance, so it requires an in-depth analysis of the factors that affect stock prices, especially ROA and DER.

3.1 Model Testing

Before the regression analysis is carried out, a linearity test is carried out, namely a test of data normality, and is free from classical assumptions, which include multicollinearity, autocorrelation, and heteroskedasticity. Multiple linear regression models can be called a good model if the model meets the assumption of data normality and is free from classical assumptions such as multicollinearity, autocorrelation, and heteroscedasticity.

3.1.1 Normality Test

The Normality Test aims to test whether the model in the regression of bound variables and independent variables are normally distributed or not. The data normality test can be performed using the one-way Kolmogorov-Smirnov test. If the significance figure shown in the table is smaller than alpha 5%, then it can be said that the data does not meet the assumption of normality, while if the significance figure in the table is greater than alpha 5%, then the data already meets the assumption of normality.

Using SPSS version 26, the calculation results obtained from the normality test value with the one-way Kolmogorov-Smirnov test the result was obtained that the Sig. (2-tailed) value was $0.903 > 0.05$. This means that the standardized residual value is declared to be normally.

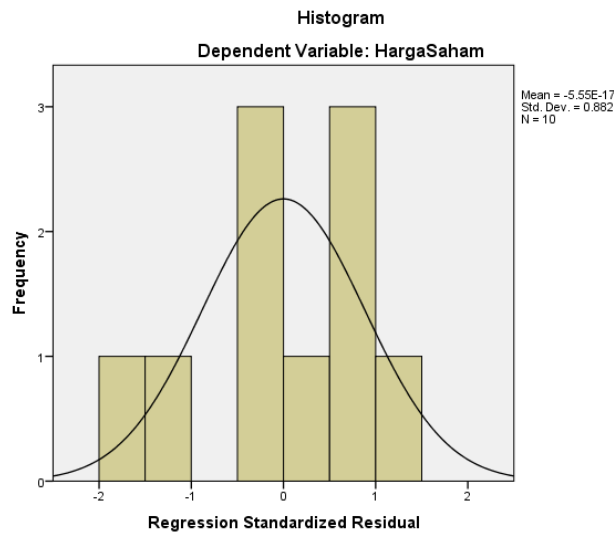


Figure 2. Histogram Diagram Normality

Based on the histogram diagram, the diagram illustrates that the model is normally distributed because the curve is bell-shaped so that it is normally distributed.

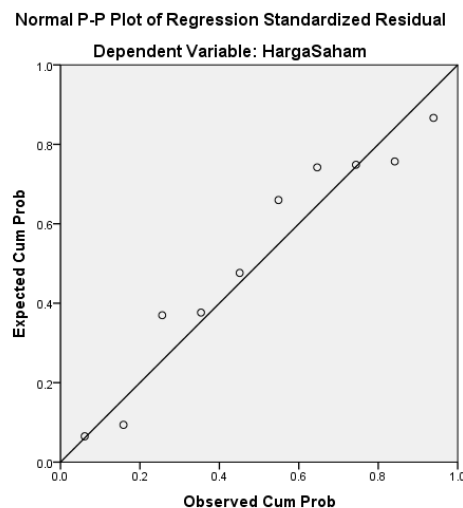


Figure 3. Normal PP Plots

Based on the normality test using the P–P Plot graph, the residual regression model is normally distributed. The points (residual data) on the graph appear to be spread around the diagonal line (line of equality) and follow the direction of the line. There are no extreme deviations or patterns that systematically deviate from the diagonal line. Small deviations at the beginning and end of the curve are still reasonable due to the limited number of samples, but overall the residual distribution is sufficient to follow the normal distribution. Thus, the assumption of normality in the regression model has been met, so that the regression analysis can be continued.

Table 2. Test the normality of data with the One-Sample Kolmogorov-Smirnov Test

Kolmogorov-Smirnov Test One Sample

		Non-Standard Residue
N		10
Parameter Normala, b	Mean	0E-7
	Deviation hours	438.21803054
The Most Extreme Differences	Absolute	.180
	Positive	.132
	Negative	-.180
Kolmogorov-Smirnov Z		.568
Assima. Tn. (2 Oak)		.903

The value of the normality test with the one-way Kolmogorov-Smirnov test was obtained, with the result that the value of Sig. (2-tailed) was $0.903 > 0.05$. This means that the standardized residual value is declared to be normally distributed.

3.1.2 Multicollinearity Test

The multicollinearity test is used to test whether there is a high or perfect correlation between independent variables in the regression. The basis for decision-making on the results of this multicollinearity test is to have a tolerance value greater than 0.10 and a VIF value of less than 10.

Table 3. Multicollinearity Test

Coefficients

		Non-Standard Coefficients		Standard Coefficients	t	Itself.	Statistics Colinearitas
		B	Std. Error				Tolerance
1	(Constant)	3663.553	2645.032		1.385	.209	
	LENGTH	65.089	112.051	.280	.581	.580	.447
	THE	-1938.801	3388.137	-.276	-.572	.585	.447

The results of the multicollinearity test showed a Tolerance value for the ROA and DER variables of 0.447 (> 0.10) with a VIF value of around 2.24 (< 10). The value signifies that there is no strong linear relationship between independent variables. This means that this regression model is free from the problem of multicollinearity, so that each independent variable can explain the dependent variable uniquely.

3.1.3 Heteroscedasticity Test

The heteroskedasticity test was used to test whether in the regression model there was a variable variance from the residual of one regression observation to the variance difference from the residual of one observation to another.

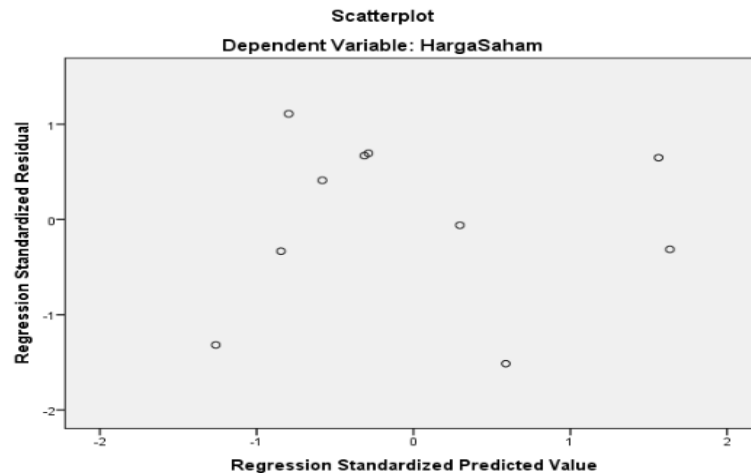


Figure 4. Heteroscedasticity Test

Based on the scatterplot between the predicted value and the residual shows points that are scattered randomly, not forming a specific pattern such as fans or waves. The random pattern indicates that the residual variant is constant (homoscedasticity). Thus, the regression model does not experience heteroscedasticity problems.

3.1.4 Autocorrelation Test

The autocorrelation test is used to test whether there is a correlation between period t and the previous period ($t-1$) in a linear regression model. The following are the results of the Run test:

Table 4. Runs Test

Test Run

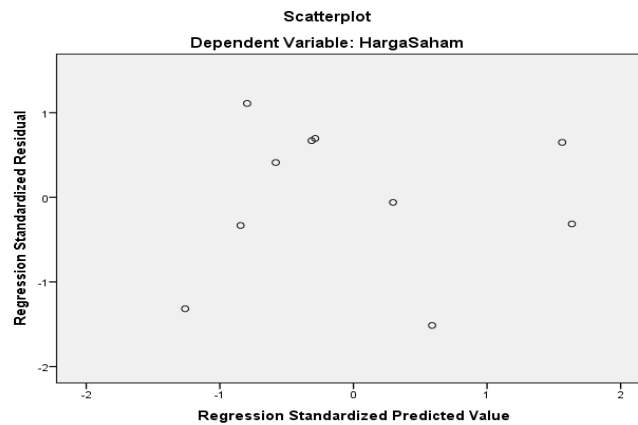
	Non-Standard Residue
Test Scores	87.54326
Test Value < Case	5
Case $\geq$ Test Value	5
Total Cases	10
Number of Runs	7
With	.335
Assima. Tn. (2 Oak)	.737

Autocorrelation testing with Runs Test results in Asymp values. Sig (2-tailed) is 0.737, greater than 0.05. This means that the residual has no interperiod correlation (there

is no autocorrelation). The residual independence assumption in the regression model is met.

3.1.5 Linearity Test

Figure 5. Linearity Test



Based on the scatterplot image, it shows that the assumption of linearity in regression analysis is fulfilled. The model used has been appropriate because the relationship between independent variables and dependent variables tends to be straight/proportional, and there is no indication of significant deviations.

3.1.6 Model Feasibility Test

The model feasibility test (F test) is used to test the influence of independent variables on the dependent variables as a whole or simultaneously. This test is carried out by comparing the calculated F value with the F value in the table. If the value of F is greater than the value of F of the table with a significance of < 0.05 , then the alternative hypothesis is accepted. This states that the independent variables together affect the dependent variables. (Ghozali, 2018). The following are the results of the simultaneous test:

Table 5. Statistical F Test

ANOVA						
Pattern		Number of boxes	Df	Square Average	F	Alone.
1	Back	639907,119	2	319953,560	1,296	.332b
	Remnant	1728315,381	7	246902,197		
	Entire	2368222,500	9			

a. Dependent Variable: STOCKS

b. Predictor: (Konstanta), DER, ROA

Based on the table, the results show a significance value of 0.332 using a significance limit of 0.05. With a significance value of $0.332 > 0.05$, it can be concluded that the variables ROA and DER do not simultaneously or together influence the stock price.

3.1.7 Multiple Linear Regression Analysis

Multiple linear regression analysis is the relationship between two or more independent variables (X1, X2) and dependent variables (Y). This analysis is to find out the relationship between independent variables and dependent variables, whether each independent variable is positively or negatively related, and to predict the value of the dependent variable, if the value of the independent variable increases or decreases. The data used is usually on an interval or ratio scale.

Based on the results of data processing using SPSS 26, the following regression equations were obtained:

Table 6. Multiple Linear Regression

Coefficients						
		Non-Standard Coefficients		Standard Coefficients	t	Itself.
Pola		B	Std. Error	Beta		
1	(Konstan)	3663,553	2645,032		1,385	0,209
	LENGTH	65,089	112,051	0,280	0,581	0,580
	THE	-1938,801	3388,137	-0,276	-0,572	0,585

a. Dependent Variable: STOCKS

$$Y = 3663,553 + 65,089 X_1 - 1938,801 X_2 + E$$

The interpretation of the multiple regression equation is:

1. The value of 3663.553 is constant, indicating that the stock market price of 3663.553 occurs when the *Return on Asset* (X1) and *Debt to Equity Ratio* (X2) are equal to zero.
2. The value of the regression coefficient X1 for the *Return on Assets* (ROA) variable of 65.089 indicates that every time there is an increase in *the value of the Return on Assets* (ROA) by one score, it will increase the stock price by 65.089.
3. The value of the regression coefficient X2 for the *Debt to Equity Ratio* (DER) variable of -1938.801 with a negative relationship direction indicates that if the *Debt to Equity Ratio* increases by 1%, then the stock market price decreases by Rp. 1938.801 assuming or assuming *that the Return on Assets* (ROA) is fixed. And conversely, for every decrease in the *Debt to Equity Ratio* by 1%, the stock market price will increase by Rp. 1938,801 assuming or assuming *a fixed Return on Assets* (ROA).

3.1.8 Coefficient of Determination

The determination coefficient is used to measure how far the model is able to explain the variation of dependent variables using the adjusted R-square value, as can be seen in the following table:

Table 7. Coefficient of Determination

Model Summary				
Pola	R	R Square	Customized R Box	Std. Estimation Error
1	.520a	0,270	0,062	496,893

a. Predictor: (Konstanta), DER, ROA

From the SPSS output display, the size of the summary model (Adjusted R2) is 0.062 or 0.6%. This shows that the presentation of the contribution of the influence of independent variables on the dependent variables of 0.6% or the variation of independent variables used in the model is able to explain the 0.6% variation of the dependent variables, while the remaining 99.4% is influenced or explained by other variables that were not studied by the authors.

So, the magnitude of the simultaneous influence of ROA and DER on the share price of 0.6% while the remaining 99.4% is the influence of other factors on PT Telkom Indonesia (Persero) Tbk.

3.1.9 Hypothesis Test

Hypothesis testing using the t-test to determine whether there is an influence of each independent variable on the dependent variable partially. The test is carried out by looking at the significance level (p-value). If the significance level resulting from the calculation is below 0.05, then the hypothesis is accepted. Conversely, if the significance level is greater than 0.05, then the hypothesis is rejected.

Table 8. T-Test

Coefficients

		Non-Standard Coefficients		Standard Coefficients	t	Alone.
Pola		B	Std. Error	Beta		
1	(Constant)	3663,553	2645,032		1,385	0,209
	LENGTH	65,089	112,051	0,280	0,581	0,580
	YES	-1938,801	3388,137	-0,276	-0,572	0,585

a. Dependent Variable: STOCKS

3.1.10 The Effect of Return on Assets (ROA) on the Share Price of PT Telkom Indonesia (Persero) Tbk

Testing the effect of Return On Asset (ROA) on stock prices, with a significance of 0.580. Using a significance limit of 0.05, a significance value of $0.580 > 0.05$, which means that partially the ROA variable does not have a significant effect on the share price of PT Telkom Indonesia (Persero) Tbk. This is in line with research conducted by Halimah and Nurmasari (2024) and Budastra (2023), which states that Return on Assets (ROA) does not have a significant effect on stock prices.

3.1.11 The Effect of Debt to Equity Ratio (DER) on the Share Price of PT Telkom Indonesia (Persero) Tbk

Testing the effect of Debt to Equity Ratio (DER) on stock prices with a significance of 0.585. Using a significance limit of 0.05, the significance value of $0.585 > 0.05$ which means that partially the DER variable does not have a significant effect on the share price of PT Telkom Indonesia (Persero) Tbk. This is in line with research conducted by Gea and Permada (2024), Astuti and Setiawati (2024), and Saputra (2020), which states that Debt to Equity Ratio (DER) does not have a significant influence on stock prices.

4. Conclusion

1. PT Telkom's Return on Assets (ROA) shows a trend that fluctuates according to economic conditions and industry dynamics. ROA increased before the pandemic, declined sharply in 2020–2021, and then began to recover in 2022. This ROA movement illustrates a change in the company's ability to generate profit from its total assets.
2. Debt to Equity Ratio (DER) increased in 2018–2020 in line with Telkom's infrastructure expansion and digital transformation funding. After 2021, DER declined again, reflecting improved capital structure and healthier leverage management.
3. PT Telkom's share price is not always in line with the development of ROA and DER. Although the fundamental performance is relatively stable, the stock price continues to experience significant fluctuations, especially the decline in 2020 due to the pandemic and in 2024 due to external pressures and market sentiment.
4. Partially, ROA and DER have no significant effect on PT Telkom Indonesia's share price. This shows that profitability indicators and capital structure are not the main factors determining the market reaction during the study period.
5. Simultaneously, ROA and DER have also been shown not to significantly affect stock prices. This reinforces the gap between the company's fundamental performance and market perception, as outlined in the background of the research.
6. The contribution of ROA and DER to stock price changes is very small, at only 0.6% (Adjusted $R^2 = 0.062$). This means that 99.4% of stock price movements are influenced by other factors, especially macroeconomic conditions, government policies, telecommunications industry dynamics, and market sentiment and expectations, as well as the main issues that were also raised in the introduction.

5. Sugesstion

1. For the Management of PT Telkom Indonesia (Persero) Tbk, the company needs to maintain the effectiveness of asset use so that ROA can increase consistently and continue to manage a healthy capital structure so that DER remains at an optimal level. Although ROAs and DERs have not been shown to have a significant effect on stock prices, strong fundamental performance remains essential to maintain investor confidence in the long term.
2. For investors, the results of this study show that ROA and DER cannot be used as the main indicators in predicting Telkom's share price movements. Investors are advised to consider other factors such as macroeconomic conditions, government policies, telecommunications industry developments, corporate digital transformation, and market sentiment before making investment decisions.

3. For the next researcher, it is recommended to add other variables that have the potential to be more relevant in influencing stock prices, such as EPS, PER, dividend payout, interest rate, inflation, exchange rates, as well as variables related to technology and industry competition. The use of quarterly data or more comprehensive analysis methods such as ECM, VAR, or panel regression can also provide more in-depth and accurate results.

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