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Research Article

Halal Healthcare Investment: Evaluating CR, DER, and ROE Impacts on Sharia-Compliant Stock Prices

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Abstract: This study aims to analyze the effect of the Current Ratio (CR), Debt-to-Equity Ratio (DER), and Return on Equity (ROE) on the stock prices of healthcare companies classified as sharia-compliant on the Indonesia Stock Exchange (IDX) for the 2020–2024 period. The background of the study is motivated by notable stock price fluctuations among sharia healthcare issuers, such as the sharp decline in PT Kimia Farma Tbk and price dynamics of other issuers including KLBF, MIKA, PEHA, and SIDO. The analysis uses a quantitative approach applying Partial Least Squares – Structural Equation Modeling (PLS-SEM) implemented in WarpPLS 8.0. The results indicate that CR does not have a significant effect on stock price ($p = 0.174$), while DER has a negative but not statistically significant effect ($p = 0.484$). In contrast, ROE has a positive and significant effect on stock price ($p < 0.001$), making ROE the dominant factor influencing investor interest. Simultaneously, the three independent variables explain only 20.2% of stock price variation, while the remaining 79.8% is influenced by factors outside the research model. The Tenenhaus goodness of fit (GOF) value of 0.450 suggests the research model has good overall quality despite the limited explanatory power of the tested financial variables.

Keywords: Current Ratio; Debt to Equity Ratio; Healthcare; Return on Equity; Stock Price

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1. Introduction

Sharia-based investments are increasingly popular, both in Indonesia and internationally. Halal investment refers to allocating capital in accordance with Islamic principles, avoiding activities involving riba (interest), gharar (excessive uncertainty), and non-halal sectors such as alcohol, gambling, or pork-related products. In Indonesia, the Financial Services Authority (OJK) issues the Daftar Efek Syariah (DES), which lists stocks that meet these criteria. Healthcare companies are particularly relevant for halal investment due to their essential role in improving welfare and their general compliance with sharia screening standards. One promising area for such investments is the healthcare sector, which plays a vital role in improving quality of life and offers consistent long-term growth potential.

When selecting sharia-compliant stocks, investors assess not only whether a company's business activities comply with Islamic law but also evaluate financial fundamentals to measure performance and prospects. Key financial ratios often used in this context include the Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE), which represent liquidity, leverage, and profitability respectively.

Between 2020 and 2024, the stock prices of sharia-compliant healthcare issuers in Indonesia showed considerable volatility. For instance, PT Kimia Farma Tbk (KAEF) dropped sharply from IDR 4,250 in 2020 to only IDR 605 in 2024. During the same period, KLBF reached its peak in 2022 before declining, while MIKA remained relatively stable. On the other hand, PEHA and SIDO exhibited consistent downward trends.

This dynamic raises the question of whether these stock movements reflect the companies' fundamental conditions. This study applies CR, DER, and ROE to evaluate financial conditions and their influence on stock prices, focusing on healthcare issuers classified as sharia-compliant in Indonesia. Data were collected from the Indonesia Stock Exchange (IDX) and Yahoo Finance.

Table 1. Stock Prices of Sharia-Compliant Healthcare Companies

Company	Year				
	2020	2021	2022	2023	2024
PT Kalbe Farma Tbk. (KLBF.JK)	Rp 1.480	Rp 1.615	Rp 2.090	Rp 1.610	Rp 1.360
PT Kimia Farma Tbk (KAEF.JK)	Rp 4.250	Rp 2.430	Rp 1.085	Rp 1.445	Rp 605
PT Mitra Keluarga Karyasehat Tbk (MIKA.JK)	Rp 2.730	Rp 2.260	Rp 3.190	Rp 2.850	Rp 2.540
PT Phapros Tbk (PEHA.JK)	Rp1.695	Rp1.105	Rp 685	Rp 640	Rp324
PT Industri Jamu dan Farmasi Sido Muncul Tbk (SIDO.JK)	Rp 798	Rp 865	Rp 755	Rp 525	Rp 590

Source: Yahoo Finance

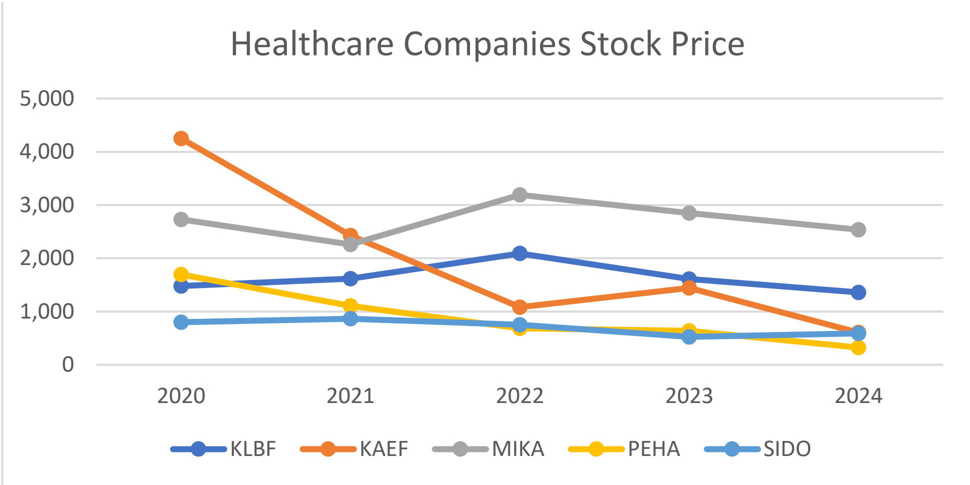

Figure 1. Stock Price Trends of Sharia-Compliant Healthcare Companies
Sumber: Yahoo Finance

Based on the data in Table 1 and the stock price chart, it is evident that PT Kimia Farma Tbk (KAEF.JK) experienced the sharpest decline in stock prices over the past five years. This decrease may indicate weakening investor confidence in the company's long-term prospects. Meanwhile, PT Kalbe Farma Tbk (KLBF.JK) showed an upward trend until 2022 before undergoing a price correction.

MIKA, although not explicitly categorized as a sharia stock, is included for comparison because of its relevance to the healthcare sector. This stock demonstrated relatively stable prices, reflecting positive market perceptions. In contrast, PEHA and SIDO, despite showing more volatility, still followed fluctuation patterns that reflect market pressures on issuer performance.

Stock price fluctuations reflect the dynamics of supply and demand in the capital market. Investors tend to favor companies with solid financial conditions and promising growth prospects. Therefore, fundamental analysis serves as a crucial tool for understanding the relationship between financial ratios and stock price movements.

To evaluate a company's performance, financial statements serve as the primary reference for assessing its financial position. By analyzing various financial ratios such as liquidity (CR), solvency/leverage (DER), and profitability (ROE) investors can gain insight into a company's ability to operate effectively and maintain healthy financial performance.

According to Marsela & Yantri (2021), these ratios can significantly influence stock prices. Liquidity, measured through ratios that capture the firm's ability to settle short-term obligations, is often perceived positively when the CR is high. However, studies such as Fairurachma (2023) suggest that the impact of CR on stock prices is not always significant, as it depends heavily on the industry type and external conditions. Solvency ratios like DER reflect the proportion of debt relative to equity. Companies with low DER are often considered financially healthier and thus more attractive to sharia investors. Nevertheless, findings regarding DER vary depending on the industry sector (Kosim & Safira, 2020; Putri & Suwaidi, 2023).

Profitability ratios, especially ROE, are among the most widely used indicators for evaluating a company's ability to generate profits. A high ROE indicates efficient capital utilization, which tends to positively influence stock prices. Differences in previous research findings highlight the absence of consensus regarding the relationship between CR, DER, and ROE with stock price movements, particularly in the sharia healthcare sector.

Thus, this study aims to empirically examine how these three fundamental financial ratios affect stock prices of sharia-compliant healthcare issuers in Indonesia during the 2020–2024 period.

The study is expected to provide added value for investors who adhere to sharia principles in designing their investment strategies. Moreover, the findings may serve as valuable input for corporate management to improve financial performance and strengthen market confidence.

2. Literature Review

Signalling Theory

Signaling theory, introduced by Michael Spence in 1973, states that companies can communicate important information to external parties, such as investors, through the disclosure of financial statements. This information serves as a reference for evaluating a company's operational performance and long-term prospects. Financial ratios such as CR, DER, and ROE can be interpreted as signals that reflect company performance and influence investment decisions.

Stock Price

The market value of a stock is represented by its price, determined through negotiations between buyers and sellers on the exchange (Evanjeline & Suwitho, 2021). Changes in stock prices are generally driven by investor expectations and reactions to company performance and financial information, often analyzed through fundamental ratios.

Current Ratio (CR)

According to Irawan & Laily (2019), the Current Ratio is used to assess a company's ability to repay short-term obligations using current assets. A high CR indicates strong liquidity, although an excessively high CR may signal inefficiency in asset utilization. For sharia investors, CR also reflects managerial prudence in financial management.

Debt to Equity Ratio (DER)

DER measures the proportion of a company's debt compared to its shareholders' equity (Marsela & Yantri, 2021). This ratio illustrates the financial risk associated with capital structure. In sharia investment, a low DER is generally seen as positive, since it demonstrates minimal reliance on debt financing that involves interest.

Return on Equity (ROE)

ROE assesses how efficiently management utilizes shareholders' equity to generate net income. According to Wiryaningtyas (2020), this ratio reflects the company's ability to generate profits from its own capital. A higher ROE is usually interpreted as a sign of strong performance and is a key consideration for investors.

Conceptual Framework

This research analyzes the effect of three key financial indicators liquidity (CR), solvency/leverage (DER), and profitability (ROE) on the stock prices of sharia-compliant healthcare issuers in Indonesia:

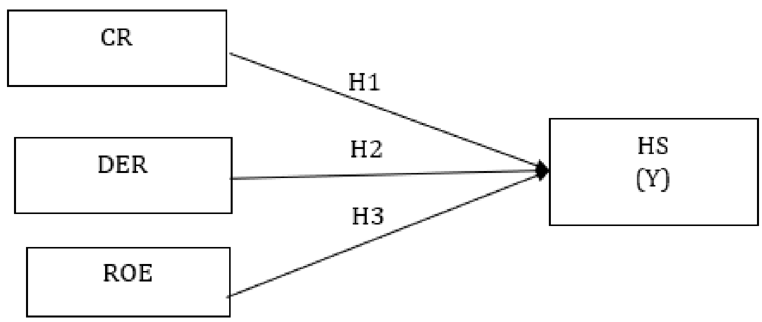

Figure 2. Conceptual Framework
Source: (Wiryaningtyas, 2020)

The Effect of CR on Stock Prices

The Current Ratio (CR), which reflects a company's liquidity position, can serve as a positive signal for investors. When the ratio is at a moderate and healthy level, it enhances investor confidence in the stability of the company's operations. However, an excessively high CR may indicate that assets are not being used productively, which could reduce market interest. Previous studies (Evanjeline & Suwitho, 2021; Kosim & Safira, 2020; Irawan & Laily, 2019) concluded that CR is associated with fluctuations in stock prices, although results may vary across contexts.

Signaling Theory: High liquidity signals that a company is capable of managing cash flows and short-term financial risks effectively, thereby attracting investor interest.

H1: CR has an effect on stock prices.

The Effect of DER on Stock Prices

The Debt-to-Equity Ratio (DER) reflects a company's ability to manage financing through debt relative to its equity. A lower DER is considered to indicate a healthier level of leverage, which tends to increase investor confidence. Several previous studies Aurelia et al. (2022), Thea & Sulistyo (2021) Levina & Dermawan (2019) found that DER has a significant relationship with changes in stock prices, although the direction of the influence positive or negative may differ depending on the characteristics of the industry sector.

Signaling Theory: A conservative capital structure (low DER) signals that a company has lower financial risk and prudent management practices.

H2: DER has an effect on stock prices.

The Effect of ROE on Stock Prices

Turn on Equity (ROE) measures the net income generated relative to shareholders' equity. A higher ROE reflects the efficiency of management in utilizing capital to generate profits. Investors generally perceive firms with high ROE as superior performers. Research such as Dewi & Suwarno (2022) and Khasanah & Suwarti (2022) found that ROE makes a significant contribution to stock price increases.

Signaling Theory: A high ROE signals strong profitability and positive growth prospects, thereby increasing market attractiveness.

H3: ROE has an effect on stock prices.

3. Research Method

Research Variables and Operational Definitions

This research uses a quantitative approach with secondary data to analyze the effect of financial ratios on stock prices of healthcare companies listed as sharia securities from 2020–2024. The variables examined in this study are CR, DER, and ROE as independent variables, while Stock Price serves as the dependent variable. Using purposive sampling, healthcare companies from the IDX were selected, yielding 5 companies consistently included in DES during 2020–2024. Data were processed with WarpPLS 8.0.

Table 2. Purposive Sampling Indicator

Indicator	Total
Healthcare companies listed in DES in 2024	38
Less: Companies without complete Financial Reports (2020–2024)	(28)
Remaining Companies Passing Consistency Criterion	12
Less: Companies with Negative Earnings (Loss) (2019–2024)	(5)
Total Sample	5
Years of Study	5 years
Study Sample Units	10

Following the set criteria, healthcare companies from the Indonesia Stock Exchange (IDX) were selected as the research sample, yielding data spanning the years 2020–2024. The research utilizes Partial Least Squares Structural Equation Modeling (PLS-SEM) to examine causal relationships between variables. PLS-SEM is particularly suitable for studies that rely on secondary data with a relatively small sample size, as it does not require strict normality assumptions (Sholihin & Ratmono, 2020). The analysis was conducted using warppls 8.0, which includes assessing model fit, calculating the coefficient of determination, evaluating predictive relevance, and testing research hypotheses. These procedures provide strong and reliable insights into the effects of financial ratios (CR, DER, and ROE) on stock prices within the healthcare industry.

Table 3. Operational Definition

	Research Variable	Measurement
Y	Stock Price The closing stock price serves as a reference for the opening stock price on the following day.	The closing price of a stock serves as a reference for the next day's opening price. In this study, the closing prices of sharia-compliant healthcare companies listed on the IDX during 2020–2024 are used. (Evanjeline & Suwitho, 2021)
X1	Current Ratio (CR): Measures how the company can finance its liabilities using current assets.	$\frac{Current\ Assets}{Current\ Liabilities}\ x100\%$ Source: (Kosim & Safira, 2020)
X2	Debt Equity Ratio (DER): Indicates the company's ability to manage its operations using debt.	$\frac{Total\ Liabilities}{Total\ Equity}\ x\ 100\%$ Source: (Putri & Suwaidi, 2023)
X3	Return on Equity (ROE): Assesses the extent to which the company is able to generate profit from the capital invested by shareholders.	$\frac{Net\ Income}{Equity}\ x\ 100\%$ Source: (Wiryaningtyas, 2020)

4. Results and Discussion

Model Fit Test

The model fit assessment using WarpPLS 8.0 shows:

Table 4. Model Fit

Model fit and quality indices

Average path coefficient (APC)=0.181, P=0.032
Average R-squared (ARS)=0.202, P=0.021
Average adjusted R-squared (AARS)=0.163, P=0.042
Average block VIF (AVIF)=2.712, acceptable if <= 5, ideally <= 3.3
Average full collinearity VIF (AFVIF)=1.592, acceptable if <= 5, ideally <= 3.3
Tenenhaus gof (gof)=0.450, small >= 0.1, medium >= 0.25, large >= 0.36
Simpson's paradox ratio (SPR)=1.000, acceptable if >= 0.7, ideally = 1
R-squared contribution ratio (RSCR)=1.000, acceptable if >= 0.9, ideally = 1
Statistical suppression ratio (SSR)=1.000, acceptable if >= 0.7
Nonlinear bivariate causality direction ratio (NLBCDR)=0.333, acceptable if >= 0.7

Source: Output warppls8 (Processed data,2025)

Based on tests using warppls 8.0, the model fit assessment shows an APC value of 0.181 with P = 0.032, and an ARS value of 0.202 with P = 0.021 both of which are significant at the <0.05 level. The AARS value of 0.163 with P = 0.042 also indicates acceptable model adequacy. In addition, AVIF = 2.712 and AFVIF = 1.592 are both below the threshold of 5 (ideal ≤ 3.3), so multicollinearity is not a concern.

The gof index of 0.450 indicates overall model strength in the "large" category, meaning the model has good explanatory capability. Several additional indices SPR (1.000), RSCR (1.000), and SSR (1.000) are at ideal levels, indicating the model is stable and free of statistical anomalies. However, the NLBCDR value of 0.333 is below the desired threshold of 0.7, which suggests limitations in the model's ability to establish nonlinear bivariate causal direction.

Structural Model

The structural model demonstrates the following results:

Table 5. Structural Model Results

Variable	R^2 (R-Square)	Q^2 (QSquare)	F^2 (FSquare)
H1 Current Ratio/CR	–	–	0,017
H2 Return on Equity/ROE	–	–	0,185
H3 Debt to Equity Ratio/DER	–	–	0,001
Y (Stock Price)	0,202	0,288	–

Source: Output warppls8 (Processed data,2025)

In this study, the structural model shows that the Stock Price variable (Y1) has an R^2 value of 0.202, or 20.2%. This means that the independent variables Current Ratio (CR), Return on Equity (ROE), and Debt to Equity Ratio (DER) are only able to explain 20.2% of the variance in stock price changes of sharia-compliant healthcare issuers, while the remaining 79.8% is influenced by other variables not included in this research model. According to Sholihin and Ratmono (2020), this value indicates that the relationship between the independent and dependent variables falls into the weak category.

Furthermore, the results show that the Q^2 (predictive relevance) value is 0.288, or 28.8%, which means that the model has adequate predictive relevance because it can sufficiently reconstruct the observed data. In addition, the F^2 (effect size) values for each independent variable indicate different contributions. The ROE variable has a value of 0.185, which is categorized as medium (≥ 0.15), indicating that profitability (ROE) plays a moderate role in explaining stock prices. The CR variable has a value of 0.017, which falls into the weak category (< 0.02), suggesting that liquidity only has a small influence on stock prices. Meanwhile, the DER variable has a value of 0.001, which is also categorized as weak, indicating that capital structure contributes almost no significant effect on the stock prices of sharia-compliant healthcare issuers.

Hypothesis Testing

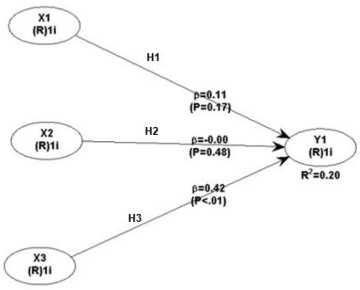

Figure 2. Research Result
Source: Research Result, 2025

Table 6. Table P-Value

Hypothesis	Variable	P-Value	Status
H1	CR (Current Ratio)	0.174	Not significant
H2	DER (Debt to Equity Ratio)	0.484	Not significant
H3	ROE (Return on Equity)	<0.001	Significant

Source: Output warppls8 (Processed data, 2025)

Regression Equation

Based on WarpPLS output, the regression equation is expressed as:

$$Stock\ Price = 0.131(CR) - 0.052(DER) + 0.430(ROE) + \varepsilon \quad (1)$$

This equation shows that an increase of one unit in CR raises stock price by 0.131, an increase of one unit in DER decreases stock price by 0.052, and an increase of one unit in ROE raises stock price by 0.430.

Interpretation of Research Results

The Effect of Current Ratio (CR) on Stock Price

CR does not significantly affect stock prices. For instance, KLBF maintained a stable CR above the industry average throughout 2020–2024, yet its stock price still declined after 2022. This indicates that liquidity levels are not a decisive factor in healthcare stock valuation. In healthcare, demand stability and government support reduce liquidity risk, making profitability and growth prospects more influential to investors.

The findings reveal that the Current Ratio (CR) does not significantly affect stock prices, as indicated by a P-value of 0.174, exceeding the 0.05 threshold. This result confirms that H1 is rejected. Although CR is traditionally understood as a measure of liquidity that reflects a company's ability to settle its short-term obligations using current assets, the lack of significance suggests that investors in sharia-compliant healthcare firms do not view liquidity as a primary driver of stock valuation.

From a theoretical perspective, signaling theory posits that financial ratios communicate important information about a firm's condition to the market. However, liquidity, while relevant, is often considered a weak signal compared to profitability or growth indicators. A moderate CR may signal operational stability, yet excessively high liquidity may instead indicate inefficient asset utilization where resources are tied up in current assets rather than being deployed productively. Conversely, low liquidity can raise concerns about solvency risks, but in industries with stable demand such as healthcare, profitability and growth prospects tend to overshadow short-term liquidity risks in investor decision-making.

This result is consistent with prior studies such as Evanjeline & Suwitho (2021) and Kosim & Safira (2020), which found that CR's effect on stock prices is inconsistent across industries and often overshadowed by profitability measures. For investors, this implies that liquidity levels, while necessary for operational continuity, are not decisive in determining the attractiveness of healthcare stocks. For managers, the implication is that maintaining excessively high liquidity may not enhance shareholder value; instead, resources should be optimized toward investments that generate sustainable returns.

The Effect of Return on Equity (ROE) on Stock Prices

ROE has a significant positive impact on stock prices. High ROE signals profitability and managerial efficiency, consistent with signaling theory (Spence, 1973). This finding aligns with Dewi & Suwarno (2022) and Muslikin & Alim (2023), who confirm profitability as the strongest driver of stock performance. In sharia-compliant healthcare firms, ROE reflects efficient equity utilization and reassures investors of sustainable growth.

The results demonstrate that Return on Equity (ROE) exerts a significant positive effect on stock prices, with a P-value of <0.001, well below the 0.05 threshold. This leads to the acceptance of H3, confirming that profitability plays a dominant role in shaping investor perceptions and driving stock prices in the sharia-compliant healthcare sector. ROE, as a measure of the efficiency with which firms generate profits from shareholder equity, serves as one of the most critical indicators for investors assessing long-term value creation.

Signaling theory supports this finding, as profitability sends a clear and powerful signal to investors about managerial efficiency and growth prospects. A higher ROE communicates that a company is not only effectively utilizing its equity base but is also capable of generating competitive returns for shareholders. In turn, this attracts greater investor demand, which pushes up stock valuations.

Empirical evidence supports these results. Dewi & Suwarno (2022) and Khasanah & Suwarti (2022) both identify ROE as a key determinant of stock prices across various sectors in Indonesia. Globally, Eccles et al. (2014) emphasize that firms demonstrating sustained profitability tend to outperform peers in financial performance, further reinforcing ROE's importance. In the context of healthcare, where firms are often capital-intensive, a strong ROE reassures investors of effective resource allocation and resilience in a competitive market.

For investors, the implication is clear: ROE should remain a focal point when evaluating investment opportunities in sharia-compliant healthcare stocks. For company management, sustaining high ROE requires not only efficient operations but also strategic reinvestment of earnings to drive continuous growth. This finding confirms that profitability rather than liquidity or leverage remains the most powerful driver of investor confidence and stock price movement in this sector.

The Effect of Debt to Equity Ration (DER) on Stock Prices

DER shows a negative but insignificant effect on stock prices. For example, KAEF's stock price continued to decline despite debt restructuring, suggesting that investors place less emphasis on leverage and more on profitability. Prior research (Aurelia et al., 2022; Levina & Dermawan, 2019) also highlights that DER's effect varies across industries and macroeconomic conditions. Hence, DER is not a decisive factor for sharia-compliant healthcare stock prices.

The analysis shows that the Debt to Equity Ratio (DER) has a negative but statistically insignificant effect on stock prices, with a P-value of 0.484, far above the 0.05 significance threshold. This result leads to the rejection of H2. While DER theoretically reflects the extent of a company's financial leverage, its insignificance indicates that capital structure is not a primary consideration for investors in sharia-compliant healthcare firms.

Traditionally, a higher DER suggests greater financial risk, as firms rely more heavily on debt financing, which may increase interest obligations and reduce net income. However, investors may not automatically penalize firms with high leverage, particularly when debt is used effectively to fund expansion or innovation. In industries such as healthcare, where long-term growth opportunities are abundant, debt can serve as a strategic financing tool rather than a red flag.

These results are consistent with Aurelia et al. (2022) and Levina & Dermawan (2019), who highlight that the impact of DER on stock prices varies across sectors and depends on macroeconomic conditions. In more capital-intensive industries, debt is often a necessary component of growth strategies, and investors may assess its implications differently. For sharia-compliant healthcare firms, profitability and efficiency appear to overshadow leverage in determining investor decisions.

From a practical standpoint, this finding suggests that managers should not overly focus on minimizing DER at the expense of growth. Instead, the emphasis should be on ensuring that debt is employed productively and generates sufficient returns to maintain investor confidence. For investors, DER may be seen as a secondary indicator that is less predictive of stock price behavior than profitability. Thus, while leverage remains relevant for financial health, it does not appear to be a decisive factor in driving stock valuations in this study.

Model Predictive Power

The structural model demonstrates that stock price (Y) has an R^2 of 0.202, meaning that Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) together explain 20.2% of the variation in stock prices among sharia-compliant healthcare firms. The remaining 79.8% is influenced by other factors not included in the model. According to Sholihin and Ratmono (2020), this value is categorized as weak, suggesting that stock price movements are largely determined by external and non-financial variables.

The Q^2 value of 0.288 indicates moderate predictive relevance, showing that the model is sufficiently capable of reconstructing observed data. Furthermore, the effect size (F^2) highlights that ROE has a medium effect (0.185), while CR (0.017) and DER (0.001) exhibit weak effects. This confirms that profitability plays a more dominant role in influencing stock price compared to liquidity and leverage.

The Goodness of Fit (gof) value of 0.450 falls into the "large" category (≥ 0.36), affirming that the model is statistically reliable despite its relatively modest explanatory power. Taken together, these results suggest that while CR and DER provide limited explanatory strength, ROE stands out as the most important financial indicator driving stock prices in the healthcare sector.

5. Conclusion

This study concludes that among CR, DER, and ROE, only ROE significantly affects stock prices of sharia-compliant healthcare companies in Indonesia. ROE is the dominant variable due to its profitability signaling effect, while CR and DER are not significant drivers. The results suggest that investors emphasize profitability and long-term growth over liquidity and leverage in healthcare investment decisions. Future research should integrate non-financial variables such as ESG performance and regulatory factors to better explain stock price movements. Using Partial Least Squares Structural Equation Modeling (PLS-SEM) with warppls 8.0, the findings demonstrate that only ROE has a significant effect on stock price, while CR and DER do not show significant influence.

The results highlight that profitability, as measured by ROE, is the primary determinant of stock price movements in the healthcare sector. Investors perceive firms with higher ROE as more efficient in utilizing equity capital, thereby signaling stronger financial performance and future growth potential. This finding aligns with signaling theory, which posits that positive financial outcomes provide a strong signal to investors, increasing demand for company shares.

In contrast, liquidity (CR) and leverage (DER) were found to be insignificant. This indicates that investors in the sharia-compliant healthcare sector place greater emphasis on profitability rather than short-term liquidity or capital structure. Liquidity that is too high may even suggest underutilized assets, while variations in leverage appear less relevant as long as firms demonstrate consistent profitability.

From a managerial perspective, these findings suggest that healthcare companies should prioritize strategies that enhance profitability and maximize shareholder returns. Strengthening ROE through effective capital utilization, cost management, and operational efficiency can positively influence investor perceptions and market valuation.

For investors, the results provide practical insights for decision-making. Profitability indicators, particularly ROE, should serve as a primary reference when assessing investment opportunities in healthcare companies. Conversely, liquidity and leverage may be considered secondary factors, as their effects on stock price are less pronounced in this sector.

Finally, the study also underscores the need to consider external factors beyond financial ratios, given that the model explains only 20.2% of stock price variation. Macroeconomic conditions, regulatory frameworks, and broader market dynamics likely play a substantial role in influencing stock price movements. Future research may extend this study by incorporating non-financial variables such as ESG performance, corporate governance, or innovation capacity to provide a more comprehensive understanding of value creation in sharia-compliant healthcare firms.

Data Availability Statement: We encourage all authors of articles published in FAITH journals to share their research data. This section provides details regarding where data supporting reported results can be found, including links to publicly archived datasets analyzed or generated during the study. Where no new data were created or data unavailable due to privacy or ethical restrictions, a statement is still required.

Conflicts of Interest: The authors declare no conflict of interest. The funders had no role in the design of the study; in the collection, analyses, or interpretation of data; in the writing of the manuscript; or in the decision to publish the results.

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