

ABSTRACT

Share price is one of aspect that reflects a company's success rating in managing its resources. This is closely related to the trust of investors to save funds. At present, PT. Telkom Indonesia has the position of the third largest brand value in Southeast Asia, which is very closely related to the position of PT. Telkom Indonesia as a company in the infrastructure sector supporting the development of the industrial revolution 4.0. The company's ability to compete with its competitors can be reflected in the results of the company's financial performance which can be measured through the calculation of financial ratios to aspects of the company's stock price.

This study aims to determine the effect of financial performance of PT. Telkom Indonesia Tbk with analysis of activity ratios, solvency ratios, and profitability ratios to its stock prices. The aspects studied include the effect of the variables studied in the form of total asset turnover (TATO), debt equity ratio (DER), and return on equity (ROE) on stock prices.

This research was conducted using a quantitative approach. Using secondary data from financial statements of PT. Telkom Indonesia Tbk for the period 2015-2019. The sampling technique used was purposive sampling technique by taking the data needed for the calculation of predetermined ratios. The method used is a statistical method with multiple linear regression and correlation test models.

Based on the results of the study showed that partially, total asset turnover (TATO) and return on equity (ROE) had a significant effect on stock prices, while the debt equity ratio (DER) did not have a significant effect on stock prices. While simultaneously, TATO, DER, and ROE have a significant effect on stock prices with a level of influence of 58.5%, while 41.5% are influenced by other variables outside this regression equation or other variables not examined.

Keywords : *total asset turn over (TATO), debt equity ratio (DER), return on equiuty (ROE), multiple linear regression, correlation, stock price*