



## THE IMPACT OF EVA AND MVA ON STOCK RETURNS THROUGH COMPANY VALUE: EVIDENCE FROM INDONESIAN PROPERTY COMPANIES FOR THE 2020–2024 PERIOD

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### ABSTRACT

**Introduction:** This research was intended to examine how Economic Value Added (EVA) and Market Value Added (MVA) influence stock returns, with company value serving as a mediating variable. This research centers on companies within the property sector that are registered on the Indonesian Stock Exchange (IDX) from 2020 to 2024. The property sector was chosen because it has high investment potential, but its performance often fluctuates due to macroeconomic uncertainty and investor perception of the company's value.

**Methods:** A quantitative approach was chosen in this research. There are 92 companies in the population, with the final sample of 10 companies processed from purposive sampling techniques. Data analysis in this research was carried out using classic assumption tests, partial tests, and coefficient of determination tests. In addition, mediation analysis was performed using the PROCESS Macro developed by Hayes with the assistance of SPSS 26.

**Results:** The results demonstrate that both EVA and MVA influence the company's value. Market added value, economic added value, and company value do not impact stock returns. After a mediation test using PROCESS Macro Hayes, the company's value was unable to mediate between the impact of EVA and MVA on stock returns.

**Conclusion and Suggestion:** This research concludes that both EVA and MVA can be determinants of investor confidence. This emphasizes the importance of companies to optimize their financial performance to increase company value and stock returns. It is advised for future researchers to increase the research object, sample, and observation period to obtain more comprehensive results. It is also recommended to add other variables such as financial value added, good corporate governance, dividend policy, and macroeconomics.

## INTRODUCTION

The Indonesian capital market has shown substantial growth in recent years, thereby expanding opportunities for companies to secure funding while simultaneously enabling investors to allocate their capital more effectively. This condition encourages companies to create plans to sustain their existence (or business continuity) in the capital market, so that they are chosen by investors (Sudiarto, Badriyah, & Deccasari, 2024). When making investment decisions, an investor will naturally tend to allocate his funds to business entities that have optimal performance or value, with the expectation of obtaining maximum returns from the investment invested (Aryani & Syawalliawaty, 2021). Among various investment instruments, stocks are often the choice of the public because they offer relatively higher potential returns than other financial instruments (Tikasari & Surjandari, 2020). Stock return is a reward or profit given to investors as a return for stock investment activities (Hartono, 2016). The level of return received by investors is determined by various factors, one of which is the financial performance of the company. However, the high potential for profit is also accompanied by a large level of risk. Capital market volatility often causes stock prices to undergo drastic changes that come from within the company or as a result of external influences. That way, investors need to have a strong basis for consideration in making a decisions of investment, especially by analyzing the performance of the company and worth.

To assess a company's operational performance, financial performance measurement is generally done through financial ratio analysis, which is often referred to as the conventional approach (Silalahi & Manullang, 2021). However, performance analysis that relies on this financial ratio has its limitations because it does not take into account the cost of equity, therefore, it is difficult to accurately show regarding the success of a company in value creation (Dewi, 2024). The EVA and MVA methods were introduced as alternatives in overcoming these measurement shortcomings. EVA measures a company's financial performance by evaluating the residual income generated after accounting for the cost of capital (Hakim & Sudaryo, 2022). EVA shows how effectively the companies uses capital to generate economic value. If the profit obtained exceeds the cost of capital, this additional value is successfully created (Udiyana, Astini, Parta, Laswitarni, & Wahyuni, 2022). Thus, EVA is regarded as a relevant indicator for evaluating the company's ability to generate value for its capital providers (Alvioni & Prabawa, 2024).

Meanwhile, MVA measures the disparity between the value of the company based on market valuation and the book value of the capital that has been invested (Irfani, 2020). Based on its main component, namely the stock price, the MVA method reflects how capable a company is in managing the capital owned by investors (Harjayanti, Marlina, Nurmasari, & Oktariswan, 2024). The importance of MVA lies in its ability to reflect how the market assesses the prospects or potential for future growth of a company (Aulia & Murwanti, 2024). One of the advantages of MVA is its function as a single indicator that does not require complex trend analysis, making it easier for management and capital providers to monitor the company's performance (Nisa, Santoso, & Burhanudin, 2024). A high MVA value indicates a positive perception of investors, which in turn has an impact on the increasing demand for shares and the price of the shares themselves (Moranty & Pulungan, 2025). In this context, signaling theory emphasizes the importance of delivering clear and reliable signals through accurate financial information disclosure by management. Such disclosures play a crucial role in minimizing information discrepancy between the company and external stakeholders, particularly investors, and influence investors' investment decisions by accurately assessing a company's performance and financial health (Bailusy, Taslim, & Suyadi, 2019). Therefore, the two value creation indicators, namely EVA and MVA, are believed to be able to give investors a more comprehensive signal to create a value, which may subsequently affect company value and stock returns.

An improvement in the value of the company is anticipated when EVA and MVA work at their best, which will then have implications for an increase in stock returns. Therefore, the company not only seeks to increase its profit and financial performance, but also aims to enhance the company's worth to boost the well-being of its owners and shareholders (Rely, 2024). In general, company's is represented through the market price of its shares traded in the capital market (Mariyani, Hariyanti, & Novida, 2023). In addition to stock prices, the Price to Book Value (PBV) ratio is also often used as a benchmark for company value. PBV is known as the ratio between the share price and the book value per share (Setyawati & Nugroho, 2023). Increasing the company's value will bring high returns, as well as provide greater welfare for shareholders. Therefore, the company's value can act as a mediator between EVA and MVA with stock returns.

The property sector is selected as the focus of this research. The property sector is one of the sectors that contributes to the country's GDP. During the observation period, the property sector experienced substantial fluctuations, particularly due to the impact of the COVID-19 pandemic and subsequent economic recovery. The Covid-19 pandemic has triggered a significant slowdown in development activities, weakened people's purchasing power, and limited the emergence of new investment. This condition has an impact on the decline in the performance of the property sector as seen from the average PBV of the property sector in 2020–2024. Nevertheless, in 2024 the sector shows signs of recovery, marked by an increase in PBV to reach 1.35. This increase indicates that the market perception of the property sector is positive and indicates that there is market optimism about the long-term prospects of the property sector. These conditions make the sector relevant for examining the connection among financial performance and valuation creation.

Previous studies examining the correlation amongst EVA, MVA, company value, and stock returns have produced inconsistent findings. Some studies report a positive and significant relationship, while others find no significant effect. In addition, most prior research tends to examine these variables separately without considering the mediating role of company value. As shown in a research by (Lestari, Sirat, & Hadady, 2023) found that EVA and MVA made a positive contribution to stock returns, while (Giawa & Herlina, 2023) concluding that neither EVA nor MVA had an impact on stock returns.

However, research examining EVA and MVA simultaneously using a mediation model, particularly in Indonesia's property sector, remains limited. Some previous studies examining this relationship across different sectors have shown inconsistent results; for instance, the research by (Taji, Lasmanah, & Azib, 2023) indicates the inability of the company's value as a mediator of the EVA relationship and stock returns, in contrast to the findings (Suidarma, Suardana, & Utomo, 2025) that show the success of the company's value as a mediator of the EVA relationship and stock return. In addition, the findings (Anggraini, 2020) show the role of company value in acting as a mediator between the impact of EVA and MVA on stock returns. These differences in results show that there is still a research gap, especially related to the role of company value as a mediating variable. Based on this explanation, the goal of this research is to test and analyze how EVA and MVA affect stock returns through the mediation of company value.

## LITERATURE REVIEW

### Signaling Theory

Signaling theory emphasizes the importance of delivering clear and reliable signals through accurate financial information disclosure by management. Such disclosures play a crucial role in minimizing information discrepancy between the company and external stakeholders, particularly investors. According to (Sutanto, 2021), signals represent actions taken by companies to provide information to investors regarding how management operates the company in achieving shareholders' expectations. This information becomes essential for investors as it influences their decision-making process in allocating funds. In line with this, (Bailusy et al., 2019) state that information disclosed by companies plays a crucial role in investment decisions, as it reflects both past performance and future prospects. The publication of financial and non-financial information, such as annual reports, serves as a signal to the market regarding the company's condition. These reports contain accounting information as well as other relevant disclosures that can shape investor perceptions. Therefore, any corporate action or policy change may act as a signal that influences investor perception and ultimately affects company value.

### Economic Value Added (EVA)

The concept of EVA is essentially a measure of performance that determines the extent to which the profits a company manages to earn exceed the cost of capital expended (Rahmawati & Murwanti, 2024). Unlike traditional financial ratios, EVA incorporates the cost of equity and debt, making it a more comprehensive indicator of value creation. Research by (Babu, de Rozari, Ndoen, & Nafie, 2024) indicated that companies with a positive EVA were more resilient than those without, when analyzing financial performance both before and during the pandemic. The calculation of EVA can be expressed using the following formula (Agustina & Sudaryono, 2020):

$$EVA = NOPAT - \text{Capital Charges}$$

The evaluation of performance based on EVA is conducted using the following criteria (Sa'adah, 2020):

1. If  $EVA > 0$ , the financial performance of the company is considered good because it successfully generates added value for the business.
2. If  $EVA = 0$ , the company is at an economic break-even point, as all revenues are just sufficient to cover obligations to creditors and investors.
3. If  $EVA < 0$ , the financial performance of the company is considered poor because it failed to create additional value.

**Market Value Added (MVA)**

Market Value Added (MVA) denotes the gap between a company's market value and the total capital contributed by its investors (Hakim & Sudaryo, 2022). In essence, MVA represents the differential between the company's market valuation and the book value of the economic capital employed. When a company's market price exceeds its book value, the market views it as more valuable. This is shown by a high MVA (Irfani, 2020). The formula for calculating MVA can be represented as follows (Kamaludin & Indriani, 2021):

$$MVA = \text{Stock Market Value} - \text{Invested Capital}$$

$$\text{Market Value} = \text{Shares Outstanding} \times \text{Stock Price}$$

The indicators used to measure Market Value Added (MVA) based on the views of Young and O'Byrne (2001) as cited in (Lestari & Rimawan, 2023) are as follows:

1. When  $MVA > 0$  (positive), it suggests that the company has successfully generated added value for the capital invested by the funding providers.
2. When  $MVA < 0$  (negative), the company is deemed to have failed in creating added value from the capital contributed by the funding providers.

**Stock Returns**

Stock returns is defined as the total compensation received from stock investment activity over a specific period, usually one year, encompassing two main components: capital gain (or loss) and dividends. Capital gain or capital loss represents the difference between the current investment price and the price in the previous period (Hartono, 2016). Furthermore, stock return can be defined as the reward obtained by the investor as a result of their willingness to bear the investment risk, thus serving as a primary factor driving investor investment decisions (Tandelilin, 2017). Good corporate performance is reflected by a positive stock return, indicating that the investor profited from the capital invested. Conversely, a negative stock return signifies a loss incurred by the investor. The calculation of stock returns can be expressed using the following formula (Hartono, 2016):

$$R_t = \frac{P_t - P_{t-1} + D_t}{P_{t-1}} \times 100\%$$

**Company Value**

Company value functions as a key parameter reflecting the quality of financial performance management. According to (Harmono, 2014), company value is the stock price's reflection of the company's performance that emerges through the interaction of supply and demand in the capital market, ultimately depicting the public's perception of the company's performance. If a company is analogized to a commodity, its value can be equated to the selling price of that commodity at the time of trading (Sugeng, 2019).

The measurement of company value can be performed using the Price to Book Value (PBV) ratio. The market price per share is compared to its book value per share to determine PBV (Damayanti & Darmayanti, 2022). PBV reflects the extent to which the company is capable of generating value from the capital invested. A high PBV figure indicates strong investor confidence in the company, which in turn demonstrates the company's success in realizing value for its shareholders (Qomariyah, Soeliha, & Pramitasari, 2022). The formula for calculating PBV can be represented as follows:

$$PBV = \frac{\text{Share Price per Share}}{\text{Book Value per Share}}$$

$$\text{Book Value of Shares} = \frac{\text{Total Equity}}{\text{Shares Outstanding}}$$

Investors can utilize PBV to analyze whether a stock is classified as overvalued or undervalued. If the value of PBV exceeds 1, this condition indicates that the stock market value has exceeded its book value (overvalued).

Conversely, a stock is categorized as undervalued if the resulting PBV is less than 1, suggesting that the stock's market price is lower than its intrinsic book value.

### **Previous Research and Hypotheses**

#### **The Impact of Economic Value Added on Company Value**

Economic Value Added (EVA) reflects a company's ability to generate economic profit after considering the cost of capital, making it a relevant indicator of value creation. A positive EVA value is evidence that the value of the company is increasing. This creation of economic added value illustrates the company's effort to optimize shareholder wealth, which is directly mirrored by the increase in company value. Conclusion with research conducted by (Taji, Lasmanah, & Azib., 2023), which shows that positive EVA can strengthen market valuation, although its impact may vary depending on the company's conditions.

H1: EVA positively and significantly affects Company's Value.

#### **The Impact of Market Value Added on Company Value**

MVA is a performance metric describes the difference between the market value of a company and the total amount of capital invested. MVA directly illustrates how investors perceive the company's capability in value creation through optimal financial performance. When MVA holds a positive value, indicates that the company has managed to generate value for its capital stakeholders. This is supported by studies from (Taji, Lasmanah, & Azib, 2023) and (Mahasari & Binastuti, 2021), where high MVA tends to boost investor interest and drive up stock prices.

H2: MVA positively and significantly affects Company's Value.

#### **The Impact of Economic Value Added on Stock Returns**

EVA serves as an indicator of economic profit that reflects the company's ability to generate returns exceeding its cost of capital. A higher EVA suggests better financial performance, which can increase investor confidence and potentially lead to higher stock returns. Aligns with the research of (Saputra & Ermaya, 2022) and (Lestari, Sirat, & Hadady, 2023), demonstrates the role of EVA in influencing stock returns. This condition implies that the return generated is greater than the cost of capital expended.

H3: EVA positively and significantly affects Stock Returns.

#### **The Impact of Market Value Added on Stock Return**

MVA measures the extent of shareholder wealth created by the company. A positive MVA indicates the company's success in enhancing owner prosperity through good performance and positive market response. Research results by (Taji, Lasmanah, & Azib, 2023) and (Lestari, Sirat, & Hadady, 2023), show that higher MVA is generally followed by an increase in stock price, which subsequently leads to higher stock returns. Consequently, high MVA will improve the level of stock returns.

H4: MVA positively and significantly affects Stock Returns.

#### **The Impact of Company Value on Stock Returns**

Company value is a market perception reflecting the degree to which the market values the company's performance and prospects. A higher company value indicates positive investor expectations, which can increase demand for shares and ultimately generate higher stock returns. This is consistent with the research by (Setyawati & Nugroho, 2023), which suggests that good company value contributes to greater stock returns. Thus, company value plays a crucial role in linking company performance with market outcomes.

H5: Company Value positively and significantly affects Stock Returns.

#### **The Impact of Economic Value Added on Stock Returns through Company Value**

The use of economic value in performance assessment allows companies to understand the extent of their success in generating value for investors. A high EVA value represents the company's capacity to obtain additional investment capital. to invest in the company. Companies with high EVA are typically identified as having strong company value, reflecting greater profit prospects for shareholders (Setyawati & Nugroho, 2023). This conclusion is supported by findings from (Anggraini, 2020) and (Suidarma, Suardana, & Utomo, 2025), This indicates that the company's value has the potential to can mediate relationship between company EVA and stock investment return rate.

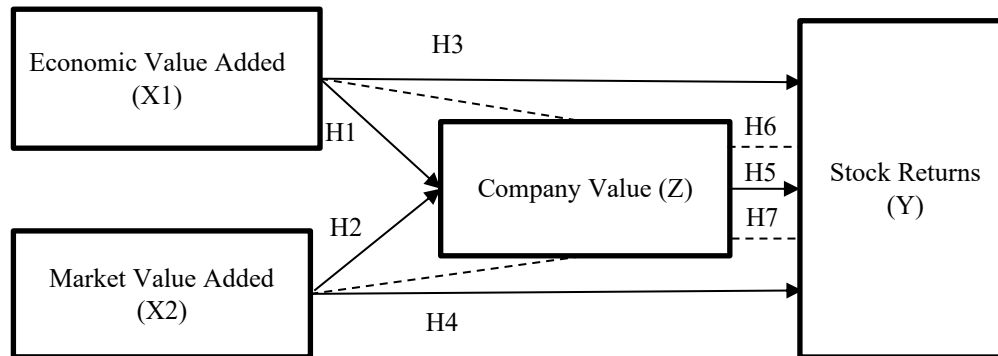
H6: EVA affects the Stock Returns through Company Value.

**The Impact of Market Value Added on Stock Returns through Company Value**

Companies utilizing MVA as a financial performance metric can identify a large portion of the company's value distributed to shareholders (Purwanti, 2022). A high MVA indicates the company's potential to realize economic value for shareholders, driving up the stock price and ultimately generating higher returns. A positive perception of company value is likely to encourage investor buying interest, increase stock prices, and lead to higher returns. This is supported by research findings from (Anggraini, 2020) and (Taji, Lasmanah, & Azib, 2023), This indicates that the company's value has the potential to act as a mediator in the MVA and stock returns relationship.

H7: MVA affects the Stock Return through Company Value.

**Framework**



**Figure 1.** Framework

**RESEARCH METHODS**

This research is categorized as a quantitative research, which utilizes numerical data in its analysis (Sugiyono, 2019). The nature of the research is associative, aimed at identifying and analyzing the influence between several variables and the extent to which one variable affects others (Sudaryono, 2018). The research covers the observation period from 2020 to 2024, all the data used in this research was obtained from the official site of the Indonesia Stock Exchange ([www.idx.co.id](http://www.idx.co.id)). The population comprises 92 companies within the property sector that were listed on the Indonesia Stock Exchange over the 2020–2024 period.

The research employs purposive sampling as its method, wherein samples are chosen according to specific pre-established criteria as detailed below: (1) Companies in the property sector that maintained a continuous listing on the IDX during the 2020–2024 period, (2) Companies in the property sector that published their financial statements on a regular basis during the 2020–2024 observation period, (3) Property sector companies that did not incur losses throughout the 2020–2024 period, (4) Companies in the property sector that provide complete data for all research variables over the 2020–2024 period. Utilizing a purposive sampling method, a total of 10 companies were chosen as the final sample for this research.

Data analysis in this research was conducted using several statistical techniques, including classic assumption tests, partial tests, coefficient of determination tests. In addition, mediation analysis was performed using the PROCESS Macro developed by Hayes with the assistance of SPSS version 26 software. Furthermore, this research applies two regression equation models, namely:

$$Z = \alpha + \beta_1 X_1 + \beta_2 X_2 + e \dots\dots\dots(I)$$

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 Z + e \dots\dots\dots(II)$$

Details:

- Z = Company Value (PBV)
- Y = Return Saham
- α = Constant
- β1-β3 = Regression Coefficients
- X1 = Economic Value Added (EVA)
- X2 = Market Value Added (MVA)
- e = Error

**RESULTS AND ANALYSIS**

**Classic Assumption Test**

Regression analysis necessitates the fulfillment of several classical assumption tests to ensure the robustness and validity of the estimated model (Ghozali, 2021). These assumptions consist of normality, multicollinearity, heteroscedasticity, and autocorrelation tests. The normality test results, based on histogram analysis, indicate that the distribution of data in both regression equations forms a symmetrical bell-shaped curve with a central peak, suggesting that the data are normally distributed. The results of the multicollinearity test demonstrate that every independent variable in both models meets the necessary requirements, as reflected by tolerance values greater than 0.10 and Variance Inflation Factor (VIF) values under 10. This condition indicates the absence of multicollinearity among the independent variables. Additionally, the heteroscedasticity test, assessed via a scatterplot, shows that the residuals are randomly distributed both above and below the zero line on the Y-axis without establishing any particular pattern, indicating that heteroscedasticity is absent in the model. Last, the autocorrelation assessment performed through the run test reveals that the Asymp. Sig. The (2-tailed) values for equations 1 and 2 are 0.391 and 1.000, respectively, both exceeding the significance threshold of 0.05. These findings verify that the regression models applied in this research do not encounter issues with autocorrelation.

**Partial Test (t-Test)**

**Table 1.** Results from Equation I of the Multiple Linear Regression Model

		Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.833	.061		13.716	.000		
	EVA	4.061E-13	.000	.350	2.554	.014	.693	1.442
	MVA	4.631E-14	.000	.744	5.429	.000	.693	1.442

a. Dependent Variable: PBV

Source: SPSS 26, data processed (2026).

The model for equation I is developed as follows based on the multiple linear regression analysis:

$$PBV = 0.833 + 4.061E-13(EVA) + 4.631E-14(MVA) + e$$

The intercept value of 0.833 implies that when both EVA and MVA are assumed to be equal to zero, the estimated value of PBV is 0.833. The regression coefficient of EVA, which is 4.061E-13, shows a positive relationship, indicating that an increase in EVA is associated with an increase in PBV, assuming other variables are held constant. Likewise, the MVA coefficient of 4.631E-14 is also positive, suggesting that higher MVA tends to contribute to an increase in PBV.

The t-test is employed to evaluate each hypothesis separately by assessing the unique impact of each independent variable on the dependent variable (Ghozali, 2021). According to the findings presented in Table 1, EVA produces a t-statistic of 2.554 with a significance level of 0.014 (< 0.05), suggesting that H1 is accepted. Likewise, MVA generates a t-statistic of 5.429, accompanied by a significance value of 0.000 (< 0.05), resulting in the acceptance of H2. These results demonstrate that both EVA and MVA significantly influence company value.

**Table 2.** Results from Equation II of the Multiple Linear Regression Model

**Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics		
	B	Std. Error	Beta			Tolerance	VIF	
1	(Constant)	.038	.085		.451	.654		
	EVA	-1.612E-13	.000	-.277	-1.515	.137	.609	1.643
	MVA	-2.283E-15	.000	-.073	-.335	.739	.426	2.347
	PBV	.033	.091	.066	.359	.721	.612	1.633

a. Dependent Variable: Stock Returns

Source: SPSS 26, data processed (2026).

The model for equation II is developed as follows based on the multiple linear regression analysis:

$$\text{Stock Returns} = 0.038 - 1.612\text{E-}13(\text{EVA}) - 2.283\text{E-}15(\text{MVA}) + 0.033(\text{PBV}) + e$$

The intercept value of 0,038 implies that when EVA, MVA, and PBV are assumed to be equal to zero, the estimated value of stock returns is 0.038. The regression coefficient of EVA, which is -1.612E-13, shows a negative relationship, indicating that an increase in EVA is associated with an decrease in stock returns, assuming other variables are held constant. Likewise, the MVA coefficient of -2,283E-15 is also negative, suggesting that an increase in MVA is associated with an decrease in stock returns. The PBV coefficient of 0,033 is positive, indicating that an increase in PBV tends to increase stock returns.

Referring to Table 2, the t-test analysis reveals that EVA has a t-value of -1.515 with a significance level of 0.137, which exceeds the threshold of 0.05, thereby indicating that H3 is not supported. Similarly, MVA shows a t-value of -0.335 with a significance value of 0.739 (> 0.05), leading to the rejection of H4. Furthermore, company value, as proxied by PBV, produces a t-value of -0.359 with a significance level of 0.721, which also surpasses the 0.05 level, resulting in the rejection of H5. These results imply that EVA, MVA, and company value (PBV) do not exert a statistically significant influence on stock returns.

**Determination Coefficient Test**

**Table 3.** Results of Equation I in the Determination Coefficient Test

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.623 <sup>a</sup>	.388	.362	.301230	2.123

a. Predictors: (Constant), MVA, EVA

b. Dependent Variable: PBV

Source: SPSS 26, data processed (2026).

The data shown in Table 3 demonstrates that the R-square value is 0.388, indicating that EVA and MVA account for 38.8% of the changes in company value. At the same time, the other 61.2% of the variation is affected by alternative factors that are not part of the research model.

**Table 4.** Results of Equation II in the Determination Coefficient Test

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.247 <sup>a</sup>	.061	.000	.188882	1.393

a. Predictors: (Constant), PBV, EVA, MVA

b. Dependent Variable: Stock Returns

Source: SPSS 26, data processed (2026).

The data shown in Table 3 demonstrates that the R-square value is 0.061, indicating that EVA, MVA and PBV can account for 38.8% of the changes in stock returns. At the same time, the other 93.9% of the variation is affected by alternative factors that are not part of the research model.

**PROCESS Macro Hayes**

**Table 5.** Results of the mediation analysis using Hayes PROCESS Macro for the EVA variable

```

***** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *****

Total effect of X on Y
  Effect      se        t        p      LLCI      ULCI      c_cs
  -,044      ,019     -2,309    ,025    -,083     -,006     -,316

Direct effect of X on Y
  Effect      se        t        p      LLCI      ULCI      c'_cs
  -,047      ,020     -2,395    ,021    -,086     -,008     -,335

Indirect effect(s) of X on Y:
  Effect      BootSE    BootLLCI  BootULCI
PBV      ,003      ,005     -,005     ,016
    
```

Source: SPSS 26, data processed (2026).

The mediation analysis performed utilizing the PROCESS Macro Hayes, existence of a mediating effect by analyzing the BootLLCI and BootULCI values of the indirect effect. Mediation is deemed to occur when the confidence interval excludes zero. Table 5 indicates that the BootLLCI value is -0.005 and the BootULCI value is 0.016. Because the confidence interval still contains zero, the mediating effect is not confirmed. Thus, it can be determined that company value does not serve as a mediator in the connection between EVA and stock returns, resulting in the dismissal of H6.

**Table 6.** Results of the mediation analysis using Hayes PROCESS Macro for the MVA variable

```

***** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *****

Total effect of X on Y
  Effect      se        t        p      LLCI      ULCI      c_cs
  -,043      ,020     -2,130    ,038    -,084     -,002     -,294

Direct effect of X on Y
  Effect      se        t        p      LLCI      ULCI      c'_cs
  -,043      ,021     -2,092    ,042    -,084     -,002     -,292

Indirect effect(s) of X on Y:
  Effect      BootSE    BootLLCI  BootULCI
PBV      ,000      ,003     -,009     ,005
    
```

Source: SPSS 26, data processed (2026).

The mediation analysis performed utilizing the PROCESS Macro Hayes, existence of a mediating effect by analyzing the BootLLCI and BootULCI values of the indirect effect. Mediation is deemed to occur when the confidence interval excludes zero. Table 6 indicates that the BootLLCI value is -0.009 and the BootULCI value is 0.005. Because the confidence interval still contains zero, the mediating effect is not confirmed. Thus, it can be determined that company value does not serve as a mediator in the connection between MVA and stock returns, resulting in the dismissal of H7.

**Discussion**

**The Impact of Economic Value Added on Company Value**

The results demonstrate that Economic Value Added (EVA) functions as a positive and statistically significant determinant of company value, as evidenced by a t-value with a significance level below 0.05. The positive relationship indicates that companies with higher EVA are more likely to exhibit higher company value, reflecting their capability to generate returns that exceed the cost of capital. This outcome highlights the effectiveness of EVA as a measure of value creation and underscores its role in strengthening investor confidence. Consistent with signaling theory, EVA conveys a favorable signal to the market regarding the firm’s financial performance, thereby influencing investor perceptions and contributing to an increase in company value. These findings are supported by previous

studies conducted by (Taji, Lasmanah, & Azib, 2023), (Azizah & Sulistyowati, 2024), and (Suidarma, Suardana, & Utomo, 2025), which state that EVA influences company value.

#### **The Impact of Market Value Added on Company Value**

The results findings that Market Value Added (MVA) has a significant effect on company value ( $p < 0.05$ ). This indicates that companies with higher market valuation relative to invested capital tend to exhibit higher company value. The positive effect suggests that market-based performance indicators play a crucial role in shaping investor perception. In the context of signaling theory, MVA indicates the market's assessment of the company's future potential, thereby acting as a strong signal that enhances company value. This discovery aligns with (Mahasari & Binastuti, 2021) and (Taji, Lasmanah, & Azib, 2023), which found that MVA positively influences company value.

#### **The Impact of Economic Value Added on Stock Returns**

The statistical findings demonstrate that EVA does not exert a significant influence on stock returns ( $p > 0.05$ ). This implies that although EVA reflects the company's ability to create economic value, it is not directly considered by investors in determining stock returns. The lack of significance suggests that internal performance indicators such as EVA may not be immediately translated into market returns. From a signaling theory perspective, EVA may not be perceived as a strong or easily observable signal by investors, particularly in the short term. This finding is consistent with (Setyawati & Nugroho, 2023) and (Giawa & Herlina, 2023), which reported that EVA does not significantly affect stock returns.

#### **The Impact of Market Value Added on Stock Returns**

The findings show that MVA does not affect stock returns ( $p > 0.05$ ). This indicates that higher market valuation does not necessarily lead to increased returns for investors. Although MVA reflects market perception, stock returns are influenced by various external factors such as market volatility and investor sentiment. In terms of signaling theory, this suggests that market-based signals such as MVA are not always directly translated into realized returns. This result supports by (Giawa & Herlina, 2023), indicating that Market Value Added (MVA) influences stock returns.

#### **The Impact of Company Value on Stock Returns**

The results indicate that company value has no statistically significant impact on stock returns ( $p > 0.05$ ). This finding suggests that a higher company value does not guarantee higher returns for investors. Although company value reflects market perception, stock returns are more sensitive to short-term market dynamics rather than long-term valuation indicators. From a signaling theory perspective, company value may not always function as a strong signal influencing investor decisions related to returns. The findings are in agreement with (Anggraini, 2020) who reported that no significant association exists between company value and stock returns. This suggests that investors do not solely consider company value when making investment decisions but also take into account other factors such as macroeconomic environment, market risk, and overall corporate financial performance.

#### **The Impact of Economic Value Added on Stock Returns through Company Value**

Based on the mediation analysis, company value does not function as a mediator in the relationship between EVA and stock returns, which is evidenced by the absence of a statistically significant indirect effect. This indicates that although EVA is able to increase company value, the increase in company value does not translate into higher stock returns. This finding suggests that the transmission mechanism from internal performance to market returns is not effective through company value. In the context of signaling theory, the signal conveyed by EVA is not strong enough to influence investor behavior through company value. These findings are consistent with those reported by (Taji, Lasmanah, & Azib, 2023) and (Setyawati & Nugroho, 2023), who similarly concluded that company value does not function as a mediating variable in the relationship between EVA and stock returns. This finding suggests that financial performance, as measured by EVA, is not yet the primary consideration for investors when assessing potential stock returns.

#### **The Impact of Market Value Added on Stock Return through Company Value**

The findings reveal that in the relationship between MVA and stock returns, company value cannot mediate between MVA and stock returns, as indicated by the insignificant indirect effect. This suggests that market-based valuation does not influence stock returns through company value. Although MVA reflects investor perception, its impact does not necessarily pass through company value to affect returns. From a signaling theory perspective, this indicates that market signals may be directly interpreted by investors or influenced by other external factors without

involving company value as an intermediary. This finding is consistent with (Setyowati, 2023), which also reported the absence of a mediating effect.

## CONCLUSION

Based on were collected from 10 companies in the property sector listed on the IDX over the 2020–2024 period, utilizing a purposive sampling method for sample selection. In this research, Economic Value Added (EVA) and Market Value Added (MVA) are treated as independent variables, while company value serves as the mediating variable and stock returns act as the dependent variable. The results of the research demonstrate that EVA and MVA significantly and positively influence company value, indicating that both measures are capable of capturing the company's value creation performance. However, the findings also reveal that neither EVA nor MVA shows a statistically significant relationship with stock returns. Likewise, company value does not exhibit a significant impact on stock returns. Furthermore, the mediation analysis reveals that company value is not capable of mediating the relationship between EVA and MVA on stock returns. These findings indicate that although EVA and MVA are able to reflect value creation and influence company value, they are not sufficient to directly impact stock returns. This suggests that investors may not fully rely on internal performance indicators, but also consider external factors such as market conditions and macroeconomic variables in making investment decisions. Based on these findings, several recommendations for future research are proposed. Subsequent studies are encouraged to increase the sample size, broaden the scope of research objects and observation periods, and incorporate additional variables such as macroeconomic factors, market sentiment, or Good Corporate Governance (GCG), profitability, dividend policy, and other indicators that may influence stock returns.

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