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ANALYSIS OF DIFFERENCES IN LONG-TERM FINANCIAL PERFORMANCE BEFORE AND AFTER STOCK SPLIT IN COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2015-2020

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Abstract

This study aims to examine differences of the company's financial performance as indicated by the Current Ratio (CR), Debt to Total Assets (DAR), Total Asset Turnover (TATO), Return on Assets (ROA), Return on Equity (ROE) and Price Earnings Ratio. Data were obtained from 20 companies that conducted stock splits in 2017 and 2018. The difference test was carried out using Man Whitney using SPSS 25 software. The results showed that the current ratio (CR) did not show a significant difference between 3 years before and 3 years after the stock splits. Debt to total assets (DAR) did not show a significant difference between 3 years before and 3 years after the stock split. Total asset turnover (TATO) did not show a significant difference between 3 years before and 3 years after the stock split. This result is significant at the 10% alpha or 90% confidence interval. Return on assets (ROA) shows a significant difference between 3 years before and 3 years after the stock split. Return on equity (ROE) shows a significant difference between 3 years before and 3 years after the stock split. Price earnings ratio (PER) does not show a significant difference between 3 years before and 3 years after the stock split.

Keywords: Current Ratio (CR), Debt to Total Assets (DAR), Price Earnings Ratio, Return on Assets (ROA), Return on Equity (ROE), Stock Split, Total Asset Turnover (TATO)

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INTRODUCTION

Accurate financial information assists investors in making decisions about the purchase, retention, or sale of the issuer's shares, as well as the amount of dividends that the issuer is able to pay. A company's financial performance is not the only factor that determines whether an investor will acquire its shares; The share price determination also plays a role in decisions made by potential investors regarding investment (Dwilita, 2018; Firmansyah & Indriani, 2021; Hendra & Irawati, 2021; Maulani, 2020; Swari & Wiksuana, 2015). One of the most important things that affects the supply and demand for stocks is the stock price, which plays a role in both. Compared to the higher price per share, the lower price per share seems to be the most valuable for investors. Issuers will try to make it easier for investors to buy shares by lowering the price per share compared to those offered by competitors (Dewi, Sunarsih, & Dewi, 2019; Hanafie & Diyani, 2016; Hendra & Irawati, 2021; Kristianiarso, 2014; Labibah & Dwimulyani, 2014; Tanjung & Ali, 2021; Yuniartini & Sedana, 2020).

When the price per share is too high, investors will find it difficult to buy the stock. Because of this, people will not want to buy stock at a higher price than that, and stock sales are often low too. If the price per share is too high, investors will not have much opportunity to buy the stock. Because of how supply and demand work together, the price of a stock that is at an all-time high will

continue to fall until it finds a new equilibrium. Stock splits are a common business strategy that companies use to keep their stock prices in the best range for trading. This helps ensure that the purchasing power of investors remains the same, especially the purchasing power of small investors who put their money into the business (Ikenberry, Rankine, & Stice, 1996; Tanjung & Ali, 2021).

Stock split not the same as active company mergers and acquisitions; they are just cosmetic. Regardless of the number of shares divided, it will not have an impact on the company's cash flow in the future, both now and in the future. Stock splits do not have an economic impact on the company, but have the potential to increase the number of shareholders, especially among small investors. Investors who hold large sums of money but fewer shares will have the illusion that they have become more prosperous as a result of the mirage impact of the stock split on the value of their holdings. Scientific research related to stock splits generally revolves around changes in stock prices or related to stock market reactions and stock trading liquidity in the short term (Adisetiawan, 2018; Bagaskoro, 2019; Cheung, Faff, Im, & Selvam, 2021; Dewi et al., 2019; Hanafie & Diyani, 2016; Jayanti & Fattah, 2021; Kohsaka, 2014; Kristianiarso, 2014; Maulida & Mahardhika, 2021; Paramitha, 2019; Purwata & Wiksuana, 2019; Rahayu & Murti, 2017; Suharno & Afriani, 2021; Tabibian, Zhang, & Jafarian, 2020; Trisanti, 2020; Wibowo, 2017). The findings of a study conducted by Cornell (2020) stated that Tesla's share price increased by 17.94 percent just two days after the stock split took place. shows that prices have increased significantly in a relatively short period of time. Over a long period of time, it is necessary to repeat the analysis.

Several studies suggest the impact of stock splits on long-term financial performance (Bajaj & Arora, 2017; Dwilita, 2018; Firmansyah & Indriani, 2021; Hendra & Irawati, 2021; Labibah & Dwimulyani, 2014; Madani, 2018; Nurdin & Abdani, 2020; Sabar, Ridjal, & Tangngisalu, 2022; Wibowo, 2017; Yustisia, 2018). This study emphasizes the impact of stock splits on differences in company performance in the long term.

Based on the description of the background of the research above, the authors are interested in studying, discussing and conducting research with the title "Analysis of Long-Term Financial Performance Differences before and after Stock Split in Companies Listed on the Indonesia Stock Exchange in 2015-2020". The aims of this research are (1). empirically test and prove the difference in debt to total assets (DAR) between before and after the stock split, (2) empirically test and prove the difference in current ratio (CR) between before and after the stock split, (3) empirically test and prove the difference total asset turnover (TATO) between before and after the stock split, (4) empirically testing and proving the difference in return on assets (ROA) between before and after the stock split.

METHOD

This research is a positivistic research using a quantitative approach. Attempts to acquire, generate, or demonstrate knowledge that can be used to understand, solve, and predict problems in a particular subject, researchers apply scientific methods known as research techniques. The population used as the object of research in this study consisted of 76 companies that carried out a stock split between 2015-2020 which were listed on the Indonesia Stock Exchange. Data obtained from www.ksei.co.id www.idx.co.id, www.finance.yahoo.com, and www.reuters.com/ stocks. Purposive sampling technique was used to select and determine the sample used in the study. One of the criteria in purposive aside is that the selected company has provided a report 3 years before the stock split and 3 years after that to see how well it is doing financially. Given the reports that are available 3 years

after 2021, 2020, 2019, respectively, the stock split was carried out between 2018 and 2017. Based on these criteria, 20 companies that carried out stock splits were selected as samples (objects of research).

Mann Whitney U Test is a non-parametric test that is used to determine the difference in the median of 2 independent groups if the dependent variable data scale is ordinal or interval/ratio but not normally distributed. The Mann Whitney U Test is also known as the Wilcoxon Rank Sum Test. It is a non-parametric test option if the Independent T Test cannot be performed because the assumption of normality is not met. However, despite the non-parametric form of the independent t test, the Mann Whitney U Test does not test the difference in the Mean (mean) of the two groups like the Independent T Test, but instead examines the difference in the Median (mean value) of the two groups.

Some experts statethat the Mann Whitney U Test not only tests the Median difference, but also tests the Mean. Why is it like that? because in various cases, the median of the two groups may be the same, but the P Value of the results is small, i.e. < 0.05, which means there is a difference. The reason is because the mean of the two groups is significantly different. So, it can be concluded that this test is not only testing the difference in the median, but also the difference in the mean.

RESULTS AND DISCUSSION

A. Descriptive Statistical Analysis Results

1. Current Ratio (CR) Pre-Post Stock Split

One of the main components of assessing the condition of the company in a healthy or unhealthy condition is by measuring the ratio of the level of liquidity. Liquidity has a function as a counter to the company's strength in fulfilling its current financial responsibilities to internal or external parties. Liquidity is not only about compliance, but also managing current assets into cash. Ideally the ratio number is 2 or 200% or at least 1X or 100%. However, the standardization of each company is different regarding the minimum limit for the level of liquidity. The current ratio itself shows the company's ability to pay off its short-term obligations. The higher the current ratio, the higher the company's ability to pay off short-term obligations and this is a good sign for investors and creditors.

Of the 20 issuers studied within a period of 3 years, 9 companies showed an increase in the average current ratio, while 11 experienced a decrease in the average current ratio. In the first year since the stock split, only 8 issuers showed an increase in the current ratio, the remaining 12 issuers experienced a decrease in the current ratio. The results of descriptive statistical analysis of the distribution of the current ratio (CR) variable data before and after the stock split can be seen in Table 1.

Table 1
Results of Descriptive Statistics Current Ratio (CR) Pre-Post Stock Split

Pre-Post Stock Split			Statistics	Std. Error
Pre Stock Split	mean		157,874	14,924
	95% Confidence Intervals for Mean	Lower Bound	128,011	
		Upper Bound	187,737	
	5% Trimmed Mean		151.061	
	median		132.180	
	Variance		13363,388	
	Std. Deviation		115,600	
	Minimum		0.480	
	Maximum		484.360	
	Range		483.880	
	Interquartile Range		76.553	
	Skewness		1.181	0.309
	Kurtosis		0.873	0.608
Post Stock Split	mean		138.081	13,582
	95% Confidence Intervals for Mean	Lower Bound	110,904	
		Upper Bound	165,257	
	5% Trimmed Mean		129,443	
	median		123.650	

Variance	11067,645	
Std. Deviation	105,203	
Minimum	0.210	
Maximum	444,410	
Range	444,200	
Interquartile Range	125,948	
Skewness	1.096	0.309
Kurtosis	1,248	0.608

CR

The average value of the current ratio of the pre-stock split is 157.87, the average value of the post-stock split is 138.08. This shows a decrease in the current ratio from before the stock split of 1.58X down to 1.38X. This decrease indicates that in the long term, the stock split does not have a positive effect on the current ratio.

Based on the results of the descriptive statistics above, it can be seen that there is a difference in the mean (average value). We will test this mean difference further, whether it is statistically significant or not.

2. Debt to Total Assets (DAR) Pre-Post Stock Split

The debt ratio as a measure of the use of external funds to fund the company's wealth with the aim of encouraging its operational activities to be sustainable and earn a profit. The use of high debt with a fixed asset value will make it difficult to pay the nominal debt plus the interest expense so as to reduce liquidity. Of the 20 issuers studied within a period of 3 years, 8 companies showed an increase in the average debt asset ratio, while 1 fixed issuer and only 11 issuers experienced a decrease in the average debt asset ratio. In the first year since the stock split, only 12 issuers showed a decrease in the debt asset ratio, while the remaining 8 issuers experienced an increase in the debt asset ratio. The results of descriptive statistical analysis of the distribution of variable data Debt to Total Assets (DAR) before and after the stock split can be seen in Table 2

Table 2
Debt to Total Asset (DAR) Debt to Total Asset (DAR) Pre-Post Stock Split

Pre-Post Stock Split			Statistics	Std. Error
Pre Stock Split	mean		47,075	3.615
	95% Confidence Intervals for Mean	Lower Bound	39,841	
		Upper Bound	54,309	
	5% Trimmed Mean		47,016	
	median		45,725	
	Variance		784,156	
	Std. Deviation		28.003	
	Minimum		0.690	
	Maximum		99,840	
	Range		99,150	
	Interquartile Range		44,823	
	Skewness		-0.087	0.309
	Kurtosis		-1.032	0.608
Post Stock Split	mean		47,747	3,710
	95% Confidence Intervals for Mean	Lower Bound	40,323	
		Upper Bound	55,172	
	5% Trimmed Mean		47,166	
	median		56,205	
	Variance		825,973	
	Std. Deviation		28,740	
	Minimum		0.620	
	Maximum		147,060	
	Range		146,440	
	Interquartile Range		38.343	
	Skewness		0.294	0.309
	Kurtosis		0.914	0.608

Combined, the average Debt to Total Asset pre-stock split is 47.07, the post-stock split average is 47.75. This shows that in the long term there is no decrease in the debt to total asset ratio, there is an increase. Based on the results of the descriptive statistics above, it can be seen that there is a difference in the mean (average value). We will test this mean difference further, whether it is statistically significant (significant) or not.

3. Total Asset Turnover (TATO) Pre-Post Stock Split

The smaller the total asset turnover ratio (decreased) then the total assets are slower to rotate in achieving profits and the less efficient the use of total assets in generating sales levels. In the aspect of activity with the Total Assets Turn Over Ratio (TATO) proxy in a three-year period,

of the 20 issuers studied, 14 issuers experienced a decrease in the ratio, only 6 issuers experienced a slight increase. Meanwhile, in the first year since the stock split, only 10 issuers have increased while 10 other issuers have decreased. The low ratio can be caused by several factors, such as overproduction accompanied by a decrease in product demand. The cause could be constraints in the supply chain so that the number of products cannot meet the company's sales targets

Table 3
Descriptive Statistics Results of Total Asset Turnover (TATO) Pre-Post Stock Split

Pre-Post Stock Split				Statistics	Std. Error
Total Asset Turnover	Pre Stock Split	mean		75,363	6.605
		95% Confidence Intervals for Mean	Lower Bound	62,146	
			Upper Bound	88,580	
		5% Trimmed Mean		73,245	
		median		74.625	
		Variance		2617,689	
		Std. Deviation		51.163	
		Minimum		1,800	
		Maximum		186,970	
		Range		185.170	
		Interquartile Range		83.613	
		Skewness		0.310	0.309
		Kurtosis		-0.825	0.608
	Post Stock Split	mean		58,472	5,712
		95% Confidence Intervals for Mean	Lower Bound	47.042	
			Upper Bound	69,902	
		5% Trimmed Mean		55,888	
		median		64,680	
		Variance		1957,772	
		Std. Deviation		44,247	
		Minimum		1.020	
		Maximum		171.870	
		Range		170.850	
		Interquartile Range		74.570	
		Skewness		0.478	0.309
		Kurtosis		-0.539	0.608

The average value of Total Asset Turnover (TATO) pre-stock split is 75.36, the average value of post-stock split is 58.47. This shows a decrease in the asset turnover ratio from before the stock split of 75.36% to 58.47%. This decrease shows that in the long term, there is no positive effect of stock split on company performance. The results of this study are in line with the research of Pascafiani (2021) which states that based on the average results of 9 industrial sectors in the aspect of activity ratio (TATO) it shows that all industries have decreased in the total asset turnover ratio.

Based on the results of the descriptive statistics above, it can be seen that there is a difference in the mean (average value). We will test this mean difference further, whether it is statistically significant or not.

4. Return on Assets (ROA) Pre-Post Stock Split

Profitability ratios provide benefits to interested parties in the company, including to measure the amount of net profit generated from every rupiah invested from total assets. Profitability ratio with ROA proxy describes the company's ability to generate profit from every rupiah invested from total assets. Of the 20 issuers studied, in a period of 3 years 7 issuers experienced an increase in ROA, 5 fixed issuers and 8 issuers decreased. Within 1 year since the stock split, 9 issuers experienced an increase in ROA, 5 fixed issuers and 6 issuers experienced a decrease in ROA. The results of descriptive statistical analysis of the distribution of Return on Assets variable data (ROA) before and after the stock split can be seen in Table 4 below.

Table 4
Results of Descriptive Statistics of Return on Assets (ROA) Pre-Post Stock Split

Pre-Post Stock Split				Statistics	Std. Error
Return on	Pre Stock	mean		4.394	0.938
		95% Confidence	Lower Bound	2.518	

Assets	Split	Intervals for Mean	Upper Bound	6.270	
		5% Trimmed Mean		4.291	
		median		3,005	
		Variance		52,754	
		Std. Deviation		7.263	
		Minimum		-10,070	
		Maximum		21,490	
		Range		31,560	
		Interquartile Range		9.560	
		Skewness		0.339	0.309
		Kurtosis		-0.164	0.608
	Post Stock Split	mean		1,243	1.232
		95% Confidence Intervals for Mean	Lower Bound	-1.223	
			Upper Bound	3,708	
		5% Trimmed Mean		1.161	
		median		1.185	
		Variance		91.060	
		Std. Deviation		9.543	
		Minimum		-26,240	
		Maximum		26,400	
		Range		52,640	
		Interquartile Range		9,243	
		Skewness		0.014	0.309
		Kurtosis		1,000	0.608

The average return on assets (ROA) of the pre-stock split is 4.39, the average value of the post-stock split is 1.24. This shows that the stock split in the long run does not have a positive effect on financial performance. Based on the results of the descriptive statistics above, it can be seen that there is a difference in the mean (average value). We will test this mean difference further, whether it is statistically significant (significant) or not.

5. Return on Equity (ROE) Pre-Post Stock Split

The profitability ratio with ROE proxy describes the company's ability to generate profit from each rupiah of its own capital invested in total assets. The higher the ROE, the faster the shareholders will get their investment back. Based on the results of research conducted on 20 issuers, in the long term only 7 issuers increased their ROE after the stock split, the remaining 2 fixed issuers and 11 issuers decreased. In the short term, after the stock split, there were 10 issuers whose ROE increased, 4 fixed issuers and 6 issuers decreased their ROE. The results of the descriptive statistical analysis of the distribution of the Return on Equity (ROE) variable data in the long term from all issuers before and after the stock split.

Table 5
Results of Descriptive Statistics of Return on Equity (ROE) Pre-Post Stock Split

Pre-Post Stock Split				Statistics	Std. Error
ROE	Pre Stock Split	mean		7.068	2.330
		95% Confidence Intervals for Mean	Lower Bound	2.406	
			Upper Bound	11,730	
		5% Trimmed Mean		8,471	
		median		8025	
		Variance		325,661	
		Std. Deviation		18.046	
		Minimum		-74,580	
		Maximum		35,870	
		Range		110,450	
		Interquartile Range		17,895	
		Skewness		-1,749	0.309
		Kurtosis		6.330	0.608
	Post Stock Split	mean		1,962	2.481
		95% Confidence Intervals for Mean	Lower Bound	-3.003	
			Upper Bound	6.927	
		5% Trimmed Mean		2.882	
		median		3.080	
		Variance		369,373	
		Std. Deviation		19,219	
		Minimum		-56.190	
		Maximum		55,770	
		Range		111.960	
		Interquartile Range		19,538	
		Skewness		-0.647	0.309
		Kurtosis		2.128	0.608

The average return on equity (ROE) of the pre-stock split is 7.07, the average value of the post-stock split is 1.96. This indicates a decrease in the return on equity ratio. In the long term, the stock split does not have a positive effect on financial performance, especially return on equity. Thus the signaling theory has no effect in the long run.

Based on the results of the descriptive statistics above, it can be seen that there is a difference in the

mean (average value). We will test this mean difference further, whether it is statistically significant or not.

6. Price Earnings Ratio (PER) Pre-Post Stock Split

Price Earning Ratiois the ratio used to evaluate the low or high price of a stock based on the issuer's capacity to generate earnings per share. Price Earning Ratio that is too high indicates that investors expect high net profits from issuers.

Of the 20 issuers studied, in the long term, 11 issuers showed an increase in price earning ratio and 9 issuers showed a decrease in price earning ratio. In the short term, only 7 issuers have an increase in price earning ratio, the remaining 13 issuers have a decrease in price earning ratio. The results of descriptive statistical analysis of variable data distribution Price Earnings Ratio (PER) before and after the stock split can be seen in Table 6.

Table 6
Descriptive Statistical Results of Price Earnings Ratio (PER) Pre-Post Stock Split

Pre-Post Stock Split				Statistics	Std. Error
Price Earnings Ratio	Pre Stock Split	mean		-3.075	15,617
		95% Confidence Intervals for Mean	Lower Bound	-34.325	
			Upper Bound	28.175	
		5% Trimmed Mean		3.484	
		median		5780	
		Variance		14633.958	
		Std. Deviation		120,971	
		Minimum		-480,000	
		Maximum		376,610	
		Range		856610	
		Interquartile Range		20,260	
		Skewness		-1.291	0.309
		Kurtosis		7.438	0.608
	Post Stock Split	mean		27,721	12.165
		95% Confidence Intervals for Mean	Lower Bound	3.380	
			Upper Bound	52.062	
		5% Trimmed Mean		15,480	
		median		6,980	
		Variance		8878,591	
		Std. Deviation		94.226	
		Minimum		-94,500	
		Maximum		437,970	
		Range		532,470	
		Interquartile Range		32,965	
		Skewness		2,761	0.309
		Kurtosis		8.348	0.608

The average value of the price earnings ratio of the pre-stock split is 3.07X, the average value of the post-stock split is 27.72. This shows an increase in the ratio of share price to earnings per share from 3.07% before the stock split down to 27.96X. This increase was due to a decrease in stock prices due to a stock split.

Based on the results of descriptive statistics for each variable before and after the stock split, it can be seen that there is a difference in the mean (average value). We will test this mean difference further, whether it is statistically significant or not.

B. Assumption Test (Normality)

One of the assumptions required to perform a different test using the Man-Whitney U Test is that the data is not normally distributed. Normality test is a test carried out to assess the distribution of data in a group of data or variables, whether the distribution of the data is normal or not. In this study, the Kolmogorov Smirnov technique was used to test whether the data distribution was normal or not.

The Kolmogorov Smirnov technique is a test of difference between the data being tested for normality and standard normal data. The Kolmogorov Smirnov test saw a significance value of 0.05. If the significance value is > 0.05 then the data is normally distributed because

there is no significant difference. Vice versa, if the significant value is <0.05, then there is a significant difference and the data can be said to have not reached normal.

Table 7
Normality Assumption Test Results

One-Sample Kolmogorov-SmirnovTest							
		Current Ratio	Debt to Total Asset	Total Asset Turnover	Return on Equity	Return on Asset	Price Earnings Ratio
N		120	120	120	120	120	120
Normal Parameters, b	mean	147,977	47,411	66,917	4,515	2.818	12,323
	Std. Deviation	110,506	28,256	48,378	18,740	8,591	109,071
Most Extreme Differences	Absolute	0.157	0.097	0.126	0.113	0.100	0.261
	Positive	0.157	0.060	0.126	0.049	0.076	0.261
	negative	-0.091	-0.097	-0.087	-0.113	-0.100	-0.251
Test Statistics		0.157	0.097	0.126	0.113	0.100	0.261
asymp. Sig. (2-tailed)		.000c	.008c	.000c	.001c	.005c	.000c

a. Test distribution is Normal.

b. Calculated from data.

c.Lilliefors Significance Correction.

Based on the test results above, the value of Asyp. Sig (2-tailed) below 0.05, which means data on the variables current ratio (CR), debt to total assets (DAR), total asset turnover (TATO), return on equity (ROE), return on assets (ROA), and the price earnings ratio (PER) is not normally distributed, so the assumption is fulfilled.

C. Different Test Results – Mann-Whitney

1. Current Ratio (CR)

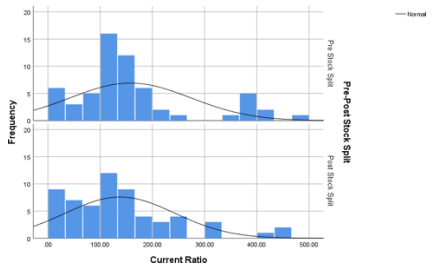

Figure 1. Histogram of Pre-Post Stock Split – Current Ratio

Based on the comparison of the 2 histograms above, it can be seen that the shape of the slope and width is relatively the same. This shows that the shape and distribution of the data is the same. The highest peak of the two histograms shows a difference which means there is a difference in the median. So the first assumption of the Man Whitney U Test has been fulfilled, namely that there are similarities in the form and distribution of the data. The next assumption to be tested is normality and homogeneity of variance.

Table 8
Test Results of Normality Assumptions of Variable Current Ratio

Pre-Post Stock Split		Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Current Ratio	Pre Stock Split	0.212	60	0.000	0.861	60	0.000
	Post Stock Split	0.134	60	0.009	0.912	60	0.000

a. Lilliefors Significance Correction

Based on the results of the normality test using the Lilliefors and Shapiro Wilk

method, the Sig value (p value) of the two tests above <0.05, which means the data is not normally distributed. Furthermore, the homogeneity test of the current ratio (CR) variable in the different test with Mann Whitney can be seen in Table 9

Table 9
Results of Homogeneity Test Variable Current Ratio

		Levene Statistics	df1	df2	Sig.
Current Ratio	Based on Mean	0.113	1	118	0.737
	Based on Median	0.012	1	118	0.912
	Based on Median and with adjusted df	0.012	1	113.818	0.912
	Based on trimmed mean	0.069	1	118	0.793

The results of the homogeneity test used the Levene's test method. Levene's test is recommended because the test can be used to test the homogeneity of variance on data that are not normally distributed. While the other test, namely the Fisher F test is preferred if the data is normally distributed. The value of Levene's Test is shown in the Value Based on Mean row, with Sig (p value) 0.737 > 0.05, which means that the variance of the two groups is the same or is called homogeneous. Then the second assumption, namely homogeneity, has been fulfilled. Next we will test the hypothesis, namely the Mann Whitney U Test.

Table 10
Test Results for Rank Variable Current Ratio – Pre-Post Stock Split

Pre-Post Stock Split		N	Mean Rank	Sum of Ranks
Current Ratio	Pre Stock Split	60	63.21	3792.50
	Post Stock Split	60	57.79	3467.50
	Total	120		

The table above shows the Mean Rank or the average rank of each group. In the Pre Stock Split group, the average ranking is 63.21, which is higher than the Post Stock Split average rating, which is 57.79. To test the difference in the average ranking of the two groups above is statistically significant (significant), it can be done with a significance test.

Table 11
Man Whitney Significance Test Results for Variable Current Ratio

	Current Ratio
Mann-WhitneyU	1637,500
Wilcoxon W	3467,500
Z	-0.853
asymp. Sig. (2-tailed)	0.394
a. Grouping Variable: Pre-Post Stock Split	

Based on the above, the U value is 1637 and the W value is 3467. When converted to a Z value, the value is -0.853. Sig value or P Value of 0.394 > 0.05. considering the p value > the critical limit of 0.05 then there is no significant difference (significant) Current Ratio between before and after the stock split. Thus, hypothesis 1 which states that there is a significant difference in Current Ratio (CR) between before and after the stock split is not statistically supported.

2. Debt to Total Assets (DAR)

Based on the results of the Debt to Total Asset (DAR) Variable Histogram analysis of the 2 groups of pre stock split and post stock split data, it can be seen in Figure 2:

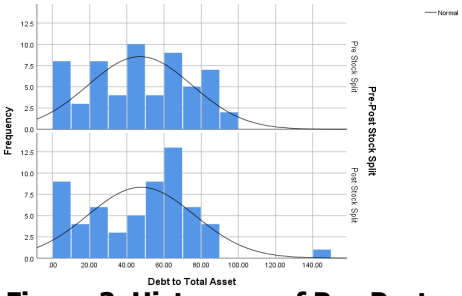

Figure 2. Histogram of Pre-Post Stock Split – Debt to Total Asset

Based on the comparison of the 2 histograms above, it can be seen that the shape of the slope and width is relatively the same. This shows that the shape and distribution of the data is the same. The highest peak of the two histograms shows a difference which means there is a difference in the median. So the first assumption of the

Man Whitney U Test has been fulfilled, namely that there are similarities in the form and distribution of the data. The next assumption to be tested is normality and homogeneity of variance.

Table 12
Normality Assumption Test Results for Variable Debt to Total Assets

	Pre-Post Stock Split	Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Debt to Total Assets	Pre Stock Split	0.088	60	.200*	0.959	60	0.040
	Post Stock Split	0.132	60	0.011	0.930	60	0.002
*. This is a lower bound of the true significance.							
a. Lilliefors Significance Correction							

Based on the results of the normality test using the Lilliefors and Shapiro Wilk methods, the Sig value (p value) of the two tests above <0.05, which means the data is not normally distributed. Furthermore, the homogeneity test of the Debt to Total Asset variable in the different test with Mann Whitney can be seen in Table 13

Table 13
Results of Homogeneity Test of Debt to Total Assets Variables

		Levene Statistics	df1	df2	Sig.
Debt to Total Assets	Based on Mean	0.011	1	118	0.918
	Based on Median	0.083	1	118	0.774
	Based on Median and with adjusted df	0.083	1	110,547	0.774
	Based on trimmed mean	0.005	1	118	0.945

The results of the homogeneity test used the Levene's test method. Levene's test is recommended because the test can be used to test the homogeneity of variance on data that are not normally distributed. While the other test, namely the Fisher F test is preferred if the data is normally distributed. The value of Levene's Test is shown in the Value Based on Mean row, with Sig (p value) 0.918 > 0.05, which means that the variance of the two groups is the same or is called homogeneous. Then the second assumption, namely homogeneity, has been fulfilled. Next we will test the hypothesis, namely the Mann Whitney U Test.

Table 14
Results of the Debt to Total Asset Rank Variable Test – Pre-Post Stock Split

	Pre-Post Stock Split	N	Mean Rank	Sum of Ranks
Debt to Total Assets	Pre Stock Split	60	60.52	3631.00
	Post Stock Split	60	60.48	3629.00
	Total	120		

The table above shows the Mean Rank or the average rank of each group. In the Pre Stock Split group, the average rating is 60.52, which is higher than the average Post Stock Split rating, which is 60.48. To test the difference in the average ranking of the two groups above, it is statistically significant (significant), it can be done with a significance test which can be seen in table 15.

Table 15
Man Whitney Significance Test Results for Variable Debt to Total Assets

	Debt to Total Assets
Mann-Whitney U	1799,000
Wilcoxon W	3629000
Z	-0.005
asymp. Sig.(2-tailed)	0.996

a. Grouping Variable: Pre-Post Stock Split

Based on the above, the U value is 1799 and the W value is 3629. If it is converted to a Z value, the value is -0.005. Sig value or P Value is 0.996 > 0.05. considering the p value > the critical limit of 0.05 then there is no significant difference (significant) Debt to Total Assets between before and after the stock split. Thus, hypothesis 2 which states that there is a significant difference in Debt to Total Assets (DAR) between before and after the stock split is not statistically supported.

3. Total Asset Turnover (TATOON)

Based on the results of the Histogram analysis of Total Asset Turn Over (TATO) variables from 2 groups of pre stock split and post stock split data, it can be seen in Figure 3

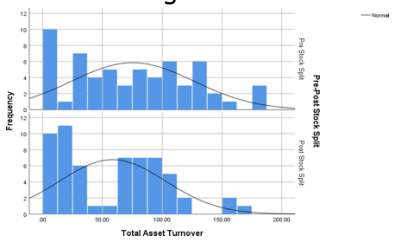

Figure 3. Pre-Post Stock Split Histogram – Total Asset Turnover

Based on the comparison of the 2 histograms above, it can be seen that the shape of the slope and width is relatively the same. This shows that the shape and distribution of the data is the same. The highest peak of the two histograms shows a difference which means there is a difference in the median. So the first assumption of the Man Whitney U Test has been fulfilled, namely that there are similarities in the form and distribution of the data. The next assumption to be tested is normality and homogeneity of variance.

Table 16
Normality Test Results for Variable Total Asset Turnover (TATO)

Pre-Post Stock Split		Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Total Asset Turnover	Pre Stock Split	0.092	60	.200*	0.949	60	0.015
	Post Stock Split	0.164	60	0.000	0.919	60	0.001

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Based on the results of the normality test using the Lilliefors and Shapiro Wilk methods, the Sig value (p value) of the two tests above <0.05, which means the data is not normally distributed. Furthermore, the homogeneity test of the Total Asset Turnover (TATO) variable in the different test with Mann Whitney can be seen in Table 17

Table 17
Results of Homogeneity Test for Variable Total Asset Turnover (TATO)

		Levene Statistics	df1	df2	Sig.
Total Asset Turnover	Based on Mean	1.187	1	118	0.278
	Based on Median	1,240	1	118	0.268
	Based on Median and with adjusted df	1,240	1	114.713	0.268
	Based on trimmed mean	1.111	1	118	0.294

The results of the homogeneity test used the Levene's test method. Levene's test is recommended because the test can be used to test the homogeneity of variance on data that are not normally distributed. While the other test, namely the Fisher F test is preferred if the data is normally distributed. The Levene's Test test value is shown in the Value Based on Mean row, which is Sig (p value) 0.278 > 0.05 which means the variance of the two groups is the same or is called homogeneous. Then the second assumption, namely homogeneity, has been fulfilled. Next we will test the hypothesis, namely the Mann Whitney U Test.

Table 18
Rank test results for Total Asset Turnover (TATO) – Pre-Post Stock Split

Pre-Post Stock Split		N	Mean Rank	Sum of Ranks
Total Asset Turnover	Pre Stock Split	60	66.59	3995.50
	Post Stock Split	60	54.41	3264.50
	Total	120		

The table above shows the Mean Rank or the average rank of each group. In the Pre Stock Split group, the average ranking is 66.59, which is higher than the average Post Stock Split rating, which is 54.41. To test the difference in the average ranking of the two groups above, it is statistically significant (significant), it can be done with a significance test which can be seen in table 19.

Table 19
Man Whitney Significance Test Results for Total Asset Turnover (TATO) Variable

	Total Asset Turnover
Mann-Whitney U	1434,500
Wilcoxon W	3264,500
Z	-1.918
asymp. Sig.(2-tailed)	0.055

a. Grouping Variable: Pre-Post Stock Split

Based on the above, the U value is 1434 and the W value is 3264. When converted to a Z value, the value is -1.918. Sig value or P Value of 0.055 > 0.05. considering the p value > the critical limit of 0.05, there is no significant (significant) difference in Total Asset Turnover between before and after the stock split. Thus, hypothesis 3 which states that there is a significant difference in Total Asset Turnover (TATO) between before and after the stock split is not statistically supported.

4. Return on Assets (ROA)

Based on the results of the Histogram analysis of the Return on Assets (ROA) of the 2 groups of pre stock split and post stock split data, it can be seen in Figure 4:

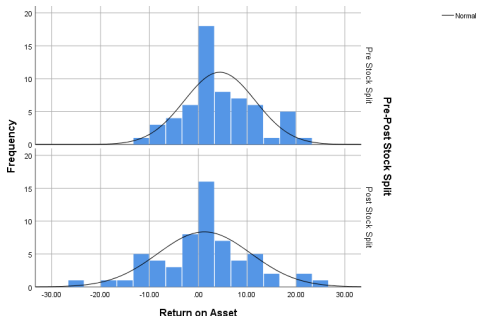

Figure 4. Histogram of Pre-Post Stock Split – Return on Asset

Based on the comparison of the 2 histograms above, it can be seen that the shape of the slope and width is relatively the same. This shows that the shape and distribution of the data is the same. The highest peak of the two histograms shows a difference which means there is a difference in the median. So the first assumption of the Man Whitney U Test has been fulfilled, namely that there are similarities in the form and distribution of the data. The next assumption to be tested is normality and homogeneity of variance.

Table 20
Result of Normality Assumption Test for Return on Asset Variable

Pre-Post Stock Split		Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Return on Assets	Pre Stock Split	0.101	60	0.200	0.976	60	0.286
	Post Stock Split	0.115	60	0.047	0.977	60	0.318
a. Lilliefors Significance Correction							

Based on the results of the normality test using the Lilliefors and Shapiro Wilk methods, the Sig value (p value) of the two tests above is > 0.05, which means the data is normally distributed. Furthermore, the homogeneity test of the return on assets (ROA) variable in the different test with Mann Whitney can be seen in Table 21.

Table 21
Homogeneity Test Results of Return on Assets (ROA)

		Levene Statistics	df1	df2	Sig.
Return on Assets	Based on Mean	1.191	1	118	0.277
	Based on Median	1.373	1	118	0.244
	Based on Median and with adjusted df	1.373	1	107.282	0.244
	Based on trimmed mean	1,210	1	118	0.274

The results of the homogeneity test used the Levene's test method. Levene's test is recommended because the test can be used to test the homogeneity of variance on data that are not normally distributed. While the other test, namely the Fisher F test is preferred if the data is normally distributed. The value of Levene's Test is shown in the Value Based on Mean row, with Sig (p value) 0.277 > 0.05, which means that the variance of the two groups is the same or is called homogeneous. Then the second assumption, namely homogeneity, has been fulfilled. Next we will test the hypothesis, namely the Mann Whitney U Test.

Table 22
Rank test results for Return on Assets – Pre-Post Stock Split

Pre-Post StockSplit		N	Mean Rank	Sum of Ranks
Return on Assets	Pre Stock Split	60	66.83	4009.50
	Post Stock Split	60	54.18	3250.50
	Total	120		

The table above shows the Mean Rank or the average rank of each group. In the Pre Stock Split group, the average rating is 66.83, which is higher than the average Post Stock Split rating, which is 54.18. To test the difference in the average ranking of the two groups above, statistically significant (significant) can be done with a significance test which can be seen in table 23.

Table 23
Man Whitney Significance Test Results for the Return on Asset Variable

	Return on Assets
Mann-Whitney U	1420,500
Wilcoxon W	3250,500
Z	-1,992
asymp. Sig. (2-tailed)	0.046
a. Grouping Variable: Pre-PostStock Split	

Based on the above, the U value is 1420 and the W value is 3250. When converted to a Z value, the value is -1.992. The value of Sig or P Value is 0.046 < 0.05. considering the p value < critical limit of 0.05, there is a significant (significant) difference in Return on Assets (ROA) between before and after the stock split. Thus, hypothesis 4 which states that there is a significant difference in Return on Assets (ROA) between before and after the stock split is statistically supported.

5. Return on Equity (ROE)

Based on the results of the Histogram analysis of Return on Equity (ROE) variables from the 2 groups of pre stock split and post stock split data, it can be seen in Figure 5:

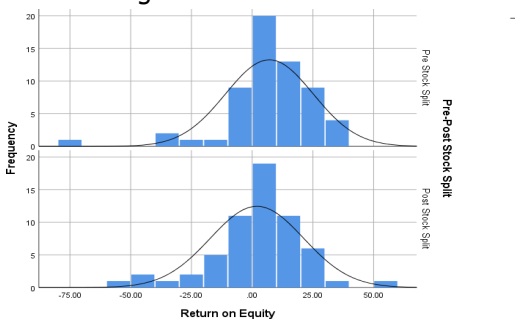

Figure 5. Pre-Post Stock Split Histogram – Return on Equity

Based on the comparison of the 2 histograms above, it can be seen that the shape of the slope and width is relatively the same. This shows that the shape and distribution of the data is the same. The highest peak of the two histograms shows a difference which means there is a difference in the median. So the first assumption of the Man Whitney U Test has been fulfilled, namely that there are similarities in the form and distribution of the data. The next assumption to be tested is normality and homogeneity of variance.

Table 24
Result of Normality Assumption Test for Return on Equity Variable

Pre-Post Stock Split		Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
Return on Equity	Pre Stock Split	0.141	60	0.005	0.876	60	0.000
	Post Stock Split	0.120	60	0.032	0.943	60	0.008

a. Lilliefors Significance Correction

Based on the results of the normality test using the Lilliefors and Shapiro Wilk methods, the Sig value (p value) of the two tests above <0.05, which means the data is not normally distributed. Furthermore, the homogeneity test of the Return on Equity (ROE) variable in the different test with Mann Whitney can be seen in Table 25

Table 25
Homogeneity Test Results for Return on Equity (ROE)

		Levene Statistics	df1	df2	Sig.
Return on Equity	Based on Mean	0.333	1	118	0.565
	Based on Median	0.345	1	118	0.558
	Based on Median and with adjusted df	0.345	1	117.963	0.558
	Based on trimmed mean	0.339	1	118	0.562

The results of the homogeneity test used the Levene's test method. Levene's test is recommended because the test can be used to test the homogeneity of variance on data that are not normally distributed. While the other test, namely the Fisher F test is preferred if the data is normally distributed. The value of Levene's Test is shown in the Value Based on Mean row, with Sig (p value) 0.565 > 0.05, which means that the variance of the two groups is the same or is called homogeneous. Then the second assumption, namely homogeneity, has been fulfilled. Next we will test the hypothesis, namely the Mann Whitney U Test.

Table 26
Test Results for Rank Variable Return on Equity (ROE) – Pre-Post Stock Split

Pre-Post Stock Split		N	Mean Rank	Sum of Ranks
Return on Equity	Pre Stock Split	60	66.89	4013.50
	Post Stock Split	60	54.11	3246.50
	Total	120		

The table above shows the Mean Rank or the average rank of each group. In the Pre Stock Split group, the average rating is 66.89, which is higher than the

Post Stock Split average rating, which is 54.11. To test the difference in the average ranking of the two groups above, statistically significant (significant) can be done with a significance test which can be seen in table 27.

Table 27
Man Whitney Significance Test Results for the Return on Equity (ROE) Variable

	Return on Equity
Mann-Whitney U	1416,500
Wilcoxon W	3246,500
Z	-2013
asymp. Sig. (2-tailed)	0.044
a. Grouping Variables:Pre-Post Stock Split	

Based on the above, the U value is 1416 and the W value is 3246. If it is converted to the Z value, the value is -2,013. Sig value or P Value is 0.044 > 0.05. considering the p value < the critical limit of 0.05, there is a significant (significant) difference in Return on Equity (ROE) between before and after the stock split. Thus, hypothesis 5 which states that there is a significant difference in Return on Equity (ROE) between before and after the stock split is statistically supported.

6. Price Earnings Ratio (PER)

Histogram analysis of Price Earnings Ratio (PER) variables from 2 groups of pre stock split data.

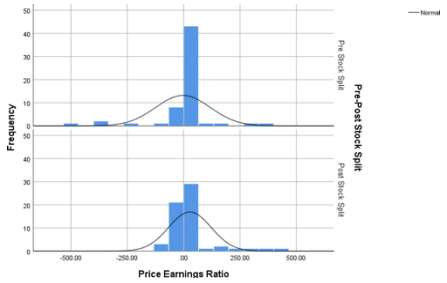

Figure 6. Histogram of Pre-Post Stock Split –Price Earnings Ratio (PER)

Based on the comparison of the 2 histograms above, it can be seen that the shape of the slope and width is relatively the same. This shows that the shape and distribution of the data is the same. The highest peak of the two histograms shows a difference which means there is a difference in the median. So the first assumption of the Man Whitney U Test has been fulfilled, namely that there are similarities in the form and distribution of the data. The next assumption to be tested is normality and homogeneity of variance.

Table 28
Normality Test Results for Variable Price Earnings Ratio (PER)

Pre-Post Stock Split		Kolmogorov-Smirnova			Shapiro-Wilk		
		Statistics	df	Sig.	Statistics	df	Sig.
PriceEarnings Ratio	Pre Stock Split	0.302	60	0.000	0.664	60	0.000
	Post Stock Split	0.343	60	0.000	0.633	60	0.000
a. Lilliefors Significance Correction							

Based on the results of the normality test using the Lilliefors and Shapiro Wilk methods, the Sig value (p value) of the two tests above <0.05, which means the data is not normally distributed. Furthermore, the homogeneity test of the current ratio (CR) variable in the different test with Mann Whitney can be seen in Table 29.

Table 29
Homogeneity Test Results of Price Earnings Ratio (PER) Variables

		Levene Statistics	df1	df2	Sig.
Price Earnings Ratio	Based on Mean	0.096	1	118	0.757
	Based on Median	0.256	1	118	0.614
	Based on Median and with adjusted df	0.256	1	111,697	0.614
	Based on trimmed mean	0.207	1	118	0.650

The results of the homogeneity test used the Levene's test method. Levene's test is recommended because the test can be used to test the homogeneity of variance on data that are not normally distributed. While the other test, namely the Fisher F test is preferred if the data is normally distributed. The value of Levene's Test is shown in the Value Based on Mean row, with Sig (p value) 0.757 > 0.05, which means that the variance of the two groups is the same or is called homogeneous. Then the second assumption, namely homogeneity, has been fulfilled. Next we will test the hypothesis, namely the Mann Whitney U Test.

Table 30
Test Results of Price Earnings Ratio (PER) Variable Rank – Pre-Post Stock Split

Pre-Post Stock Split		N	Mean Rank	Sum of Ranks
Price Earnings Ratio	Pre Stock Split	60	61.13	3668.00
	Post Stock Split	60	59.87	3592.00
	Total	120		

The table above shows the Mean Rank or the average rank of each group. In the Pre Stock Split group, the average ranking is 61.13, which is higher than the average Post Stock Split rating, which is 59.87. To test the difference in the average ranking of the two groups above, statistically significant (significant) can be done with a significance test.

Table 31
Man Whitney Significance Test Results for Price Earnigs Ratio (PER) Variables

	Price Earnings Ratio
Mann-Whitney U	1762,000
Wilcoxon W	3592,000
Z	-0.199
asymp. Sig.(2-tailed)	0.842
a. Grouping Variable: Pre-Post Stock Split	

Based on the above, it shows that the U value is 1762 and the W value is 3592. When converted to a Z value, the value is -0.199. The Sig value or P Value is 0.842 > 0.05. considering the p value > the critical limit of 0.05, there is no significant difference (significant) Price Earnings Ratio (PER) between before and after the stock split. Thus, hypothesis 6 which states that there is a significant difference in Price Earnings Ratio (PER) between before and after the stock split is not statistically supported.

D. Summary of Hypothesis Testing

Based on the results of the hypothesis testing of the long-term financial performance difference as indicated by the Current Ratio (CR), Debt to Total Assets (DAR), Total Asset Turnover (TATO), Return on Assets (ROA, Return on Equity (ROE) and Price Earning Ratio (PER), briefly can be seen in Table 32:

Table 32
Summary of Hypothesis Testing

Man Whitney Different Test	Z-Score	asymp. Sig. (2-tailed)	Information
CurrentRatio (CR)	-0.853	0.394	Rejected
Debt to Total Assets (DAR)	-0.005	0.996	Rejected

Total Asset Turnover (TATO)	-1.918	0.055	Received at alpha 10%
Return on Assets(ROE)	-1,992	0.046	Received
Return on Equity (ROE)	-2013	0.044	Received
Price Earnings Ratio (PER)	-0.199	0.842	Rejected

Based on the summary of hypothesis testing in table 32, several things can be explained as follows:

1. The results of the different test using Man Whitney for the variable current ratio (CR) has a Z-score value of -0.853 with an Asymp value. Sig (2-tailed is 0.394. Thus, hypothesis 1 which states that there is a significant difference in current ratio (CR) between before and after the stock split is statistically rejected.
2. The results of the different test using Man Whitney for the variable debt to total assets (DAR) have a Z-score value of -0.005 with an Asymp value. Sig (2-tailed) is 0.996. Thus, hypothesis 2 which states that there is a significant difference in debt to total assets (DAR) between before and after the stock split is statistically rejected.
3. The results of the different test using Man Whitney for the total asset turnover (TATO) variable have a Z-score value of -1.918 with an Asymp value. Sig (2-tailed is 0.055. Thus, hypothesis 3 which states that there is a significant difference in total asset turnover (TATO) between before and after the stock split is statistically rejected at 5% alpha (95% confidence interval) at 10% alpha or confidence interval 10%, this hypothesis is accepted.
4. The results of the different test using Man Whitney for the return on asset (ROA) variable have a Z-score value of -1.992 with an Asymp value. Sig (2-tailed) is 0.046. Thus, hypothesis 4 which states that there is a significant difference in return on assets (ROA) between before and after the stock split is statistically accepted.
5. The results of the different test using Man Whitney for the return on equity (ROE) variable have a Z-score value of -2,013 with an Asymp value. Sig (2-tailed) is 0.044. Thus, hypothesis 5 which states that there is a significant difference in return on equity (ROE) between before and after the stock split is statistically accepted.
6. The test results are different fromusing Man Whitney for the price earning ratio (PER) variable has a Z-score value of -0.199 with an Asymp value. Sig (2-tailed) is 0.842. Thus, hypothesis 6 which states that there is a significant difference in price earning ratio (PER) between before and after the stock split is statistically rejected.

E. Discussion

1. Current Ratio (CR) before and after Stock Split

The results showed that the current ratio (CR) did not show a significant difference between before and after the stock split. In the long term, the stock split does not provide a difference in the current ratio (CR) for 3 years before and 3 years after the stock split.

The results of this study are in line with research Nur (2017) which concludes that long-term financial performance does not show a significant difference. The results of this study are also in line with research Dwilita (2018) which concluded that the significance test on financial performance (liquidity ratio, and profitability ratio) obtained a T-count comparison smaller than the T-table. These results conclude that the decision to do a stock split has no effect on financial performance, namely the company's profitability which is indicated by the absence of differences in ROE, ROA, PMS, and EPS. Then based on the correlation test, the

financial performance (profitability ratio) is obtained by comparing the value of Sig. which is greater than 0.05,

In general, companies do stock splits to increase the number of outstanding shares by making the stock price cheaper so that it can attract investors and the company's shares become more liquid. By making the stock price cheaper and affordable for investors, it will generate investors' interest in making transactions on these shares. This resulted in the stock being more active, more liquid, and avoiding delisting.

2. **Debt to Total Assets (DAR) before and after the Stock Split.**

The results showed that debt to total assets (DAR) did not show a significant difference between before and after the stock split. In the long term the stock split does not provide a difference in debt to total assets (DAR) for 3 years before and 3 years after the stock split.

The results of this study are in line with research Nur (2017) which concludes that long-term financial performance does not show a significant difference. The results of this study are also in line with research Dwilita (2018) which concluded that the significance test on financial performance (liquidity ratio, and profitability ratio) obtained a T-count comparison smaller than the T-table. These results conclude that the decision to do a stock split has no effect on financial performance, namely the company's profitability which is indicated by the absence of differences in ROE, ROA, PMS, and EPS. Then based on the correlation test, the financial performance (profitability ratio) is obtained by comparing the value of Sig. which is greater than 0.05,

In accordance with the Signaling Theory which states that managers have more information about the condition of the company than investors, as well as when the company conducts a stock split, it will provide a signal that will be captured by investors and potential investors as a good or bad sign in accordance with other information that the investor has. Company leaders with better information about their company will be encouraged to convey more information they have to potential investors in order to increase the value of the company. This will also give creditors the confidence to lend funds to the company.

3. **Total Asset Turnover (TATO) before and after Stock Split**

The results showed that the total asset turnover (TATO) did not show a significant difference between before and after the stock split. This result is significant at the 10% alpha or 90% confidence interval. In the long term stock split provides a difference in total asset turnover (TATO) for 3 years before and 3 years after the stock split.

In the context of the asset turnover ratio (TATO), the results of this study are different from (Bajaj & Arora, 2017) which shows that profitability (Return on Assets, and Return on Equity, Net Profit Margin, Return on Sales) does not show a significant difference between before and after stock split.

4. **Return on Assets (ROA) before and after Stock Split**

The results showed that the return on assets (ROA) showed a significant difference between before and after the stock split. In the long term stock split provides a significant difference in return on assets (ROA) for 3 years before and 3 years after the stock split.

In the context of the return on asset (ROA) profitability ratio, the results of this study are different from (Bajaj & Arora, 2017) which shows

that profitability (ROA, and ROE) do not show a significant difference between before and after the stock split. The results of this study are different from research (Madani, 2018) which states that there is no difference in return on assets (ROA) before and after the stock split.

The results of this study are also different from research (Dwilita, 2018) which concluded that the significance test on financial performance (profitability ratio) obtained that the T-count comparison was smaller than the T-table. These results conclude that the decision to do a stock split has no effect on financial performance, namely the company's profitability which is indicated by the absence of differences in ROE, ROA, PMS, and EPS. Then based on the correlation test, the financial performance (profitability ratio) is obtained by comparing the value of Sig. which is greater than 0.05, it means that the stock split event is not correlated with financial performance in this case is ROE, ROA, PMS, and EPS. The results of this study are also different from (Sabar et al., 2022) which shows that profitability (ROA, ROE,

5. Return on Equity (ROE) before and after Stock Split

The results showed that the return on equity (ROE) showed a significant difference between before and after the stock split. In the long term stock split provides a significant difference in return on equity (ROE) for 3 years before and 3 years after the stock split. The results of this study are in line with research (Madani, 2018) which states that there are differences in return on equity (ROE) before and after the stock split.

In the context of the return on asset profitability ratio (ROA), the results of this study are different from (Bajaj & Arora, 2017) which shows that profitability (ROA, and ROE) do not show a significant difference between before and after the stock split. The results of this study are different from research (Dwilita, 2018) which concluded that the significance test on financial performance (profitability ratio) obtained that the T-count comparison was smaller than the T-table. These results conclude that the decision to do a stock split has no effect on financial performance, namely the company's profitability which is indicated by the absence of differences in ROE, ROA, PMS, and EPS. Then based on the correlation test, the financial performance (profitability ratio) is obtained by comparing the value of Sig. which is greater than 0.05. The results of this study are also different from (Sabar et al., 2022) which shows that profitability (ROA, ROE, and Net Profit Margin) does not show a significant difference between before and after the stock split.

6. Price Earnings Ratio (PER) before and after Stock Split

The results showed that the price earnings ratio (PER) did not show a significant difference between before and after the stock split. In the long term, the stock split does not provide a significant difference in the price earnings ratio (PER) for 3 years before and 3 years after the stock split. In relation to stock split with Price Earning Ratio, the results of this study are in line with research (Bajaj & Arora, 2017) which shows that Earning per Share and Price Earning Ratio do not show significant differences between before and after the stock split. In the context of earnings, the results of this study are in line with research (Dwilita, 2018) which concluded that the significance test on

financial performance (profitability ratio) obtained that the T-count comparison was smaller than the T-table. These results conclude that the decision to do a stock split has no effect on financial performance, namely the company's profitability which is indicated by the absence of differences in ROE, ROA, PMS, and EPS. Then based on the correlation test, the financial performance (profitability ratio) is obtained by comparing the value of Sig. which is greater than 0.05, it means that the stock split event is not correlated with financial performance in terms of these are ROE, ROA, PMS, and EPS.

CONCLUSION

Current ratio (CR) does not show a significant difference between before and after the stock split. In the long term, the stock split does not provide a difference in the current ratio (CR) for 3 years before and 3 years after the stock split.

Debt to total assets (DAR) did not show a significant difference between before and after the stock split. In the long term the stock split does not provide a difference in debt to total assets (DAR) for 3 years before and 3 years after the stock split.

Total asset turnover (TATO) did not show a significant difference between before and after the stock split. This result is significant at the 10% alpha or 90% confidence interval. In the long term stock split provides a difference in total asset turnover (TATO) for 3 years before and 3 years after the stock split.

Return on assets (ROA) shows a significant difference between before and after the stock split. In the long term stock split provides a significant difference in return on assets (ROA) for 3 years before and 3 years after the stock split.

Return on equity (ROE) shows a significant difference between before and after the stock split. In the long term stock split provides a significant difference in return on equity (ROE) for 3 years before and 3 years after the stock split.

Price earnings ratio (PER) did not show a significant difference between before and after the stock split. In the long term, the stock split does not provide a significant difference in the price earnings ratio (PER) for 3 years before and 3 years after the stock split.

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