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Research Paper

Analysis of the Influence of Profitability and Capital Structure on Stock Price with Book Value Per Share as a Moderating Variable in Coal Mining Companies Listed on the Indonesia Stock Exchange for the 2021–2024 Period

Yoko Setyoso[1], Suharto[2], Dhistianti Mei Rahmawantari[3]
[1,2,3] *Universitas Krisnadwipayana, Jakarta, Indonesia*

Abstract
This study aims to examine the effect of profitability, proxied by Return on Assets (ROA), and capital structure, proxied by the Debt-to-Equity Ratio (DER), on stock prices, with Book Value per Share (BVPS) serving as a moderating variable in coal mining companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. This research was motivated by the inconsistency between companies' fundamental performance and stock price movements, as well as the mixed findings reported in previous studies regarding the influence of profitability and capital structure on stock prices. This study employed a quantitative research approach using secondary data obtained from the annual financial statements of the sample companies and stock price data published by the Indonesia Stock Exchange. The research sample was selected using a purposive sampling technique based on predetermined criteria. Data were analyzed using panel data regression with the Moderated Regression Analysis (MRA) approach to examine both the direct effects of the independent variables on stock prices and the moderating role of BVPS. The findings indicate that 1) Return on Assets (ROA) does not have a significant effect on stock prices, suggesting that improvements in corporate profitability are not necessarily reflected in higher stock prices, 2) Debt-to-Equity Ratio (DER) has no significant effect on stock prices, indicating that the level of corporate leverage was not a primary consideration for investors in valuing coal mining companies during the observation period, 3) Book Value per Share (BVPS) significantly moderates the relationship between ROA on stock prices and 4) Book Value per Share (BVPS) significantly moderate the relationship between DER on stock prices.

Keywords: *Return on Assets (ROA), Debt-to-Equity Ratio (DER), Book Value per Share (BVPS), Stock Price, Coal Mining Companies.*

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I. Introduction

The coal mining industry is a strategic sector in the Indonesian economy, contributing significantly to state revenue, exports, and employment. Developments in this sector are reflected in the trading activity of coal mining companies on the Indonesia Stock Exchange (IDX), where share prices have shown considerable volatility—particularly between 2021 and 2024—driven by post-pandemic economic recovery, a surge in global energy commodity prices, and shifts in national energy policy.

Data on the global benchmark coal price (Newcastle Coal Price) reveals a significant increase from approximately USD 80 per tonne in 2021 to around USD 350 per tonne in 2022. This surge was fueled by rising global energy demand and supply disruptions resulting from geopolitical conflicts, such as the Russia-Ukraine war. However, between 2023 and 2024, coal prices declined to the range of USD 130–170 per tonne.

The energy sector index on the Indonesia Stock Exchange also showed an upward trend, rising from approximately 1,140 in 2021 to around 2,280 in 2022. However, following that period, the index underwent a correction and tended to stabilize within the 2,100 range in 2023 and the 2,600 range in 2024. The composition of Indonesia's energy sector index is heavily dominated by coal mining companies; consequently, the performance of this commodity acts as a primary driver—or a drag—on the index.

However, there is a phenomenon of misalignment between commodity price movements and the stock performance of mining companies. Theoretically, a rise in coal prices should boost company profitability and

drive up stock prices. In practice, however, not all companies experience stock price increases that mirror their improved financial performance; in some cases, highly profitable companies actually see their stock prices stagnate or decline.

This phenomenon reveals a gap between a company's fundamental conditions and the market's response. It indicates that other factors—such as capital structure and the strength of the company's book value—influence investor perceptions when determining stock value. Therefore, this study is significant for examining the impact of profitability and capital structure on stock prices, while considering the role of book value per share (BVPS) as a moderating variable.

As an indicator of firm value, the stock price reflects investor perspectives on a company's performance and prospects. Stock price movements are influenced not only by external factors—such as macroeconomic conditions and commodity prices—but also by internal factors reflected in financial performance. Consequently, analyzing a company's fundamentals is crucial for investors making investment decisions.

One widely used indicator of fundamental performance is profitability, which measures a company's ability to generate profit from its assets. Return on Assets (ROA) serves as a proxy for profitability, as it reflects the efficiency of asset management in generating earnings. For asset-intensive coal mining companies, ROA is a relevant metric for assessing operational success.

In addition to profitability, capital structure is a critical factor influencing firm value and investor perception. Capital structure describes the proportion of debt versus equity used to finance the company. The Debt-to-Equity Ratio (DER) is used to measure a company's leverage, reflecting the financial risk it faces. A high DER can enhance potential returns but also increases the risk of bankruptcy—particularly in sectors sensitive to commodity price fluctuations, such as the coal mining industry.

On the other hand, Book Value per Share (BVPS) reflects the strength of a company's equity value available to shareholders. BVPS provides an indication of the net asset value backing each outstanding share. In asset-intensive industries such as mining, BVPS serves as a crucial parameter that can influence investor confidence regarding a company's stability and fundamental value.

The impact of profitability and capital structure on stock prices is not always direct or uniform. Market reactions to a company's financial performance can be influenced by the strength of its equity value. Companies with high BVPS tend to elicit more positive market responses to increased profitability and show greater tolerance for high debt levels compared to companies with low BVPS. Consequently, BVPS is hypothesized to act as a moderating variable that strengthens or weakens the relationship between ROA and DER and stock prices.

II. Literature Review

Agency Theory

Agency theory explains the relationship between the principal (company owner) and the agent (company management). Introduced by Jensen and Meckling (1976), this theory posits that management has an incentive to improve the company's financial performance in order to boost their own compensation and reputation. Agency theory addresses the conflict of interest between owners (principals) and managers (agents) that impacts company performance—often measured by Return on Assets (ROA)—and is frequently used to analyze how governance mechanisms influence financial performance. Managerial share ownership can align interests, thereby potentially increasing ROA.

Signaling Theory

Signaling theory states that companies can use financial performance as a signal to investors and other stakeholders regarding future prospects. Developed by Michael Spence (1973) and Ross (1977), this theory explains how management conveys information signals (whether positive or negative) to external parties (investors) through actions or financial reports to reduce information asymmetry. Examples of positive signals include rising profits or strong financial performance—indicated by increased ROA or high dividend policies—whereas negative signals include continuous new share issuance (suggesting an inability to fund operations internally) and excessive debt levels (high Debt-to-Equity Ratio/DER).

Stakeholder Theory

This theory posits that companies have a responsibility to meet the interests of stakeholders—including investors, employees, customers, and the community—in order to enhance financial performance (Freeman, 1984). According to stakeholder theory, a well-managed company effectively utilizes assets to create value, with ROA serving as tangible evidence of management's success in accommodating stakeholder interests. ROA and BVPS (Book Value Per Share) are used as key financial performance indicators to demonstrate to stakeholders that the company is managed efficiently, profitably, and creates significant value.

Trade-Off Theory

A capital structure theory stating that firms balance the tax benefits of debt (tax shield) against the costs of financial distress and the risk of bankruptcy (Myers, 2001). Firms increase debt up to the point where tax-saving benefits equal bankruptcy costs to achieve an optimal capital structure. According to Husnan and Pudjiastuti (2015), the trade-off theory explains that the use of debt entails both benefits and costs. The advantage of debt stems from tax savings (tax shield), as interest payments reduce taxable income; conversely, excessive debt can lead to potential bankruptcy or financial distress costs. Firms establish a target capital structure (measured by the Debt-to-Equity Ratio, or DER) by balancing the tax shield against financial distress costs. An optimal DER is achieved when tax savings are maximized while bankruptcy risk remains manageable, thereby enhancing firm value. Increasing debt (DER) boosts firm value because interest payments reduce taxable income. However, a higher DER also raises bankruptcy and agency costs. If the DER exceeds the optimal level, the burden of financial risk diminishes firm value.

Pecking Order Theory

The Pecking Order Theory is a capital structure theory stating that firms prefer internal financing (retained earnings) over external financing, and debt over new equity, to minimize costs associated with information asymmetry. Myers and Majluf (1984) explain that firms do not maintain a specific target debt ratio but instead follow a financing hierarchy: internal financing, safe debt, and finally, the issuance of new shares. The relationship with the DER is negative. Highly profitable firms tend to utilize retained earnings for internal financing, thereby reducing the need for debt and resulting in a lower DER. Conversely, low profitability compels companies to seek debt financing, thereby increasing their Debt-to-Equity Ratio (DER). These theories provide the framework for examining the impact of ROA and DER on stock prices, with BVPS serving as a moderating variable in this relationship. In addition to these theories, investors utilize the Capital Asset Pricing Model (CAPM)—developed by William F. Sharpe—to make stock purchase decisions. CAPM is a financial model used to determine the fair rate of return for a risky asset. It not only offers a quantitative overview of an asset's expected return but also serves as an essential analytical tool for various aspects of investment decision-making, such as determining the fair value of investment assets.

Research Method

This study was conducted on mining companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The selection of this study period was based on the availability of the latest financial reports from coal mining companies and the relevance to current capital market conditions.

This study employs a quantitative research design utilizing multiple linear regression and moderated regression analysis methods. It aims to analyze the impact of financial performance on stock prices and the role of BVPS as a moderating variable among coal mining companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period.

The study utilizes secondary data obtained from corporate financial statements and stock price data published by the IDX. The data employed is panel data, consisting of observations of multiple companies over several time periods.

Population uses coal mining companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period. The sample for this study was selected using the purposive sampling method, specifically coal mining companies that met the following criteria:

a. Coal mining companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period.
b. Coal mining companies with complete financial statement data.
c. Coal mining companies that were not delisted during the study period.
d. Coal mining companies with a Return on Assets (ROA) above 10% (ROA > 10%) and a Debt-to-Equity Ratio (DER) of less than 1% (DER < 1%).

The data analysis technique employed in this study is panel data regression analysis. This method is used to analyze the impact of ROA and DER on stock prices, as well as the role of BVPS as a moderating variable in the relationship between ROA, DER, and stock prices, utilizing EViews software.

III. Result and Discussion

Table 1. Regression Analysis: REM Model

Variable	*Coefficient*	*Std. Error*	*t-Statistic*	*Prob.*
C	12740.67	7426.656	1.715532	0.0882
ROA	24598.33	15321.56	1.605472	0.1104
DER	-7600.545	8710.100	-0.872613	0.3842
R-squared	0.021866			

Prob (F-statistic)	0.176301

Based on the regression analysis using the Random Effects Model (REM), the ROA variable has a coefficient of 24,598.33 and a probability value of 0.1104—which exceeds the 0.05 threshold—indicating that ROA does not have a statistically significant partial effect on stock prices. Although the coefficient is positive—implying that an increase in ROA tends to be accompanied by a rise in stock prices—the effect is not statistically strong enough to explain the changes in stock prices within the model.

The DER variable has a coefficient of -7,600.545 with a probability value of 0.3842—which exceeds the 0.05 threshold—indicating that, on an individual basis, DER does not have a significant effect on stock prices. While the negative coefficient suggests that an increase in DER tends to lower stock prices, the relationship is not statistically significant; therefore, it cannot serve as the basis for a definitive conclusion.

Based on the simultaneous test (F-test), the obtained probability value is 0.176301, which is greater than 0.05; thus, it can be concluded that the ROA and DER variables, when considered together, do not significantly affect stock prices. This indicates that the regression model employed fails to explain a significant relationship between the independent variables and the dependent variable overall.

The R-squared value of 0.021866 demonstrates that the capacity of the ROA and DER variables to explain stock price variation is very low—accounting for only 2.19%—while the remaining 97.81% is explained by variables outside this research model. This suggests the existence of other, more dominant factors influencing stock prices that have not been included in the model.

Table 2. FEM Regression Analysis

Variable	*Coefficient*	*Std. Error*	*t-Statistic*	*Prob.*
C	**3551.746**	**5427.546**	**0.654392**	**0.5139**
BVPS	**1.507722**	**0.308936**	**4.880371**	**0.0000**
ROA_BVPS	**2.552566**	**1.220140**	**2.092027**	**0.0382**
DER_BVPS	**-1.889091**	**0.431344**	**-4.379546**	**0.0000**
R-squared	**0.559529**			
Prob (F-statistic)	**0.000000**			

The BVPS variable has a coefficient of 1.507722 with a p-value of 0.0000 (less than 0.05); thus, BVPS has a positive and significant partial effect on stock prices. This indicates that a higher book value per share tends to result in a significant increase in the stock price.

The ROA_BVPS interaction variable has a coefficient of 2.552566 with a probability value of 0.0382 (less than 0.05); therefore, it can be concluded that BVPS moderates the effect of ROA on stock prices. The positive coefficient indicates that BVPS strengthens the effect of ROA on stock prices.

The DER_BVPS interaction variable has a coefficient of -1.889091 with a probability value of 0.0000 (less than 0.05); therefore, it can be concluded that BVPS moderates the effect of DER on stock prices. The negative coefficient indicates that BVPS weakens the effect of DER on stock prices.

Based on the simultaneous test (F-test), a probability value of 0.000000 was obtained—which is less than 0.05—leading to the conclusion that the variables ROA, DER, BVPS, and the interaction variables collectively have a significant effect on stock prices.

The R-squared value of 0.559529 indicates that the variables ROA, DER, BVPS, and their interactions explain 55.95% of the variation in stock prices, while the remaining 44.05% is explained by variables outside this research model.

Discussion

1. The Effect of ROA on Stock Price

Based on the regression analysis results for Model 2 using the Fixed Effect Model, the Return on Assets (ROA) variable yielded a coefficient of 24,742.64 with a probability value of 0.0884. Since this probability value exceeds the significance level of $\alpha = 0.05$, the first hypothesis (H1)—which posits that ROA has a positive and significant effect on stock price—is rejected. Consequently, ROA does not have a significant partial effect on the stock prices of coal mining companies listed on the IDX during the 2021–2024 period.

Although the ROA coefficient is positive—indicating that increased profitability tends to be accompanied by rising stock prices—this relationship is not statistically proven. These findings can be explained from several perspectives. First, during the 2021–2024 period, the stock prices of coal mining companies were largely influenced by external factors such as global coal commodity prices, international energy policies, and macroeconomic market sentiment. These factors tend to dominate investment decisions in the commodity sector, rendering fundamental information like ROA less relevant in the short term.

Second, the heterogeneity of characteristics among the sampled companies contributed to the lack of statistical significance for ROA. Companies such as PT Bayan Resources Tbk (BYAN), which recorded extreme

stock prices due to the surge in coal demand in 2022, did not fully reflect their fundamental conditions. This situation is consistent with research by Dewi and Hidayat (2022), which found that in the mining sector, market sentiment and macroeconomic factors play a more dominant role in shaping stock prices than internal corporate profitability indicators.

These findings also align with the semi-strong form market efficiency theory (Fama, 1970), which states that in an efficient market, fundamental information such as ROA is already reflected in stock prices; thus, changes in this information do not generate statistically significant excess returns. However, the R-squared value of 55.95% for Model 2 demonstrates that when BVPS and its moderating variable are included, the model's ability to explain stock price variation improves substantially compared to Model 1 (2.19%); this indicates that the influence of ROA requires an adequate level of book value per share to manifest significantly.

These findings can be interpreted through the lens of Agency Theory, which posits that management—acting as agents—bears the responsibility of efficiently managing corporate assets to generate optimal profits for shareholders. Return on Assets (ROA) serves as an indicator of management's success in utilizing company assets. Yet, the results show that ROA does not significantly affect stock prices. This suggests that increased asset management efficiency does not directly drive up stock prices, as investors in coal mining companies place greater weight on external factors—such as global coal prices, government policies, and global economic conditions—than on the company's operational performance alone.

The findings can also be explained using Signaling Theory. Theoretically, an increase in ROA acts as a positive signal of a company's profit-generating capability, which should theoretically boost investor interest. However, during the 2021–2024 study period, this signal was not strong enough to significantly influence stock prices. This indicates that investors do not rely solely on profitability data but also consider other, more dominant information when making investment decisions.

Furthermore, Stakeholder Theory asserts that companies must create value for all stakeholders. Although ROA reflects a company's success in asset management, investors—as a key stakeholder group—appear to prioritize business sustainability and industry prospects over current profitability levels. Consequently, an increase in ROA has not succeeded in significantly raising stock prices.

2. The Effect of DER on Stock Price

Test results indicate that the Debt-to-Equity Ratio (DER) variable yielded a coefficient of -7,915.119 with a probability value of 0.3566, which is greater than $\alpha = 0.05$. Consequently, the second hypothesis (H2)—stating that DER has a significant negative effect on stock price—is rejected. On an individual basis, capital structure as measured by DER was not proven to have a significant effect on the stock prices of coal mining companies listed on the Indonesia Stock Exchange (IDX) during the 2021–2024 period.

Although the negative DER coefficient—indicating that increased leverage tends to lower stock prices—aligns with theoretical expectations, the effect was not statistically significant. This can be understood within the context of the coal mining industry, which is characterized by highly volatile cash flows that track commodity price cycles. During periods of high coal prices, such as in 2022, companies with high debt ratios were still able to generate substantial profits; thus, the market did not assign a significantly negative valuation to higher leverage levels.

Furthermore, the average DER in this sample was 0.478—considered low—indicating that the sampled coal mining companies generally manage debt conservatively. At moderate leverage levels, the signal of financial risk transmitted to the market is weaker, resulting in no significant investor reaction to changes in DER. This condition aligns with findings by Sudana (2021), who stated that the effect of DER on stock price is non-linear and heavily dependent on industry conditions and the prevailing phase of the business cycle.

These findings can also be interpreted through the lens of the Trade-off Theory proposed by Modigliani and Miller (1963). According to this theory, utilizing debt up to an optimal point can actually increase firm value due to the tax shield benefit; therefore, low to moderate DER levels do not necessarily elicit a negative market response. Investors in the coal mining sector prioritize a company's ability to generate cash from operations over mere debt-to-equity ratios when making investment decisions.

These research findings support the Trade-Off Theory, which posits that debt usage yields benefits—specifically a tax shield—provided it remains at an optimal level. Descriptive analysis reveals an average debt-to-equity ratio (DER) of 0.478 among the sampled companies, indicating that most maintain relatively low to moderate leverage levels. Consequently, investors do not view these debt levels as a significant risk, meaning fluctuations in DER do not substantially impact share prices.

The results also align with the Pecking Order Theory, which suggests that companies prefer internal financing over external debt financing. During the study period, coal mining companies generated relatively high profits due to rising global coal prices, thereby minimizing the need for debt financing. As a result, variations in DER across companies were insufficient to influence investor decisions regarding stock purchases.

From the perspective of Signaling Theory, a high DER is generally perceived as a negative signal, as it indicates increased financial risk. However, in this study, that signal was not strong enough to affect share prices,

as investors placed greater confidence in the companies' ability to generate substantial cash flow during periods of high coal prices.

3. The Role of BVPS in Moderating the Effect of ROA on Stock Price

Regression analysis results show that the ROA_BVPS interaction variable yielded a coefficient of 2.552566 with a probability value of 0.0382, which is less than $\alpha = 0.05$. Thus, the third hypothesis (H3) is accepted, stating that Book Value per Share (BVPS) significantly moderates the effect of ROA on stock price. The positive moderation coefficient indicates that BVPS functions as a "pure moderator" that strengthens (amplifies) the effect of ROA on stock price.

This finding carries significant theoretical implications. When a company's BVPS is high, it signals that the company's equity reflects a substantial accumulation of net assets per share. Under such conditions, the company's ability to generate profit (ROA) elicits a stronger market response because the profitability is underpinned by a solid asset base. Investors perceive companies with high book value and strong ROA as possessing superior fundamental quality, making them willing to pay a premium price for the stock.

Mathematically, the total effect of ROA on stock price in Model 2 can be expressed as follows: ∂Stock_Price/∂ROA = 24,742.64 + 2.5526 × BVPS. This equation demonstrates that at an average BVPS value of 7,977.46, the marginal effect of ROA on stock price becomes substantial, amounting to approximately 24,742.64 + (2.5526 × 7,977.46) = 45,106.81 units. This confirms that BVPS does not merely act as a control variable but actively strengthens the transmission of profitability information into the formation of stock prices. These results align with Fundamental Valuation Theory, which posits that stock prices are a function of both generated earnings (earnings-based) and owned assets (asset-based). BVPS, serving as a proxy for net asset value per share, amplifies the profitability signal provided by ROA when determining stock prices. This finding is reinforced by research conducted by Khoirudin and Widianto (2023), who discovered that for companies with substantial tangible assets, book value per share consistently moderates the impact of profitability on stock prices within the Indonesian capital market.

The study's results are highly consistent with Signaling Theory. A high Book Value per Share (BVPS) signals to investors that the company possesses strong net assets and sound fundamentals. When this signal is combined with a high level of profitability (ROA), investors gain greater confidence in the company's prospects, thereby strengthening the impact of ROA on the stock price.

These findings also support Stakeholder Theory, which asserts that companies must create value for all stakeholders. A high BVPS indicates that the company has successfully increased equity value for shareholders, while a high ROA demonstrates efficient asset management. The combination of these two indicators boosts investor confidence, leading to a more significant increase in stock prices than would occur if reliance were placed solely on profitability.

Furthermore, from the perspective of Agency Theory, a high BVPS indicates that management has successfully managed company assets to generate sustainable equity growth. Consequently, the profits generated by the company are viewed as more credible by investors because they are backed by strong net assets; thus, BVPS reinforces the relationship between ROA and stock prices.

4. The Role of BVPS in Moderating the Effect of DER on Stock Price

Regression analysis results show that the interaction variable DER_BVPS yielded a coefficient of -1.889091 with a probability value of 0.0000, which is well below $\alpha = 0.05$. Thus, the fourth hypothesis (H4) is accepted, stating that Book Value per Share (BVPS) significantly moderates the effect of DER on stock price. The negative moderation coefficient indicates that BVPS attenuates (reduces) the negative impact of DER on stock price; in other words, BVPS acts as a buffer protecting stock value from the adverse effects of increased leverage.

This moderation mechanism can be explained as follows: when a company has a high book value per share, investors perceive it as having sufficient net asset capacity to cover existing debt obligations. In other words, a high BVPS reflects the company's ability to absorb the financial risk associated with leverage, preventing an overreaction by the market to increases in DER. This condition is particularly relevant in the context of the coal mining industry, which requires substantial capital investment for mining operations, transportation infrastructure, and coal processing.

Mathematically, the total effect of DER on stock price in Model 2 is: ∂Stock_Price/∂DER = -7,915.119 + (-1.8891) × BVPS. At low BVPS levels (e.g., approaching the minimum of 182.42), the negative impact of DER on stock price is more pronounced. Conversely, at high BVPS levels, the negative impact of DER is mitigated because the substantial net assets serve as an implicit guarantee for shareholders. These findings align with the concept of financial distress theory, which posits that the negative impact of leverage depends heavily on the strength of a company's net asset position.

These results hold significant practical implications for both investors and corporate management. For investors, these findings imply that when evaluating the leverage risk of coal mining companies, it is necessary to

simultaneously consider their Book Value Per Share (BVPS). Companies with relatively high Debt-to-Equity Ratios (DER) but strong BVPS can still be attractive investment options, as the financial risk is statistically moderated by the strength of the book value per share. Meanwhile, for management, maintaining equity-per-share growth through optimal retained earnings policies serves as a strategy to sustain investor confidence, even amidst rising leverage levels.'Overall, the study results indicate that the model incorporating BVPS as a moderating variable (Model 2) possesses significantly superior explanatory power (R-squared = 55.95%) compared to the model without moderation (Model 1, R-squared = 2.19%). This confirms the critical role of BVPS as a moderating variable that alters the dynamics of the relationship between profitability, capital structure, and share prices within Indonesia's coal mining industry.

These findings can be explained through Trade-Off Theory. This theory posits that debt usage does not necessarily have a negative impact on firm value, provided the company possesses sufficient financial capacity to bear the associated risks. A high BVPS indicates strong equity, thereby reducing the risk of financial distress arising from debt utilization; consequently, the negative influence of the Debt-to-Equity Ratio (DER) on share prices is attenuated.

The study's findings are also supported by Signaling Theory. A high BVPS sends a positive signal to investors regarding the company's fundamental strength. Even when a company carries relatively high debt levels, investors maintain a positive assessment because a high BVPS demonstrates the existence of substantial net assets serving as a buffer against financial risk. Thus, the positive signal conveyed by BVPS mitigates the negative impact that the DER signal might otherwise have on share prices.

Furthermore, the results align with Stakeholder Theory, as a high BVPS reflects the company's success in preserving the equity value belonging to shareholders. As key stakeholders, investors place greater trust in companies with high book value per share; consequently, an increase in DER does not automatically elicit a negative reaction, provided the company retains strong fundamentals.

IV. Conclusion

Based on the research findings regarding the influence of profitability and capital structure on stock prices—with Book Value per Share (BVPS) as a moderating variable—among coal mining companies listed on the Indonesia Stock Exchange during the 2021–2024 period, the following conclusions can be drawn:

1. Profitability (ROA) does not have a significant effect on stock prices.
   The research results indicate that Return on Assets (ROA) does not exert a significant positive influence on stock prices. This suggests that a company's profitability level is not necessarily a primary consideration for investors when valuing the shares of coal mining companies.
2. Capital structure (DER) does not have a significant effect on stock prices.
   The Debt to Equity Ratio (DER) does not have a significant negative influence on stock prices. This indicates that a company's leverage level does not directly affect investment decisions, particularly within the capital-intensive mining industry.
3. Book Value per Share (BVPS) moderates the effect of ROA on stock prices.
   BVPS was found to significantly moderate the relationship between ROA and stock prices. This indicates that the impact of profitability on stock prices is strengthened when supported by a high company book value.
4. Book Value per Share (BVPS) moderates the effect of DER on stock prices.
   BVPS was also found to significantly moderate the relationship between DER and stock prices. This indicates that the influence of capital structure on stock prices is affected by the strength of the company's equity; consequently, investor risk perception regarding debt may shift depending on the company's book value.

V. Research Implications

This research has several implications, including:

The results of this research reinforce the concept that the relationship between profitability (ROA), capital structure (DER), and share prices is not always direct, but is influenced by other variables such as book value per share (BVPS). This is in line with signaling theory and capital structure theory, which state that financial information needs to be viewed comprehensively.

The research results also show that the Debt to Equity Ratio (DER) has no significant effect on stock prices, while Book Value per Share (BVPS) is proven to significantly moderate the relationship between DER and stock prices. These findings indicate that the influence of capital structure on company value cannot be explained only by the large proportion of debt to equity, but is also influenced by the quality and strength of the equity owned by the company. This research shows that the relationship between debt and equity is more appropriately analyzed simultaneously through the interaction of DER and BVPS. Thus, this research contributes to the development of financial literature in that debt limit analysis needs to consider the company's equity capacity as a factor that determines whether leverage is still at an optimal level.

For investors, the results of this research show that when making investment decisions, it is not enough to only pay attention to profitability and capital structure, but it is also necessary to consider the strength of the company's book value. For company management, it is important to maintain a balance between profitability, capital structure, and equity value to increase investor confidence and share price stability.

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