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DETERMINANTS OF STOCK PRICES: CAPITAL STRUCTURE, PROFITABILITY, AND SALES GROWTH

Deden Tarmidi[1]*, Hendro Paulus[2], Apollo Daito[3], Nurul Hidayah[4], Muhyarsyah[5]
[1,2,3,4,5]Faculty of Economics and Business, Universitas Mercu Buana Jakarta, Indonesia
*Corresponding Author:
deden.tarmidi@mercubuana.ac.id

Abstract
This study analyzes the effect of capital structure, profitability, and sales growth on stock prices, with firm size serving as a moderating variable in property and real estate companies listed on the Indonesia Stock Exchange. The sample was determined using purposive sampling by selecting firms that consistently published complete annual reports and reported positive earnings during the 2020–2023 period, resulting in 26 companies and 104 panel observations that were examined using panel data regression. The results show that capital structure and profitability have a positive and statistically significant influence on stock prices, while sales growth demonstrates a significant negative effect. Furthermore, firm size strengthens the relationship between capital structure and sales growth with stock prices but does not moderate the effect of profitability. These findings support signaling theory by indicating that investor responses to financial indicators are shaped by firm-specific characteristics and provide practical implications for corporate financial policy and investment decision-making in the property and real estate sector.

Keywords: Capital Structure, Profitability, Sales Growth, Stock Prices, Firm Size

1. Introduction

The capital market plays a strategic role in economic development by providing a mechanism for long-term corporate financing and public investment allocation (Saada, 2025). Through this system, firms can support business expansion while investors allocate resources to financial instruments with expected returns (Gompers, 2022). In empirical capital market research, the presentation of average stock prices and corporate financial indicators is essential to provide an initial overview of stock performance and firms' fundamental conditions during the observation period.

Stock prices serve as a key signal for investors, reflecting market evaluations of firm performance, growth prospects, and future value (Khan et al., 2023). These prices are formed through supply and demand mechanisms driven by available information (Chen et al., 2023) and are influenced by both macroeconomic conditions and firm-specific fundamentals disclosed in financial statements (Cheong & Hoang, 2021). Accordingly, the systematic presentation of average stock prices and financial ratios provides a critical basis for analyzing the relationship between corporate fundamentals and capital market responses.

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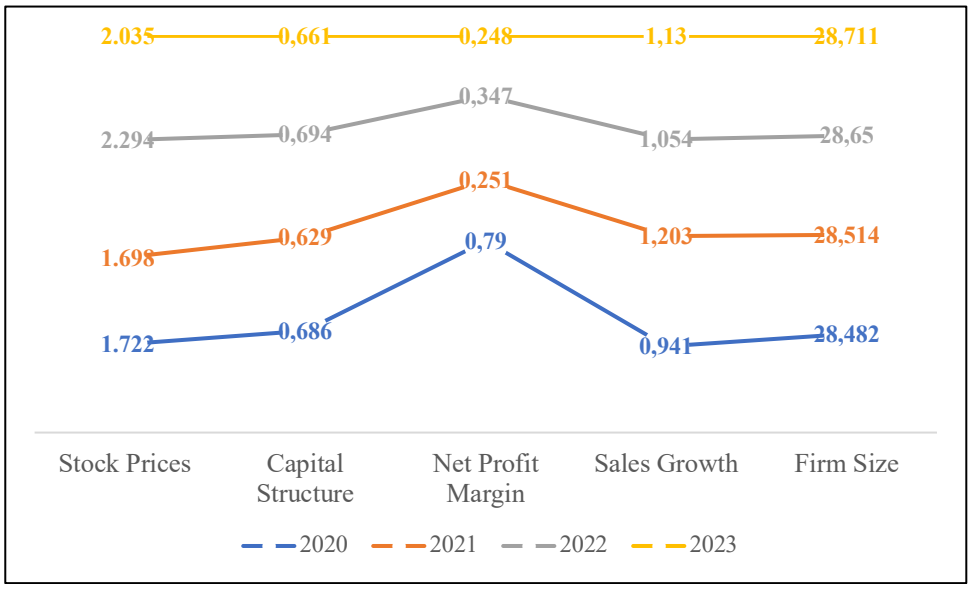

Figure 1. Average Stock Price and Financial Ratios

Source: BEI Data Processed, (2026)

During the 2020–2023 period, the real estate sector experienced dynamic financial performance and stock price movements influenced by changes in macroeconomic conditions, post-pandemic recovery, and adjustments in monetary policy. In 2020–2021, real estate stock prices tended to decline from 1,722 to 1,698, reflecting market uncertainty caused by the COVID-19 pandemic and weakening consumer purchasing power, despite companies maintaining relatively high capital structures and initially adequate profitability. The decline in capital structure in 2021 indicates a cautious approach to financing decisions, while the sharp decrease in net profit margin suggests pressure on earnings due to reduced operational activity and rising costs. Interestingly, despite declining profitability, sales growth increased during this period, signaling firms' efforts to sustain revenue through marketing strategies and sales incentives, although these efforts were not sufficient to significantly boost stock prices. In 2022, property market conditions began to improve alongside economic recovery and rising investor optimism, as reflected in a sharp increase in stock prices to 2,294, improvements in capital structure, and recovering profitability, even though sales growth slowed slightly compared to the previous year. This surge in stock prices suggests that the market responded more strongly to future expectations and growth prospects than to short-term profit performance. In 2023, stock prices corrected to 2,035 amid rising interest rate pressures and operating costs, although sales growth again showed a positive trend and firm size continued to increase consistently. The consistent growth in firm size across periods indicates ongoing asset expansion and improved business stability, which contribute significantly to sustaining investor confidence despite variations in capital structure and profitability.

2. Theoretical Background

This study examines the influence of capital structure, profitability, and sales growth on stock prices in property and real estate companies, with firm size positioned as a moderating variable that determines the magnitude of these relationships. The novelty of this research lies in its development of previous studies that predominantly focus on the direct impact of capital structure, profitability, and sales growth on stock prices, while

generally placing firm size only as a control variable rather than exploring its moderating role in strengthening or weakening the relationships among the variables. In contrast, this research explicitly positions firm size as a moderating variable and shows that the impact of financial performance on stock prices varies depending on firm size, particularly in the property and real estate sector. The findings reveal an asymmetric moderating effect, where firm size strengthens the influence of capital structure and sales growth but weakens the effect of profitability an insight that has received limited attention in previous studies, especially in emerging markets. By adopting a sector specific approach and a moderation based panel data model, this study enriches signaling theory by demonstrating that financial information conveys different signals to investors based on firm characteristics, thereby offering a more nuanced understanding of stock price formation.

Capital structure reflects managerial decisions in determining the proportion of debt and equity used as financing sources (Naseem et al., 2020). An optimal capital structure is expected to minimize the cost of capital and enhance firm value, which can subsequently lead to an increase in stock prices (Kontuš et al., 2023). Nevertheless, an excessive level of debt can elevate financial risk and reduce investor trust, thereby creating potential downward pressure on stock prices (Cheng et al., 2020). From a signaling theory perspective, capital structure reflects management's confidence in future performance, where debt can signal strength when manageable but risk when excessive (Kalantonis et al., 2021). Therefore, the relationship between capital structure and stock price remains an important empirical issue, since investors may interpret financing decisions differently based on the credibility and quality of the signals communicated by the company (Dsouza et al., 2025). Previous empirical studies (Nasution et al., 2023; Patil & Bagodi, 2024; Putri & Sari, 2023; Sariningsih et al., 2024; Uyun & Fitriah, 2025) find that capital structure significantly influences stock prices. However, other studies (Andriani et al., 2025; Hoang, 2022; Patil & Bagodi, 2024; Syofyan et al., 2020; Vo, 2021) Thus, the findings indicate that capital structure does not have a statistically significant effect on stock prices, suggesting that variations in the proportion of debt and equity are not a primary consideration for investors in determining investment decisions within the observed companies. Due to these inconsistent findings, the following hypothesis is proposed:

H_1: Capital structure effect on stock prices.

Profitability represents a fundamental measure of a firm's capacity to generate earnings from its core operations. Profitability indicators, including net profit margin, capture managerial effectiveness in deploying corporate resources to achieve sustainable profit generation (Arbelo et al., 2021). Firms with higher profitability are generally perceived to have stronger future prospects, making them more attractive to investors (Chang et al., 2022). This condition increases demand for the firm's shares, which may ultimately lead to higher stock prices in the market. From a signaling theory standpoint, profitability serves as a favorable signal that reflects managerial competence, operational robustness, and earnings sustainability. Strong profitability performance mitigates information asymmetry and reinforces investor confidence, which in turn shapes investment behavior and stock price dynamics (Khan et al., 2025). Prior empirical evidence (Bahantwelu & Welay, 2025; Silviana, 2024; Supriadi et al., 2025; Tatariyanto, 2025; Widyakto et al., 2025) find profitability has a significant influence on stock prices. Meanwhile, other studies (Lesnussa et al., 2022; Mahdi & Khaddafi, 2020; Maheshwari, 2023; Rahayu et al., 2023; Spin, 2023) find that insignificant relationship between

profitability and stock prices. Due to these inconsistent findings, the following hypothesis is proposed:

H_2: Profitability effect on stock prices.

Sales growth indicates a firm's ability to expand revenue, reflecting market strength, strategic effectiveness, and long-term sustainability (de Jong et al., 2021). Within the framework of Signaling Theory, rising sales growth functions as a credible signal to investors and stakeholders, reflecting managerial competence and favorable expectations regarding the firm's future development (Bai et al., 2023). Companies with strong sales growth are generally perceived to have better future expansion and profitability potential, which raises investor expectations for increased earnings and cash flows (Dávila & Guasch, 2022). These positive expectations can drive stock price appreciation. Nevertheless, sales growth that is not accompanied by cost efficiency and sound financial management may put pressure on profitability, meaning its impact on stock prices is not always linear (Nuridah et al., 2022). Prior empirical studies (Ashraf, 2020; Bintara, 2020; Gormsen & Koijen, 2020; Nugraha et al., 2021; Putri & Rahyuda, 2020) find sales growth has a significant effect on stock prices. Conversely, other findings (Aura & Efrianti, 2021; Di Maggio et al., 2020; Saleh et al., 2022; Xu, 2021; Zai et al., 2021) report no significant. Due to these inconsistent findings, the following hypothesis is proposed:

H_3: Sales growth effect on stock prices.

Firm size represents the overall scale of a company and is commonly proxied by the level of total assets (Paulus et al., 2025). Large companies generally exhibit higher operational stability, greater access to funding, and relatively lower risk compared to smaller firms (Crouzet & Mehrotra, 2020). This condition makes large companies more trusted by investors, so financial information disclosed by them often elicits a stronger market response (Lerman, 2020). Within the framework of Signaling Theory, firm size conveys information to investors about the firm's reliability and its ability to maintain consistent financial outcomes (von Deimling et al., 2022). In other words, large firms conveying positive financial information provide a more convincing signal to the market, thereby increasing the likelihood of a favorable investor reaction to the company's stock (Yasar et al., 2020). In relation to capital structure, firm size can influence how investors assess the risk of debt usage. Large companies generally have a better ability to manage their financial obligations, so high leverage may not necessarily be perceived negatively by investors (Lerman, 2020). Conversely, in smaller firms, a debt dominated capital structure can be interpreted as a signal of high risk, negatively affecting stock prices (Nuzula et al., 2023). From the signaling theory perspective, capital structure serves as a financial signal of firm strength and risk capacity, and its interpretation varies with firm size, where higher leverage in large firms is perceived as more stable than in smaller firms (Rujiin & Sukirman, 2020). Thus, firm size has the potential to strengthen or weaken the impact of capital structure on investor perceptions and stock prices. Several studies (Almomani et al., 2022; Gunardi et al., 2020; Rahmawati et al., 2021; Siregar et al., 2023; Wijayaningsih & Yulianto, 2021) find that firm size significantly moderates this relationship. However, other empirical studies (Azizah & Yuliana, 2022; Dewi & Fachrurrozie, 2021; Ngatno et al., 2021; Nurwulandari, 2021; Wu et al., 2022) report that firm size not sugnificant. Due to these inconsistent findings, the following hypothesis is proposed:

H_4: Company size strengthens the influence of capital structure on stock prices

Firm size can shape the association between profitability and stock prices. For large-scale firms, strong profitability is often perceived as an outcome of efficient managerial control over complex asset structures, which signals strategic competence and financial resilience to investors (Maianto et al., 2024). Within the signaling theory framework, high profitability in large firms functions as a positive signal that enhances investor confidence in the quality of performance and future growth prospects (Lestari & Khafid, 2021). In contrast, in smaller firms, high profitability may not elicit a significant market response due to limited information and higher uncertainty (Binz, 2022). Therefore, firm size plays a critical role in determining the extent to which profitability conveys a signal that can influence investor perceptions and stock prices (Lilyani et al., 2023). Prior empirical research (Arifin & Munandar, 2024; Atiningsih & Izzaty, 2021; Pamungkas et al., 2024; Sauwamah et al., 2025; Sururi et al., 2021) demonstrates that firm size moderates the effect of profitability on stock prices. Conversely, other studies (Grewal et al., 2021; Huang et al., 2022; Kumar et al., 2021; Saif et al., 2022; Santoso et al., 2020) find that firm size does not significantly moderate. Due to these inconsistent findings, the following hypothesis is proposed:

H_5: Company size strengthens the influence of profitability on stock prices

In the context of sales growth, large companies with extensive market networks and sufficient resources tend to sustain growth over time. Sales growth in large firms is often interpreted as a signal of strong expansion and competitiveness, positively influencing stock prices (Sukesti et al., 2021). From a Signaling Theory standpoint, sustained sales growth in large firms delivers a strong and credible signal to investors regarding favorable future prospects and the firm's capacity to remain competitive in the market (Li et al., 2021). In contrast, sales growth in smaller firms may be perceived as more volatile and risky, resulting in a relatively weaker market response (Rashid et al., 2021). This condition suggests that firm size play a moderating role. Several empirical studies (Grewal et al., 2021; Li et al., 2021; Rashid et al., 2021; Saif et al., 2022; Sukesti et al., 2021) report that firm size strengthens on stock prices. In contrast, other findings (Aura & Efrianti, 2021; Di Maggio et al., 2020; Saleh et al., 2022; Xu, 2021; Zai et al., 2021) indicate that firm size does not moderate. Due to these inconsistent findings, the following hypothesis is proposed:

H_6: Company size strengthens the influence of sales growth on stock prices

3. Methods

This study adopts a quantitative explanatory approach to examine the causal relationships between capital structure, profitability, and sales growth on stock prices, while incorporating firm size as a moderating variable to assess its role in influencing the strength of these effects. The quantitative approach facilitates systematic measurement of financial variables and empirical testing of hypotheses derived from financial and capital market theories, while the explanatory design enables a comprehensive assessment of how variations in firm fundamentals contribute to stock price fluctuations. The real estate sector is selected due to its capital-intensive characteristics, sensitivity to macroeconomic dynamics, and strong linkage between financing structure and market valuation.

Table 1. Measurement Variable

No	Variable	Proxy	Scale
1	Stock Price (Chen et al., 2023)	Year end Closing Price	Nominal
2	Capital Structure	DER: (Total Debt)/(Total Equity)	Ratio

No	Variable	Proxy	Scale
	(Naseem et al., 2020)		
3	Profitability (Chang et al., 2022)	NPM: (Net Profit)/(Total Revenue)	Ratio
4	Sales Growth (Bai et al., 2023)	SG: (Sales Period$_t$ – Sales Period$_{t-1}$)/(Sales Period$_{t-1}$)	Ratio
5	Firm Size (Paulus et al., 2025)	Ln (Total Asset)	Ratio

This research employs secondary data derived from annual financial statements and stock price information covering the 2020–2023 period. The dataset was collected from credible and publicly available sources, including the official website of the Indonesia Stock Exchange, corporate annual reports, and trusted financial databases to ensure the reliability, accuracy, and consistency of the data used in the analysis. Data collection is carried out through the documentation method by systematically gathering, recording, and classifying financial and market information based on the variables analyzed, allowing standardized comparison across companies and observation periods while reducing measurement bias. All data are further verified to ensure completeness and reliability prior to statistical analysis.

The objects of this study are publicly listed real estate companies on the Indonesia Stock Exchange, while the research subjects include firms that remained consistently listed throughout the 2020–2023 observation period. This sector is chosen because it is highly capital-intensive and closely influenced by macroeconomic dynamics, making it suitable for analyzing the role of financial structure and firm characteristics in explaining stock price movements. The sample is determined through purposive sampling based on several criteria, namely the availability of complete annual financial statements, continuous listing during the study period, and the exclusion of firms experiencing extreme financial conditions that could distort the empirical results.

Table 2. Research Criteria

No	Criteria	Quantity
1	Property and real estate companies listed on the Indonesia Stock Exchange until 2023	85
2	Companies that have not IPO in 2020 - 2023	-3
3	Companies that do not publish annual reports on the IDX or their official websites	-6
4	Companies that have suffered losses	-50
5	Companies that are the research sample	26
6	Number of data processed for 4 years (2020 - 2023)	104

Source: BEI Data Processed, (2026)

4. Results and Discussion

The descriptive statistics indicate variation in stock prices and financial characteristics across the 104 firm-year observations. Stock prices show a mean of 1,937 and a standard deviation of 6,011, reflecting wide differences in market valuation among sample. Capital structure has a mean of 0.668, indicating diverse financing compositions between debt and equity. Profitability show a mean of 0.409 with relatively high dispersion, suggesting the presence of firms with unusually high profit margins. Sales growth shows a mean of 1.082 with moderate variation, indicating generally positive

revenue expansion. Meanwhile, firm size appears relatively stable with a mean of 28.589 and low dispersion, reflecting relatively consistent asset scales across the sampled companies.

The Chow test probability of 0.000 indicates that the FEM is superior. However, the Hausman test probability of 0.989 supports the REM. This is confirmed by the Lagrange Multiplier test probability of 0.000, indicating that the REM is the most appropriate specification for the analysis.

The classical diagnostic tests confirm that the panel regression model meets the main econometric assumptions. The normality test shows a probability value of 0.404, indicating normally distributed residuals. Multicollinearity is not detected, as the VIF values range between 1.010 and 1.072. The Breusch Pagan Godfrey test yields a probability of 0.633, confirming the absence of heteroscedasticity and indicating homoscedastic error variance.

Table 3. Hypothesis Testing

Variable	Coefficient	t-Statistic	Prob.	Information
C	2.649	2.518	0.014	
CS => SP	0.509	5.097	0.000***	Accepted
NPM => SP	0.321	2.941	0.004***	Accepted
SG => SP	-3.483	-3.587	0.001***	Accepted
FS*CS => SP	-0.018	-2.097	0.039**	Accepted
FS*NPM => SP	0.002	0.626	0.533	Rejected
FS*SG => SP	0.139	3.918	0.000***	Accepted
F-Statistics		0.000		Simultantly
R-Square		0.703		Strong Model

* = p < 0.10; ** = p < 0.05; *** = p < 0.01

Source: Data processed with EVIEWS 13, (2026)

Referring to Table 3, the multiple linear regression equation can be expressed as follows:

Stock Price = 2.649 + 0.509CS + 0.321NPM – 3.483SG – 0.018FS*CS + 0.002FS*NPM + 0.139FS*SG

The constant value of 2.649 indicates the level of stock price when all independent variables are assumed to be zero. The coefficient of 0.509 implies that an increase in capital structure (CS) is associated with a 0.509-unit increase in stock price, assuming other variables remain constant. The profitability coefficient (NPM) of 0.321 shows that higher profitability contributes to an increase in stock price. In contrast, the coefficient of –3.483 for sales growth (SG) indicates a negative relationship with stock price. The interaction variables FSCS, FSNPM, and FS*SG reflect the moderating role of firm size (FS), suggesting that firm size can either strengthen or weaken the influence of each independent variable on stock price.

The coefficient of determination produces an R-square value of 0.703, meaning that 70.3 percent of the variation in stock prices can be explained by capital structure, profitability, sales growth, and the interaction effects of firm size, while the remaining 29.7% is influenced by other factors outside the model. This result indicates that the model has strong explanatory capability. Additionally, the F-test result shows a Prob. F-statistic value of 0.000 (< 0.05), demonstrating that all independent and interaction variables simultaneously have a significant effect on stock prices, confirming that the

regression model is statistically valid and suitable for explaining the relationships among the variables.

The empirical results show that capital structure has a positive and statistically significant effect on stock prices, therefore H1 is accepted. This conclusion is based on the regression results showing a coefficient value of 0.509, a t-statistic of 5.097, and a probability value of 0.000 < 0.05, indicating that companies with a more optimal composition of debt and equity tend to receive higher market valuations (Kontuš et al., 2023). This finding suggests that the market responds favorably to firms that are able to utilize leverage effectively to support business operations and growth (Naseem et al., 2020). From a Signaling Theory perspective, capital structure conveys information about managerial confidence, where the use of debt signals the firm's ability to generate sufficient future cash flows (Kalantonis et al., 2021). In the real estate sector, which is inherently capital-intensive, an optimal level of leverage is often interpreted by investors as a strategic effort to enhance firm value rather than as a source of excessive financial risk. Consequently, companies that successfully balance their capital structure are perceived as having stronger growth prospects and financial discipline, leading to increased investor demand and higher stock prices. These findings indicate that capital structure serves not only as a financing choice but also as a signaling device that shapes investor perceptions and market responses, consistent with prior studies showing a significant influence of capital structure on stock prices (Nasution et al., 2023; Patil & Bagodi, 2024; Putri & Sari, 2023; Sariningsih et al., 2024; Uyun & Fitriah, 2025).

The empirical results show that profitability has a positive and statistically significant effect on stock prices therefore, H2 is accepted. This conclusion is based on the regression results showing a coefficient value of 0.321, a t-statistic of 2.941, and a probability value of 0.004 < 0.05, indicating indicate that firms with higher profit-generating efficiency tend to receive more favorable market valuations (Chang et al., 2022). A relatively high net profit margin indicates that management is effective in managing costs and transforming revenue into net earnings, which conveys a favorable message to investors about the firm's operational strength and long term viability (Arbelo et al., 2021). Within the signaling theory framework, profitability disclosures mitigate information asymmetry by allowing investors to more accurately assess firm quality. In the capital-intensive real estate sector, sustained profitability signals effective risk management and earnings stability, which is positively valued by the market (Khan et al., 2025). This supports the notion that profitability signals firm strength, enhancing investor confidence and market valuation, consistent with previous findings that profitability influences stock prices (Bahantwelu & Welay, 2025; Silviana, 2024; Supriadi et al., 2025; Tatariyanto, 2025; Widyakto et al., 2025).

The empirical results show that sales growth has a negative and statistically significant effect on stock prices; therefore, H3 is accepted. This conclusion is based on the regression results showing a coefficient value of -3.483, a t-statistic of -3.587, and a probability value of 0.001< 0.05, indicate that an increase in sales growth is associated with a decrease in stock prices (Dávila & Guasch, 2022). While sales growth typically signals business expansion, in capital intensive sectors like real estate it can also reflect higher operating costs, increased financing needs, and elevated project risks (Bai et al., 2023). From a signaling theory perspective, revenue growth that is not followed by proportional improvements in profitability can convey an ambiguous signal about future cash flows. As a result, investors tend to respond cautiously, placing more weight on the quality and sustainability of growth rather than on revenue increases alone (Zai et al.,

2021). Thus, sales growth may serve as a weak or ambiguous signal, potentially lowering market valuations if not backed by cost efficiency and financial stability, consistent with prior studies showing its impact on stock prices (Ashraf, 2020; Bintara, 2020; Gormsen & Koijen, 2020; Nugraha et al., 2021; Putri & Rahyuda, 2020).

The empirical results show that firm size strengthens the relationship between capital structure and stock price; therefore, H4 is accepted. This conclusion is based on the regression results showing an interaction coefficient value of -0.018, a t-statistic of -2.097, and a probability value of 0.039 < 0.05, indicate that firm size significantly moderates the effect of capital structure on stock prices (Crouzet & Mehrotra, 2020). In larger firms, the use of debt is more likely to be perceived by investors as a credible signal of financial discipline, stable cash flows, and strong repayment capacity (Yasar et al., 2020). From the perspective of Signaling Theory, higher transparency and stronger reputational capital enable large firms to transmit clearer and more reliable signals through their financing decisions. As a result, when large firms optimize their capital structure, the market responds more favorably, leading to higher stock prices (von Deimling et al., 2022). This indicates that larger firms boost investor confidence in leverage decisions, enhancing the effect of capital structure on valuation, whereas similar strategies in smaller firms may appear riskier, consistent with studies showing that firm size strengthens the impact of capital structure on stock prices (Almomani et al., 2022; Gunardi et al., 2020; Rahmawati et al., 2021; Siregar et al., 2023; Wijayaningsih & Yulianto, 2021).

The empirical results show that firm size does not moderate the relationship between profitability and stock price; therefore, H5 is rejected. This conclusion is based on the regression results showing an interaction coefficient value of 0.002, a t-statistic of 0.626, and a probability value of 0.533 > 0.05, indicate that the interaction between firm size and profitability is not statistically significant in influencing stock prices (Maianto et al., 2024). This suggests that in larger firms, improvements in profitability are not followed by stock price increases to the same extent as in smaller firms (Binz, 2022). From a signaling perspective, profitability generally conveys information about efficiency and future earning capacity. However, for large firms, profitability is often viewed by investors as a normal and relatively predictable condition rather than as new or value-enhancing information. Consequently, changes in net profit margin tend to generate a weaker market response. Investors in large firms are more likely to emphasize broader considerations such as long-term growth strategies, business diversification, and sustainability, which reduces the incremental influence of profitability signals on stock prices (Lilyani et al., 2023). This finding suggests that firm size diminishes the signaling power of profitability in influencing investor valuation, consistent with prior evidence that firm size weakens the effect of profitability on stock prices (Grewal et al., 2021; Huang et al., 2022; Kumar et al., 2021; Saif et al., 2022; Santoso et al., 2020).

The empirical results show that firm size strengthens the effect of sales growth on stock price; therefore, H6 is accepted. This conclusion is based on the regression results showing an interaction coefficient value of 0.139, a t-statistic of 3.918, and a probability value of 0.000 < 0.05, indicate that firm size significantly moderates the relationship between sales growth and stock prices (Sukesti et al., 2021). This suggests that revenue expansion is more positively valued by investors when it occurs in larger firms. In large companies, sales growth is interpreted as a more credible signal of business sustainability, market strength, and long term growth prospects (Rashid et al., 2021). According to Signaling Theory, greater transparency, reputation, and resources allow large firms to

communicate growth more credibly, so their sales growth is seen as effective strategy execution rather than short-term expansion, eliciting a stronger positive stock price response (Li et al., 2021). This finding suggests that firm size boosts investor confidence in growth signals, especially in capital-intensive sectors like real estate, aligning with prior studies showing that firm size strengthens the effect of sales growth on stock prices (Grewal et al., 2021; Li et al., 2021; Rashid et al., 2021; Saif et al., 2022; Sukesti et al., 2021) concluded that firm size strengthen sales growth on stock prices.

5. Conclusion

This study concludes that capital structure and profitability positively and significantly influence stock prices, whereas sales growth has a negative impact in the real estate sector. Firm size moderates these effects by weakening profitability's impact while amplifying the influence of capital structure and sales growth. The results suggest that financial performance and financing decisions convey different signals depending on firm characteristics, particularly size. Managers should therefore balance leverage and growth strategies carefully, especially in large firms, to ensure favorable market interpretation. For investors, considering firm size is crucial when assessing financial indicators and stock valuation. Future research could include variables such as corporate governance, macroeconomic conditions, or market sentiment to improve explanatory power. The study's focus on the real estate sector and a specific observation period limits the generalizability of the findings

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