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An Evidence-Based Learning Perspective on the Relationship Between Profitability, EVA, and MVA with Stock Returns in Indonesia's Mining Sector

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ABSTRACT

This study aimed to examine the effect of Profitability, Economic Value Added (EVA), and Market Value Added (MVA) on stock returns in the mining sector listed on the Indonesia Stock Exchange (IDX) for the period 2021–2024. The data used is secondary data from the financial reports of companies in the mining sector listed on the IDX. The research sample consists of 38 companies with a study period of 4 years, resulting in 152 firm-year observations. The sample was selected using purposive sampling, with data obtained through the official IDX website. Panel data regression analysis and hypothesis testing were conducted using EViews 12SV software.The results show that profitability has a significant positive effect on the stock returns of mining sector companies. EVA has a negative but insignificant effect on stock returns, while MVA has a significant positive effect on stock returns. Simultaneously, profitability, EVA, and MVA have a significant positive influence on stock returns in the mining sector. This empirical evidence not only contributes to the literature on value-based performance measures but also provides a strong foundation for evidence-based learning in higher education. By linking valuation metrics with real-world stock performance, the study supports the teaching of corporate finance, capital markets, and financial literacy in an Indonesian context.

Keywords: *Stock Return; Profitability; EVA; MVA; Mining Sector; Evidence-Based Learning*

INTRODUCTION

The Indonesian capital market continues to show significant growth, as reflected by the increasing number of companies listed as members of the Indonesia Stock Exchange (IDX) (Habibi, 2022). The capital market plays a crucial role as a platform that connects investors and issuers, each with their own interests in gaining returns and raising capital. In this context, stock return becomes a key indicator that attracts investors, as it reflects the profits gained through price changes and dividend distribution.

Research on the factors influencing stock returns is vital in the investment decision-making process. One of the sectors frequently chosen by long-term investors is the mining sector, due to its high profit potential especially when global commodity prices rise. Additionally, this sector is considered to have relatively stable fundamentals

compared to others. This is largely due to its reserves of natural resources with high global market value, such as gold, coal, copper, and nickel. As long as demand for these commodities remains high, the economic value of mining companies tends to stay strong.

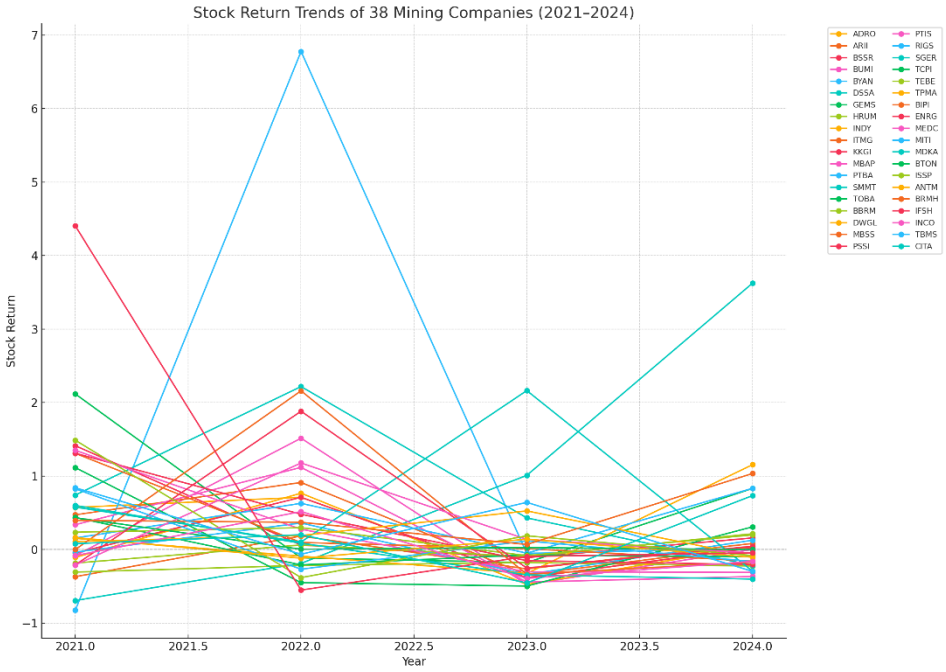

Figure 1. Trend Chart of Stock Returns of Mining Sector Companies Listed on the Indonesia Stock Exchange (IDX) in 2021–2024

Figure 1 presents the stock return trends of 38 mining companies listed on the IDX over the period 2021–2024. The data shows that stock returns in this sector are highly volatile from year to year. Several companies experienced significant fluctuations, such as PT Bayan Resources Tbk (BYAN), which recorded a very high return in 2022 (6.7777), but then dropped sharply to -0.0523 the following year. A similar pattern occurred with PT Golden Energy Mines Tbk (GEMS), which had the highest return in 2021 at 2.1176, declined afterward, and then rose again in 2024.

The year 2023 appeared to be a challenging period for most mining companies, as indicated by numerous negative returns. Examples include PT Bumi Resources Tbk (BUMI) with a return of -0.4759, PT Indika Energy Tbk (INDY) with -0.4743, and PT Bukit Asam Tbk (PTBA) with -0.3387. These declines were likely influenced by external factors such as falling global commodity prices and regulatory changes in the mining sector. Nevertheless, in 2024, signs of recovery were observed in several companies, such as PT Dian Swastatika Sentosa Tbk (DSSA) with a return of 3.625, PT Dwi Guna Laksana Tbk (DWGL) with 1.1551, and PT Baramulti Suksessarana Tbk (BRMH) with 1.0352.

On the other hand, some companies consistently performed poorly, such as PT Harum Energy Tbk (HRUM), which posted negative returns for four consecutive years. Conversely, PT Ifishdeco Tbk (IFSH) saw a major surge in 2021 (4.4040), followed by a continued decline in subsequent years. Overall, the data suggests that

stock returns in the mining sector are heavily influenced by macroeconomic conditions, global commodity prices, and government policies, all of which contribute to the sector's year-to-year volatility. Therefore, it is crucial for investors to understand both internal and external factors that affect stock returns to make optimal investment decisions (Safira & Budiharjo, 2021).

Relevant internal factors include capital structure and company fundamentals, while external factors may consist of inflation rates, monetary policy, and geopolitical conditions (Maramis et al., 2021). Investors can use two primary analytical approaches to assess a stock's potential: fundamental analysis and technical analysis. Fundamental analysis is more commonly used, as it enables investors to gain a deeper understanding of a company's performance and future prospects.

The basis of fundamental analysis lies in financial ratio analysis, which involves comparing components of financial statements to evaluate a company's performance and financial position (Anjani & Syarif, 2019). According to Fadjar et al. (2021), financial ratios such as Return on Equity (ROE), Debt to Equity Ratio (DER), and Earnings Per Share (EPS) can be used to assess a company's financial success, which in turn influences the return generated by its stocks. Thus, investors are expected to be more prudent in analyzing and utilizing financial and market trend information to achieve optimal returns. This figure illustrates the annual stock return fluctuations of 38 mining sector com-panies listed on the Indonesia Stock Exchange (IDX) from 2021 to 2024. The data reveals varying trends across companies and years, reflecting the impact of both global and do-mestic economic dynamics on the performance of the mining industry.

Overall, the capital market serves as a meeting place for buyers and sellers to exchange financial instruments, particularly securities such as stocks and bonds. The capital market has two main functions: an economic function that allocates funds from surplus parties to those in need, and a financial function that serves as a means for investors to earn returns. Therefore, the capital market contributes significantly to national economic growth. One of the key aspects of the capital market is stock return, which refers to the difference between the selling price and the purchase price of a stock this being the primary attraction for investors. High stock returns typically encourage greater investment interest, whereas lower returns lead investors to be more cautious. These returns are influenced not only by market mechanisms but also by macroeconomic conditions and the financial performance of individual companies. According to Zamzani and Hasanuh (2021), higher stock prices tend to yield higher returns, leading investors to favor companies with strong stock price prospects.

National economic conditions play a major role in determining stock returns. In 2023, Indonesia's economic growth slowed to 5.05%, slightly lower than the 5.31% recorded in the previous year. Nevertheless, amid global economic pressures and high inflation, Indonesia demonstrated resilience, with economic growth in the fourth quarter of 2023 reaching 5.04% year-on-year, slightly exceeding the government's target of 5% (Setkab, 2024). However, this slowdown impacted major sectors such as construction, mining, and electricity and gas, all of which recorded lower growth rates

compared to the previous year. This situation was reflected in the performance of mining stocks, which experienced a significant decline in 2021. During the first trading session of that year, the Jakarta Composite Index (IHSG) fell by 0.59% or 37.46 points to 6,352.38. The mining sector index (JAKMINE) recorded the steepest drop, at 2.83%. Shares of PT Aneka Tambang Tbk. (ANTM) even triggered a lower auto reject (ARB) after falling by 6.87%, followed by PT Timah Tbk. (TINS), which also experienced ARB with a decline of 6.88%. Other mining stocks such as INCO and PTBA also saw corrections of 3.63% and 1.69%, respectively (Bisnis.com, 2021).

From a fundamental analysis perspective, stock returns are also influenced by various financial indicators such as profitability, Economic Value Added (EVA), and Market Value Added (MVA). These factors reflect a company's ability to create value and generate profit for its shareholders. Therefore, in making investment decisions, investors must consider both external factors such as economic growth and monetary policy and internal factors reflected in a company's financial statements. Stock return is one of the key indicators in assessing a company's performance. However, stock returns can be influenced by various factors, including profitability, Economic Value Added (EVA), and Market Value Added (MVA). Stock return represents the rate of return earned by investors on their investments. This return can take the form of either capital gains or capital losses, depending on the company's performance. The greater the investor interest in a company, the higher the stock return tends to be. Increased investor interest leads to the optimal use of capital by the company, which, in turn, enhances firm value and boosts stock returns (Siddarta & Syarifudin, 2022).

Capital gains and dividends are generally the two primary forms of returns from stock investments. According to Wahyudi (2022), stock return is the main factor influencing investors' decisions to purchase shares. Meanwhile, Purba & Marlina (2019) highlight that both macroeconomic factors (such as economic conditions, inflation, and exchange rates) and microeconomic factors (such as earnings per share, book value per share, profitability ratios, solvency ratios, and other financial ratios) play a role in determining stock return levels.

Financial statements contain valuable information for analyzing a company's financial position, performance, and changes over time. As stipulated in BAPEPAM-LK Decree No. Kep-346/BL/2011, public companies and issuers are required to regularly submit financial reports to shareholders and the public. The purpose of this requirement is to ensure that investors and prospective investors can access accurate data for evaluating company performance. By analyzing financial statements, investors can assess the company's performance and financial health.

Financial ratio analysis is a tool used to understand and evaluate a company's financial condition by comparing figures within the financial statements typically by dividing one figure by another (Almira & Wiagustini, 2020). These ratios help both potential investors and company management assess the company's financial performance. In this study, the financial indicators chosen to analyze their influence on stock return are profitability, Economic Value Added (EVA), and Market Value Added (MVA). The primary goal of investing is to generate returns, which represent the

profits earned by investors. These returns, known as stock returns, consist of dividends and capital gains (or losses) (Gustian & Pratomo, 2023). Stock returns are influenced by the market price relative to the fair value of a stock. Almira & Wiagustini (2020) suggest that stock returns will be lower if the market price is below the fair value, and vice versa, as noted by Ayu & Suarjaya (2021). Stock prices tend to rise with increasing demand and fall when supply increases (Tambun et al., 2024). As such, investors seeking safer investments will typically prefer stocks with lower risk and more stable price movements (Aprilia & Setiawan, 2022).

In capital markets, investors rely on financial reports and performance indicators to make informed decisions. Profitability, EVA, and MVA serve as indicators of management's effectiveness in generating profit for shareholders and adding value to the firm. If these indicators yield positive results, the company sends a strong signal to the market that it is performing well, increasing investor confidence and likely enhancing stock returns. Conversely, poor performance signals risk and can deter investment. However, despite extensive research into the determinants of stock returns, inconsistent results are still observed. One commonly examined variable is Return on Assets (ROA). Studies investigating the effect of ROA on stock returns have shown varying outcomes. For example, Ulfi Jefri and Siti Fatimah (2021) found that ROA has a negative and significant effect on stock returns. In contrast, research by Laras Safira and Roy Budiharjo (2021) indicated a positive and significant influence. Meanwhile, Salsabila Firdausia (2021) concluded that ROA does not have a significant positive impact on stock returns.

Likewise, research into the impact of EVA and MVA on stock returns also shows divergent findings. Delia and Solihin Sidik (2021) reported that EVA has a negative and significant impact on stock returns, whereas MVA shows a positive and significant effect. On the other hand, Esli Silalah and Meiyanti Manullang (2021) found that while EVA and MVA are positively correlated with stock returns, MVA has a significant negative effect, illustrating the complexity of these relationships. In light of the aforementioned phenomena and identified research gaps, this study seeks to revisit and further examine the relationship between profitability, Economic Value Added (EVA), and Market Value Added (MVA) and their impact on stock returns.

METHOD

This study employs a correlational research design to examine the relationship between two or more variables and to understand how one variable influences another. A correlational study can yield three possible outcomes: positive correlation, negative correlation, or no correlation. To provide a clearer picture of the research subject, the collected data will be processed and analyzed quantitatively using the EViews software as a statistical tool. Based on the results of this analysis, conclusions will be drawn. The variables used in this study are classified into two categories. The independent variables (X) are Profitability, Economic Value Added (EVA), and Market Value Added (MVA), while the dependent variable (Y) is the Stock Return.

In this study, the population under observation consists of mining sector companies listed on the Indonesia Stock Exchange (IDX) during the period 2021–2024. The total number of these companies is 63. Sample in this study employs a purposive sampling technique to determine the sample, where the selected companies meet specific criteria set by the researcher and are chosen based on certain considerations aligned with the research objectives. Purposive sampling is a non-random sampling method based on specific inclusion or exclusion criteria. The sampling process of 38 companies was based on specific criteria covering the entire population of 63 mining companies listed on the Indonesia Stock Exchange (IDX) during the period 2021–2024 In this study, the sample size was 152 observations, so the population that met the sample criteria was used as the sample for this study.

FINDINGS AND DISCUSSION

Based on the descriptive analysis, this method is used to provide an overview of the distribution of the processed data and to present the information in a more understandable manner. Descriptive statistics such as mean, median, maximum, minimum, and standard deviation are employed in this study. Table 4.1 presents the descriptive statistical data on stock returns, profitability, Economic Value Added (EVA), and Market Value Added (MVA) for companies in the mining sector listed on the Indonesia Stock Exchange (IDX) from 2021 to 2024. The data were processed and analyzed using EViews 12SV.

Table 4
Descriptive Statistics of Research Variables (2021–2024)

	RE_SAHAM	PROFITABILITAS	EVA (Triliun Rp)	MVA (Triliun Rp)
Mean	0.290022	209.1068	4.15E+17	1.52E+15
Median	0.024393	8.013227	9.50E+14	2.04E+14
Maximum	6.777778	29830.33	1.91E+14	4.33E+14
Minimum	-0.825525	0.114116	-4.94E+14	1.72E+08
Std. Dev	0.905009	2418.547	1.90E+18	4.22E+15
Observation	152	152	152	152

Source: Processed from E-Views 12SV output, 2025.

Table 4 presents the descriptive statistical results for stock returns, profitability, Economic Value Added (EVA), and Market Value Added (MVA) of mining sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2021–2024. Based on 152 observations, the mean stock return is 0.2900, indicating an average positive return during the observed period. However, the maximum return reached 6.7778, while the minimum was -0.8255, suggesting a wide range of volatility in stock

performance. The standard deviation of 0.9050 further confirms significant variation in returns. For profitability, measured by ROA or a similar metric, the average value is 209.1068, with a maximum of 29,830.33 and a minimum of 0.1141. The median is 8.0132, suggesting that the distribution is highly skewed due to extreme values at the upper end, as also indicated by the high standard deviation of 2,418.55.

The Economic Value Added (EVA) shows a very large mean value of Rp 417570421105871000, with the maximum value at Rp 19124750487174000000 and the minimum at Rp -494482522555428, indicating that some companies experienced significant value erosion. The standard deviation of Rp 1973396472301140000 reveals considerable dispersion among firms EVA values.

Meanwhile, the Market Value Added (MVA) has a mean of Rp 1528299975487340, with a median of Rp 204225864361654, and a maximum value of Rp 43307882353697300. The lowest observed MVA is Rp 171976322, while the standard deviation stands at Rp 412584306199230, highlighting substantial disparities in how the market values different companies in the mining sector.

These descriptive statistics indicate considerable variability in financial performance and market valuation across mining firms over the four-year period, which justifies the further use of inferential analysis to explore the relationships among the studied variables.

Panel Data Estimation Model

Chow Test

The Chow test is used to determine the most appropriate panel data estimation model, whether the Common Effect Model (CEM) or the Fixed Effect Model (FEM). If the chi-square probability value exceeds 0.05, the result is not significant, and the appropriate model is the Common Effect. However, if the probability value is below 0.05, the result is considered significant, and the Fixed Effect Model should be used, followed by the Hausman test.

Table 4.1 Chow Test

Redundant Fixed Effects Tests
Equation: FEM
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.438800	(37,111)	0.9974
Cross-section Chi-square	20.749561	37	0.9857

Sources Processed from E-Views 12SV output, 2025

Based on the output from E-Views 12SV shown in Table 4.1, the chi-square cross-section probability value is 0.9857 (> 0.05), which means the null hypothesis (H0) is accepted. Therefore, the most appropriate model to use is the Common Effect Model (CEM). Since CEM is selected, the analysis does not proceed to the Hausman test.

Classical Assumption Test

Since this study uses the Ordinary Least Squares (OLS) method, classical assumption tests must be conducted to ensure the model meets proper statistical criteria. In panel data regression using the OLS approach, only two classical assumption tests are necessary: multicollinearity and heteroskedasticity tests (Basuki & Yuliadi, 2023).

Multicollinearity Test

The multicollinearity test is used to examine whether there is a high correlation between the independent variables.

Table 4.2 Multicollinearity Test

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.005296	1.185103	NA
X1	7.69E-10	1.007777	1.000250
X2	1.24E-39	1.048177	1.000289
X3	2.53E-34	1.131621	1.000489

Sources Processed from E-Views 12SV output, 2025

Based on the results shown in Table 4.2, the Variance Inflation Factor (VIF) values for Profitability (X1), EVA (X2), and MVA (X3) are all below 10. This indicates that no multicollinearity exists among the independent variables. Therefore, the regression model is considered valid and reliable.

Heteroskedasticity Test

The heteroskedasticity test examines whether there is unequal variance in the residuals across observations in the regression model. In this study, the Glejser test was used by regressing the absolute residuals against the independent variables.

Table 4.3 Heteroskedasticity Test

Heteroskedasticity Test: Glejser
Null hypothesis: Homoskedasticity

F-statistic	2.389995	Prob. F(3,148)	0.0711
Obs*R-squared	7.023510	Prob. Chi-Square(3)	0.0712
Scaled explained SS	11.51420	Prob. Chi-Square(3)	0.0092

Sources Processed from E-Views 12SV output, 2025

According to the results in Table 4.3, the F-statistic and Chi-square probability values are greater than the 0.05 significance level. Thus, it can be concluded that no heteroskedasticity is present in the model, meaning the residuals exhibit homoskedasticity. This confirms that the regression coefficients are efficient and that the model is appropriate for further analysis.

Hypothesis Testing Results

Panel Data Regression Results

Table 4.4 Panel Data Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.017204	0.503684	-2.019529	0.0452
X1	0.326748	0.111866	2.920899	0.0040
X2	-0.004737	0.010839	-0.437049	0.6627
X3	0.079243	0.038578	2.054111	0.0417

R-squared	0.089686	Mean dependent var	0.290022
Adjusted R-squared	0.071233	S.D. dependent var	0.905009
S.E. of regression	0.872180	Akaike info criterion	2.590322
Sum squared resid	112.5833	Schwarz criterion	2.669897
Log likelihood	-192.8644	Hannan-Quinn criter.	2.622648
F-statistic	4.860407	Durbin-Watson stat	2.501938
Prob(F-statistic)	0.002969		

Sources Processed from E-Views 12SV output, 2025

This study employed the Common Effect Model (CEM) for panel data regression analysis. Based on Table 4.4, the regression equation can be written as:

$Y = -1.01 + 0.32X_1 - 0.004X_2 + 0.07X_3 + \varepsilon$

Where:

Y = Stock Return

X_1 = Profitability

X_2 = Economic Value Added (EVA)

X_3 = Market Value Added (MVA)

ε = Error term

Interpretation of coefficients:

1. The constant value in this regression model represents the value of Y when all independent variables (X_1, X_2, and X_3) are zero. In this case, if $X_1 = X_2 = X_3 = 0$, then the value of Y will be -1.01. This constant indicates the starting point before the effects of other factors are taken into account.
2. The beta coefficient value of the Profitability variable (X_1) of 0.32 indicates that every 1-unit increase in X_1 will increase Y by 0.32, assuming other variables remain constant, and conversely, a decrease in this variable will decrease the company's value by the same amount.
3. The beta coefficient value of the EVA variable (X_2) is -0.004, indicating a negative relationship between X_2 and Y. This means that every 1-unit increase in X_2will decrease Y by 0.004, assuming other variables remain constant, and conversely, a decrease in this variable will decrease the company's value by the same amount.
4. The beta coefficient value of the MVA variable (X_3) is 0.07, indicating that every 1-unit increase in X_3 will increase Y by 0.07, assuming other variables remain constant, and conversely, a decrease in this variable will decrease the company's value by the same amount.

Partial Test (T-Test)

Table 4.5 Partial Test (T-Test)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.017204	0.503684	-2.019529	0.0452
X1	0.326748	0.111866	2.920899	0.0040
X2	-0.004737	0.010839	-0.437049	0.6627
X3	0.079243	0.038578	2.054111	0.0417

Sources Processed from E-Views 12SV output, 2025

The partial effect of independent variables on dependent variables is as follows:

1. The T-test results for the Profitability (ROA) variable (X_1) obtained a regression coefficient value of 0.326748 and a t-statistic probability value of 0.0040, which is less than 0.05, meaning that the Profitability variable has a positive and significant effect on Stock Return. Therefore, the first hypothesis (H_1) "The Effect of Profitability on Stock Return" is accepted.
2. The results of the T-test on the EVA variable (X_2) yielded a regression coefficient value of -0.004737 for the EVA variable and a t-statistic probability value of 0.6627, which is greater than 0.05. This means that the EVA variable has a negative and insignificant effect on Stock Return. Thus, the second hypothesis (H_2) "The Effect of EVA on Stock Returns" is rejected.
3. The T-test results for the MVA variable (X_3) yielded a regression coefficient of 0.079243 for the MVA variable and a t-statistic probability value of 0.0417, which is less than 0.05. This means that the variable has a positive and significant effect on Stock Return. Thus, the third hypothesis (H_3) "The Effect of MVA on Stock Returns" is accepted.

Simultaneous Test (F-Test)

Table 4.6 Simultaneous Test (F-Test)

R-squared	0.089686
Adjusted R-squared	0.071233
S.E. of regression	0.872180
Sum squared resid	112.5833
Log likelihood	-192.8644
F-statistic	4.860407
Prob(F-statistic)	0.002969

Sources Processed from E-Views 12SV output, 2025

Result shows that the F-statistic is 4.860407 with a p-value of 0.002969 < 0.05, meaning that Profitability, EVA, and MVA jointly have a significant effect on stock return.

Coefficient of Determination (Adjusted R²)

Table 4.7 Coefficient of Determination (Adjusted R²)

R-squared	0.089686
Adjusted R-squared	0.071233
S.E. of regression	0.872180
Sum squared resid	112.5833
Log likelihood	-192.8644
F-statistic	4.860407
Prob(F-statistic)	0.002969

Sources Processed from E-Views 12SV output, 2025

The adjusted R² value is 0.071233 or 7.1%, meaning that only 7.1% of the variation in stock return can be explained by the independent variables (Profitability, EVA, and MVA), while the remaining 92.9% is explained by other variables not included in the model.

Profitability plays a significant role in improving a company's performance in the capital market, as investors often use it to assess future growth and risk (Sudarsono et al., 2023). In this study, profitability was measured using the Return on Assets (ROA) ratio, which reflects a firm's efficiency in generating profit from its assets. Empirical findings confirm that Profitability has a positive and significant effect on stock return, indicating that higher ROA tends to enhance investor confidence and consequently raise the company's stock return. This result aligns with signaling theory, which suggests that financial metrics like ROA serve as positive signals regarding the firm's future outlook. A higher ROA implies better managerial performance and efficient asset utilization, attracting investors and increasing demand for the company's stock.

Based on the table above, at PT. Pelayaran Nasional Bina Buana Raya Tbk, in 2021, both ROA and Return on Equity showed negative performance. However, in 2022, ROA increased slightly and Return on Equity recorded a positive figure. Nevertheless, in 2023 and 2024, although ROA returned to positive results, there were sharp fluctuations in Return on Equity. For PT. Resource Alam Indonesia Tbk, in 2021, ROA showed fairly good performance, but Stock Return declined. In 2022, although ROA performance declined, Stock Return remained positive. Unfortunately, in 2023 and 2024, ROA performance declined further, followed by Stock Return fluctuations that tended to be negative. PT. Rig Tenders Indonesia Tbk experienced a significant decline in 2022 and 2023, both in terms of ROA and Stock Return. However, in 2024, the company managed to record a positive ROA with a significant increase in Stock Return. On the other hand, PT. Sumber Global Energy Tbk showed fluctuating results in ROA and Stock Return, but the company's performance appeared better in 2023 and 2024, with significant improvements in both indicators. Finally, PT. Steel Pipe Industry of Indonesia Tbk showed very poor performance in 2021, both in terms of ROA and Stock Return. However, in subsequent years, the company's ROA increased despite continued fluctuations in Stock Return.

According to Suryanto and Mulyani (2022), the reason ROA has a positive impact on stock return is that ROA is one of the primary indicators for measuring a

company's ability to generate profits. A high ROA indicates that the company has good managerial capabilities and efficient asset management, which makes investors more confident in the company's future prospects. This leads to higher stock returns. ROA is often used by investors to analyze a company's future performance, which can encourage them to purchase the company's shares, increase demand for the shares, and ultimately generate higher returns. According to signal theory, information conveyed by companies through financial reports, such as ROA, can act as a signal to investors regarding the company's future prospects. A high ROA is considered a positive signal from the company regarding its ability to generate profits efficiently, indicating stability and growth potential. Therefore, investors will respond to this positive signal by increasing demand for the company's shares, which ultimately affects the increase in stock returns. This aligns with research conducted by Esti Kurniatin (2023), Laras Safira & Roy Budiharjo (2021), and Ulfi Jefri and Siti Fatimah (2021), which states that ROA has a positive and significant effect on stock returns.

CONCLUSION

Based on the results of analysis and hypothesis testing regarding the influence of Profitability, Economic Value Added (EVA), and Market Value Added (MVA) on stock returns in the mining sector listed on the Indonesia Stock Exchange (IDX) for the period 2021–2024, several conclusions can be drawn. The study found that Profitability has a positive and significant impact on stock returns. This indicates that companies with high profitability demonstrate strong managerial capabilities and efficient asset management, which in turn foster greater investor confidence in the firm’s future prospects. On the other hand, EVA was found to have a negative and statistically insignificant effect on stock returns. This suggests that the relationship between EVA and stock returns may be moderated by external factors such as sudden changes in government policy or economic instability—factors that may not be directly reflected in financial performance indicators. Conversely, MVA showed a positive and significant influence on stock returns, indicating that companies capable of generating market value exceeding their capital cost tend to deliver higher returns to shareholders. A high MVA reflects strong market confidence in the company’s growth potential and efficient use of capital, both of which are highly valued by investors. Furthermore, the study concludes that Profitability, EVA, and MVA collectively have a simultaneous and significant influence on stock returns, suggesting that investor decisions and company dividend policies are shaped by the combined effects of these financial indicators.

In light of these findings, this study offers several recommendations. First, investors are encouraged to utilize Profitability, EVA, and MVA as comprehensive tools to assess a company’s financial health and future growth potential. As these metrics improve, they provide a reliable signal of better stock performance over time, contributing to optimized investment returns. Second, companies in the mining sector should focus not only on profitability but also on creating value as measured by EVA and MVA. Enhancing these metrics can reinforce investor trust and strengthen market

perception. In addition, transparent financial disclosures are essential in conveying a positive signal to investors regarding the company's long-term value creation strategy. A consistent commitment to transparency and performance improvement can lead to higher stock valuations and greater investor loyalty.

However, this study is not without limitations. The research focuses solely on Profitability, EVA, and MVA as independent variables in explaining stock returns. It does not take into account other potentially relevant variables such as macroeconomic factors, market volatility, or firm-specific characteristics like size and leverage. Moreover, the data used in this study are limited to secondary sources derived from the financial statements of mining companies listed on the IDX for the 2021–2024 period. Therefore, the conclusions drawn may not be generalizable to other sectors or extended time frames. Future research could expand the variable set, broaden the industry scope, or explore more dynamic time periods to yield more robust and generalizable insights.

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