

Original Article

The Influence of Financial Performance on Stock Prices in the Mining Sector Listed on the Indonesia Stock Exchange

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Abstract: *The purpose of this study is to assess the financial performance of mining companies, namely the risk of government policies related to policies issued and taxes, exploration uncertainty related to the discovery of reserves, the risk of technological constraints, limited funding, and the risk of price changes. These risks can affect business profits in terms of prices, costs, production, and taxes. The analysis method is carried out through explanatory research, with the help of IBM SPSS Statistics 24 software. The sample in this study uses a purposive sampling technique, namely sampling using certain criteria. The sample comprises 70 companies engaged in the mining sector and listed on the Indonesia Stock Exchange. The results of the study did not find the effect of the current ratio on stock prices. There was no effect of return on assets on stock prices. There was no effect of the debt-to-equity ratio on stock prices.*

Keywords: *Current Ratio, Return on Asset, Return on Equity, Debt to Equity Ratio, Stock Price.*

I. INTRODUCTION

The role of the capital market is very important for a country's economy, because it carries out two economic activities at once: first, it serves as a means for companies to obtain funds from investors. Funds obtained from investors are useful for expanding the company's business, increasing the company's working capital, and developing the company's business, among other uses. Secondly, the capital market is a means for investors to invest in financial instruments such as bonds and shares (Ruan et al., 2025). Investors can place their funds to obtain profits and risks from each financial instrument. On the Indonesia Stock Exchange, there are 9 (Nine) sectors, namely: (1) Agricultural Sector, (2) Mining Sector, (3) Basic Chemical Industry Sector, (4). Miscellaneous Industry Sector, (5). Consumer Goods Industry Sector, (6). Property, Real Estate and Building Construction Sector, (7). Infrastructure Sector, (8). Utilities and Transportation Sector, (9). Financial Sector, Trade, Services, and Investment Sector (Long & Guo, 2025).

Of the 9 (Nine) sectors in Indonesia, the mining industry is a part of the industrial sector that provides a large contribution to Indonesia, starting with increasing export revenue, regional development, increasing economic activity, creating jobs, and serving as a source of budget revenue for the central government and regional governments. The mining industry is one of the industries that has quite high competitiveness both at the national and international levels (Madjid & Akbar, 2023). The Central Statistics Agency (BPS) recorded an increase in Indonesia's economic growth in the first quarter of 2022 by 5.01 percent compared to the same quarter in 2025 of 4.92 percent, but this economic growth was not followed by the mining and quarrying industry, which recorded a decline in economic growth of 0.49 percent. G, Hasan et al. (2025). The decline in growth in the mining industry was due to a decline in growth in the coal, oil, and gas sectors to 2.8 percent compared to the same quarter last year of 5.18 percent. In addition to the decline in the coal and oil and gas sectors, the decline in economic growth in the oil and gas sector occurred due to a decline in production of up to 60 percent since January. In 2024, the mining industry recorded that the 40 largest global mining companies posted financial reports experiencing a net loss of US\$27 billion, and were followed by a 37 percent decline in market capitalization (Sari & Akbar, 2021).

The phenomenon in this study is the influence of investors on capital ownership through the purchase of shares in companies that carry risk. Although the expected return is a stock return, the amount investors receive from the rate of return and risk is not solely determined by buying and selling shares on the capital market, but can also occur through investment decisions regarding the type of investment chosen. In the last quarter of 2025, mining stock prices declined. This decline was triggered by a shift in funds into large-cap stocks by investors in the capital market, such as banking stocks and various industrial stocks. The mining industry is capital-intensive and high-risk. Carmin (2022) Risks faced by mining companies include government policy risks related to issued policies and taxes, exploration uncertainty related to the discovery of reserves, the risk of technological constraints, limited funding, and the risk of price fluctuations. These risks can impact business profits in terms of prices, costs, production, and taxes (Sand et al., 2018).



To assess the performance of a company, financial ratio analysis is necessary. Financial ratios are grouped into 5 (five) types of ratios, namely: (1) Liquidity Ratio, consisting of Current Ratio and Quick Ratio. (2) Activity Ratio consisting of the average age of receivables, inventory turnover, fixed asset turnover, and total asset turnover. (3) Solvency Ratio consisting of total debt to total assets, time interest earned, and fixed charge coverage. (4) Profitability Ratio consisting of profit margin, return on assets, and return on equity. (5) Market Ratio consisting of PER, dividend yield, and dividend payout ratio (Seretidou et al., 2025).

II. LITERATURE REVIEW

Financial statements are the final process of accounting, containing a summary of a company's finances for a specific accounting period, describing the company's financial position. According to Afriani et al. (2021), accounting can be defined as the art of recording, classifying, and summarizing financial events accurately, expressed in monetary terms, and interpreted in terms of their occurrence. According to the Indonesian Institute of Accountants (Ikatan Akuntan Indonesia, Purba et al., (2025), financial statements are part of the financial reporting process. The information presented in financial statements includes the income statement for a specific period, the statement of changes in the entity's financial position during the period, the statement of cash flows during the period, and notes to the financial statements (Eniola & Entebang, 2017; Rostami & Rezaei, 2022).

According to Indiantoro (2018), financial statements are prepared to summarize activities and the results of those activities for a specific period. The three most frequently reported financial statements are the balance sheet presented at the end of the period, the income statement presented during the period, and the cash flow statement. Meanwhile, according to Dashkevich et al. (2024), financial statements are two lists prepared by accountants at the end of a period for a company. These two lists are the balance sheet and the income statement. Financial statements are prepared with the aim of providing information related to the financial position, financial performance, and changes in financial position, useful for various parties who use the statements in decision-making (du Toit, 2024).

Massa et al. (2022). There are two types of balance sheet preparation. The first type is divided into two sections: the left side of the balance sheet presents the company's assets, and the right side presents the sources of funds used to acquire the company's assets.

Assets are essentially divided into two categories: current assets and fixed assets. (Bravo et al., 2023) explain that current assets are cash and other assets that can be converted into cash or sold in the near future. Each side of the balance sheet, known as the current account, is organized based on the liquidity of the assets. In the asset position, these accounts are arranged based on their proximity to cash. Therefore, cash is listed first. After that, accounts receivable require one step to become a cash account. Inventory is placed after accounts receivable because, to become a cash account, inventory must first be converted to accounts receivable, for example, when sales are made on credit (Lohani et al., 2025; Salih et al., 2023).

Bravo et al. (2023) explain that non-current assets are assets with a relatively long-term useful life (i.e., an economic life of more than one year) and are not depleted in a single operational cycle. Shares are proof of company ownership, with their owners referred to as shareholders. A person is considered a shareholder if they are registered in the Shareholder Register (DPS). Hoepner et al. (2024) stated that the capital market serves as a platform for connecting sellers and buyers of financial instruments for investment purposes (Long & Guo, 2025).

Shares give shareholders the right to determine the direction of company policy through the General Meeting of Shareholders (GMS). Shareholders are entitled to income known as dividends, which are distributed by the company. However, shareholders also bear the risk equal to the shares they own if the company goes bankrupt. According to Hoepner et al., (2024), based on their benefits, shares are divided into two types:

Common Stock, Common stock is stock that places its owner last in line for claims. Common stockholders will benefit if the company generates a profit. (Brabenec et al., 2020) Common stockholders have priority in the distribution of company profits and the sale of company assets when the company is declared liquidated.

Preferred Stock has characteristics similar to bonds and common stock. Like bonds, preferred stock earns a fixed return, similar to bond interest. Preferred stock provides certain choices regarding dividend distribution. Some preferred stock buyers want the same dividend distribution every year, while others want priority in dividend distribution, similar to the characteristics of common stock (Bi et al., 2023).

Stock prices can be an indicator of a company's success. A high stock price can provide a return on investment. One such benefit is capital gains, which arise from the difference between the purchase price and the sale price when the sale price exceeds the purchase price. Stock prices are influenced by supply and demand in the market, so stock prices are closely tied to the stock market. (Shabbir et al., 2020).

III. METHODS

The research design used in this study is causal associative, which seeks to determine the causal relationship (influence) between the independent variable (X) and the dependent variable (Y) (Hair, 2021). In this study, the independent variables consist of the Current Ratio (CR), Return on Assets (ROA), Return on Equity (ROE), and Debt to Equity Ratio (DER). The dependent variable is Stock Price. The units of analysis used in this organizational study are as follows: mining companies with complete financial reports for the study period from 2022 to 2025. Mining companies listed on the Indonesia Stock Exchange from 2022 to 2025.

The operational definition of the research variables consists of four independent variables and one dependent variable, which are described below:

Current Ratio (CR) is a ratio that measures a company’s ability to meet its short-term needs using current assets and can be calculated by dividing current assets by current liabilities. Return on Assets (ROA) is a ratio that measures a company’s ability to generate net income with a given level of assets. ROA can be calculated by dividing net income by total assets. Return on Equity (ROE) is a ratio that measures a company’s ability to generate net income with a given level of capital. ROE can be calculated by dividing net income by share capital. The Debt to Equity Ratio (DER) indicates the proportion of total debt to total equity. If total debt is greater than total equity, it can result in a company burden that must be met by creditors. DER can be calculated by dividing total debt by total equity.

The population used in this study was all mining sector companies listed on the Indonesian Stock Exchange for the 2015-2019 period. The sampling technique used in this study was a purposive sampling method, where samples were selected from a population with specific characteristics. The type of data used in this study is quantitative, that is, data presented in numerical form. The data collection source for this study was documentary data, thus obtaining data from the companies’ financial reports from 2015 to 2019, which had previously been processed by the companies and available on their respective websites and documented by the Indonesia Stock Exchange. The data collection methods and techniques used in this study were conducted by collecting data published on each company’s website and documented by the Indonesia Stock Exchange. The data obtained were in the form of the companies’ annual financial reports. This study examined the relationship between the current ratio, return on assets, return on equity, and debt-to-equity ratio as dependent variables, and the stock price as an independent variable. Therefore, this study used multiple linear regression analysis with the help of IBM SPSS Statistics 24 software. To be able to use multiple linear regression analysis, classical assumption tests are required (Zou et al., 2019).

IV. RESULT AND DISCUSSION

The research subjects used in this study were companies listed on the Indonesia Stock Exchange (IDX) between 2022 and 2025. The companies used as research objects are a group of companies operating in the mining sector, with a population of 45 mining companies. The sampling technique used in this study was purposive sampling, which uses specific criteria. Consequently, a sample of 14 companies was obtained, resulting in 70 data points.

Descriptive statistics provide a general overview of the data obtained. Descriptive statistics include the number of samples studied, the minimum sample value, the maximum sample value, the average value, and the standard deviation. The following are the results of descriptive statistics for the variables used in this study, along with the data processing.

Table 1: Descriptive Statistical Data

N		Minimum	Maximum	Mean	Std. Deviation
CR	70	,4900	4,9200	2,048714	1,0599548
ROA	70	0000	2900	070867	0600146
ROE	70	0006	4300	121370	0047706
DER	70	1700	3,9200	972057	9213757
Harga Saham	70	50	41550	2442,61	6360,669
Valid N (listwise)	70				

Source: Processed Output Data (2026)

Current Ratio (X1)

Based on the descriptive statistics table above, the minimum value for the current ratio variable is 0.4900, and the maximum value is 4.9200. These results indicate that the current ratio variable used in this study ranges from 0.4900 to 4.9200, with an average value of 2.048714 and a standard deviation of 1.0599548.

Return on Assets (X2)

Based on the descriptive statistics table above, the minimum value for the return on assets variable is 0.0006, and the maximum value is 0.4300. These results indicate that the current ratio variable used in this study ranges from 0.0006 to 0.4300, with an average value of 0.070867 and a standard deviation of 0.0600146.

Return on Equity (X3)

Based on the descriptive statistics table above, the minimum value for the return on equity variable is 0.0000, and the maximum value is 0.2900. These results indicate that the current ratio variable used in this study ranges from 0.0000 to 0.2900, with an average value of 0.121370 and a standard deviation of 0.0947796.

Debt to Equity Ratio (X4)

Based on the descriptive statistics table above, the minimum value for the debt-to-equity ratio variable is 0.1700, and the maximum value is 3.9200. These results indicate that the current ratio variable used in this study ranges from 0.1700 to 3.9200, with an average value of 0.972057 and a standard deviation of 0.9213757.

Stock Price

Based on the descriptive statistics table above, the minimum value for the stock price variable is 50, and the maximum value is 41550. These results indicate that the current ratio variable used in this study ranges from 50 to 41550, with an average value of 2442.61 and a standard deviation of 6360.669.

The coefficient of determination test was conducted to determine the extent of the influence of the independent variables on the dependent variables used in this study. The following are the results of the coefficient of determination test:

Model Summary

Table 2: Test of Determination Coefficient

Model R	R Square	Adjusted R-Square	Std. Error of the Estimate
1	,537 ^a	,288	,244

a. Predictors: (Constant), DER, ROE, CR, ROA

b. Dependent Variable: Stock Price

Source: Processed Output Data (2026)

Table 2 above shows the coefficient of determination R² of 0.244, or 24.4%. This value indicates that 24.4% of the stock price variable can be explained by the independent variables, namely CR, ROA, ROE, and DER. The remaining 75.6% is influenced by other factors not included in this study. The results of testing the effect of the independent variables on the dependent variable yield the following hypotheses:

- Ho1: There is no effect of the current ratio on stock prices
- Ha2: There is an effect of return on assets on stock prices
- Ho3: There is no effect of return on equity on stock prices
- Ho4: There is no effect of debt to equity on stock prices

The Effect of the Current Ratio (CR) on Stock Prices. The t-test results for the Current Ratio (CR) variable yielded a significance level of 0.427, which is greater than 0.05. Therefore, the hypothesis test results show no significant effect of the current ratio on stock prices. This result aligns with previous research by Rita Widayanti and Fredella Colline (2017), which stated that the Current Ratio (CR) variable has no significant effect on stock prices. These results indicate that a low Current Ratio (CR) can lead to a decline in the market price of the stock. However, a Current Ratio (CR) that is too high is not necessarily a good thing, as in certain situations, it indicates a large amount of idle company funds, which can reduce the company’s ability to pay. A high Current Ratio (CR) can be caused by uncollectible receivables and unsold inventory, which cannot be used quickly to pay debts.

The Effect of Return on Assets (ROA) on Stock Prices. The t-test results for the Return on Assets (ROA) variable yielded a significance level of 0.006, meaning it is less than 0.05. Therefore, the hypothesis test indicates a significant effect of return on assets on stock prices. This result aligns with previous research by Hangga Pradika Mujiono and Prijati (2017), which stated that Return on Assets (ROA) significantly influences stock prices. Return on Assets (ROA) indicates a company’s ability to generate profits from its assets. A higher ROA indicates a higher level of profitability. This is a general understanding that a company’s profitability will increase its stock price.

The Effect of Return on Equity (ROE) on Stock Prices. The t-test results for the Return on Equity (ROE) variable yielded a significance level of 0.079, meaning it is greater than 0.05. Therefore, the hypothesis test indicates no significant effect of Return on Equity (ROE) on stock prices. These results contradict previous research conducted by Novita Putri Anindita (2017), which stated that there was a significant effect of the Return on Equity (ROE) variable.

The Effect of Debt to Equity Ratio (DER) on Stock Prices. The t-test results for the Debt to Equity Ratio (DER) variable yielded a significance level of 0.444, which is greater than 0.05. Therefore, the hypothesis test results indicate no significant effect of the Debt to Equity Ratio (DER) on stock prices. These results align with previous research by Hangga Pradika Mujiono and Prijati (2017), which stated that there was no significant effect of the Debt to Equity Ratio (DER). Investors have many options for predicting stock prices, one of which is a fundamental analysis approach derived from financial statements. Based on these financial statements, investors can analyze and process each account to generate financial ratios. The Debt to Equity Ratio (DER) is a component of the solvency ratios, describing the ratio of equity to debt within a company. The Debt to Equity Ratio (DER) isn't the only solvency ratio investors use to assess stock prices; there are several other ratios investors use to predict stock prices.

V. CONCLUSION

This study aims to determine the effect of financial performance on the stock prices of mining companies listed on the Indonesia Stock Exchange. Based on the problem formulation, data analysis, and discussion outlined above, the following conclusions are drawn:

- There is no effect of the Current Ratio (CR) on the stock prices of mining companies, as the calculated t-test result is -0.799, <1.99714, with a significance value of 0.427, >the required α of 0.05.
- There is an effect of Return on Assets (ROA) on the stock prices of mining companies, as the calculated t-test result is 2.850, >1.99714, with a significance value of 0.006, >the required alpha of 0.05.
- There is no effect of Return on Equity (ROE) on the stock price of mining companies, as the calculated t-test result is -1.783, less than 1.99714, with a significance value of 0.079, less than the required α of 0.10.
- There is no effect of Debt to Equity Ratio (DER) on stock price, as the calculated t-test result is 0.770, more than 1.99714, with a significance value of 0.444, and more than the required α of 0.05.

The following recommendations are made:

Investors or potential investors should consider the company's financial ratios as a guideline for informed decision-making when making decisions about investing in mining stocks.

Companies should pay attention to the Current Ratio, as it has a strong influence on stock prices. A higher Current Ratio indicates a higher net profit. A high current ratio indicates the smooth operation of a company's activities and operations in generating profits. High corporate profits can attract investors and potential investors to invest in mining companies.

Companies should maintain a stable Return on Assets (ROA). A higher ROA indicates a company's profitability. This will result in a higher rate of return for investors, attracting investors to purchase the company's shares. This, in turn, will lead to an increase in the company's share price.

Companies should also pay attention to the Ratio on Equity (ROE). If a company's share price continues to decline, some investors will be less interested in long-term profits in the form of dividends and more interested in short-term profits in the form of capital gains. Therefore, investors may not consider the company's ROE when considering stock purchases but instead follow market trends. The global economic crisis can increase investor distrust of the company's business prospects, particularly regarding the efficient use of equity capital to generate profits.

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