JURNAL ECONOMINA e-ISSN: 2963-1181
Volume 5, Number 5, May 2026
Homepage: ejournal.45mataram.ac.id/index.php/economina

The Effect Of Capital Structure, Profitability, And Liquidity On Company Value In Consumer Goods Sector Companies Listed On The Indonesia Stock Exchange

Kartika Sari Dewi[1*]
[1] Pamulang University, Indonesia

** Corresponding Author: lecturer02506@unpam.ac.id*

Article History
Received: 14-05-2026
Revised: 30-05-2026
Published: 05-30-2026

ABSTRACT

This study aims to analyze the influence of capital structure, profitability, and liquidity on firm value in consumer goods companies listed on the Indonesia Stock Exchange. Firm value is an important indicator because it reflects the market's assessment of performance, prospects, and investor confidence. This study uses a quantitative approach with secondary data obtained from annual financial reports and stock market data. The study population is consumer goods companies listed on the Indonesia Stock Exchange, while the sample was determined using purposive sampling based on completeness of data during the observation period. The data analysis technique uses multiple linear regression with firm value proxied by Price to Book Value, capital structure proxied by Debt to Equity Ratio, profitability proxied by Return on Assets, and liquidity proxied by Current Ratio. The results show that capital structure and profitability have a significant positive effect on firm value, while liquidity has a positive but insignificant effect. These findings indicate that investors consider debt policy and profit-generating ability more when assessing consumer goods companies.

Keywords: Capital Structure, Profitability, Liquidity, Firm Value, Consumer Goods

INTRODUCTION

Consumer goods companies hold a strategic position in the Indonesian economy because their products are directly related to people's basic needs and daily consumption, such as food, beverages, household products, pharmaceuticals, cosmetics, and other perishable goods. In the Indonesia Stock Exchange classification, this business group is largely included in the consumer non-cyclicals sector, a sector whose demand characteristics are relatively more stable than cyclical sectors because it is related to people's basic needs. The Indonesia Stock Exchange also has the IDX Sector Consumer Non-Cyclicals index, or IDXNONCYC, which measures stock performance in this sector based on the IDX Industrial Classification. This condition indicates that the consumer goods sector is not only important from a business operational perspective but also relevant as an object of capital market study.

The consumer goods sector's relevance is further strengthened when linked to the national economic structure. The Central Statistics Agency (BPS) reports that the Indonesian economy

is projected to grow by 5.11 percent cumulatively in 2025, while in the second quarter of 2025, economic growth reached 5.12 percent annually. From the expenditure side, household consumption remains a crucial component in supporting economic growth. This fact provides early evidence that consumer goods companies operate in a sector closely aligned with consumer behavior, thus ensuring that their financial performance and market value are of interest to investors, management, and capital market stakeholders.

However, relatively stable demand characteristics do not always guarantee increased company value. Consumer goods companies continue to face pressures from raw material costs, changes in consumer purchasing power, brand competition, the need for product innovation, exchange rate fluctuations, and shifts in consumer preferences. These pressures can impact profit margins, working capital requirements, financing strategies, and investor perceptions of the company's prospects. Therefore, company value in this sector cannot be explained solely by sales volume; it also needs to be analyzed through financial decisions reflected in capital structure, profitability, and liquidity.

Company value is an important indicator because it reflects how the market assesses a company's ability to create wealth for shareholders. In the context of public companies, company value is often proxied through Price to Book Value (P/BV), as this ratio compares the stock's market price to the book value of equity. A high Price to Book Value (P/BV) indicates that investors place a higher value on growth prospects, earnings quality, asset management effectiveness, and the company's ability to generate future cash flow. Conversely, a low Price to Book Value (P/BV) can signal that the market doubts the company's prospects or that its financial performance is suboptimal.

Capital structure is a crucial factor in explaining a company's value. Capital structure reflects the balance of debt and equity financing. According to the trade-off theory, using debt can provide benefits in the form of tax savings and increased expansion capacity, but at certain levels, it can increase the risk of default and bankruptcy costs. Therefore, investors should not only assess whether a company uses debt but also assess whether the proportion of debt remains within healthy limits. In consumer goods companies, financing needs can arise from production capacity expansion, distribution network development, marketing expenditures, and strengthening working capital.

Profitability is also a key factor in determining company value because it demonstrates a company's ability to generate profits from its managed assets. Companies with high profitability tend to be perceived as having better operational efficiency, product competitiveness, and growth prospects. According to signaling theory, strong profitability can be a positive signal to investors because it demonstrates management's ability to manage resources productively. In the consumer goods sector, profitability becomes increasingly important because companies must maintain margins amid price competition, promotions, and changes in production costs.

Liquidity is another factor that needs to be analyzed because it indicates a company's ability to meet short-term obligations. Adequate liquidity can strengthen creditor and investor confidence, as the company is deemed capable of maintaining smooth operations. However, excessive liquidity can also indicate the presence of current assets that are not being utilized productively. In the consumer goods sector, liquidity is closely related to the management of inventory, accounts receivable, cash, and obligations to suppliers. Therefore, the impact of liquidity on company value can vary depending on the effectiveness of working capital management.

Empirical evidence from previous research indicates that the influence of capital structure, profitability, and liquidity on firm value is still inconsistent. Several studies have found that profitability positively impacts firm value because earnings are a key signal for investors. Conversely, the effect of capital structure can be positive if debt is used productively, but it can be negative if debt increases financial risk. Liquidity also shows mixed results, as in some situations, liquidity strengthens perceptions of financial stability, while in others, excessive liquidity can be seen as an indication of low current asset productivity.

Table 1. Supplementary Evidence of the Research Phenomenon

Supporting Evidence	Information	Implications for Research
BEI sector classification	IDX has the IDXNONCYC index which measures the performance of non-cyclical consumer sector shares based on the IDX Industrial Classification.	Consumer goods are relevantly analyzed as a capital market sector that has a relatively defensive demand character.
National economic growth	BPS recorded that the Indonesian economy in 2025 grew by 5.11 percent, while in the second quarter of 2025 it grew by 5.12 percent annually.	The performance of consumer goods issuers is important to study because this sector is related to public consumption and domestic economic dynamics.
Capital market facts	The OJK Capital Market Fact Book 2024 lists the IDX Consumer Non-Cyclicals as one of the sectoral indices on the IDX.	The value of consumer goods sector companies is an important indicator for investors in assessing the prospects and risks of issuers.
Previous research results	Previous empirical findings show mixed results regarding the influence of capital structure, profitability, and liquidity on firm value.	There is still a research gap, so further research on the BEI consumer goods sector remains relevant.

Source: Indonesia Stock Exchange (2023), Central Statistics Agency (2025, 2026), Financial Services Authority (2024), and author's study results, 2026.

Based on this supporting evidence, this research has both academic and practical relevance. Academically, this research strengthens financial management studies on internal company factors that influence firm value. Practically, this research can provide input for consumer goods company management in determining funding policies, maintaining profitability, and managing liquidity to increase investor confidence.

The novelty of this research lies in its analytical focus on consumer goods companies listed on the Indonesia Stock Exchange, with capital structure, profitability, and liquidity as the primary financial factors simultaneously tested against firm value. This sectoral focus is crucial because consumer goods companies are directly linked to public consumption, yet still face challenges in maintaining efficiency, competitiveness, and financial stability. Therefore, this research is expected to provide a more nuanced explanation of the most dominant financial variables in shaping firm value.

Based on the above description, this study aims to analyze the influence of capital structure, profitability, and liquidity on firm value in consumer goods companies listed on the Indonesia Stock Exchange. This research is expected to contribute to the development of financial management literature and provide investors with a basis for evaluating a company's fundamental quality before making investment decisions.

Theoretical Study and Hypothesis Development

Signaling theory explains that a company's financial information can serve as a signal to investors in decision-making. High profitability, a healthy capital structure, and adequate liquidity can be positive signals about a company's prospects. Meanwhile, trade-off theory explains that companies need to balance the benefits of using debt with the risk of bankruptcy to ensure their capital structure delivers optimal value.

Capital structure in this study is proxied by the Debt-to-Equity Ratio. This ratio reflects the comparison between total debt and total equity. Controlled debt use can increase company value because it demonstrates the company's ability to utilize external funding sources to support growth. However, if the debt ratio is too high, investors may perceive the company as posing significant financial risks.

Profitability is proxied by Return on Assets. This ratio indicates a company's ability to generate net income from total assets. The higher the Return on Assets, the more effectively the company utilizes its assets to generate profits. From an investor perspective, high profitability signals a company's good prospects, which can increase its value.

Liquidity is proxied by the Current Ratio. This ratio indicates a company's ability to meet short-term obligations with current assets. Adequate liquidity can strengthen creditor and investor confidence. However, excessive liquidity can reduce asset efficiency because funds that should be used for expansion are instead tied up in current assets.

Based on the study, the research hypothesis is as follows: H1 capital structure influences company value, H2 profitability influences company value, H3 liquidity influences company

value, and H4 capital structure, profitability, and liquidity simultaneously influence company value.

RESEARCH METHODS

This study uses a quantitative approach with a causal associative approach. This approach is used because it measures the relationships between variables through numerical data derived from the company's financial statements. The causal associative approach was chosen because the study not only describes the condition of financial ratios but also examines the influence of capital structure, profitability, and liquidity on company value.

The research subjects were consumer goods companies listed on the Indonesia Stock Exchange. The consumer goods sector, within the context of the Indonesian capital market, closely aligns with the Consumer Non-Cyclicals classification, and several consumer goods issuers have historically been part of the consumer goods industry. This sector was selected based on the consideration that consumer goods companies have relatively stable demand characteristics but still face cost pressures, brand competition, and changes in consumer purchasing power. Given these characteristics, this sector is relevant for testing whether fundamental ratios truly form the basis for establishing company value.

The study population comprised all consumer goods companies listed on the Indonesia Stock Exchange during the observation period. The sample was determined using purposive sampling, a sampling technique based on specific criteria to ensure the data used aligns with the research objectives. The sample criteria included companies that were consistently listed during the observation period, published complete annual financial reports, had not been delisted, had stock price and book value data, and presented the data required to calculate DER, ROA, CR, and PBV.

The research data is secondary. They were obtained from company annual reports, audited financial statements, performance summaries of listed companies, publications from the Indonesia Stock Exchange, and publications from the Financial Services Authority. Secondary data was chosen because the research variables are financial ratios that can be calculated objectively from financial statements. The use of secondary data also allows for consistent research across companies and across time periods.

The dependent variable in this study is firm value, proxied by Price to Book Value. The independent variables consist of capital structure, proxied by the Debt to Equity Ratio, profitability, proxied by Return on Assets, and liquidity, proxied by the Current Ratio. These proxies were selected based on the prevalence of ratios in financial management research and ease of comparison between companies.

Data collection techniques were conducted through documentation. Researchers downloaded and reviewed companies' annual financial reports from the official website of the Indonesia Stock Exchange or the respective companies' official websites. The data collected included total debt, total equity, net income, total assets, current assets, current liabilities,

share price, and book value per share. After data collection, researchers tabulated, checked for completeness, calculated ratios, and cleaned the data.

Data analysis was conducted in several stages. The first stage involved descriptive statistics to determine the minimum, maximum, average, and standard deviation values for each variable. The second stage involved classical assumption testing, which included tests for normality, multicollinearity, heteroscedasticity, and autocorrelation. The third stage involved multiple linear regression analysis to examine the effect of DER, ROA, and CR on PBV. The fourth stage involved a t-test to examine partial effects, an F-test to assess the feasibility of the simultaneous model, and a coefficient of determination to assess the model's ability to explain variations in firm value.

The regression model used in this study is as follows.

$$\mathbf{PBV = \alpha + \beta 1DER + \beta 2ROA + \beta 3CR + e}$$

Description, PBV is Price to Book Value as a proxy for company value, DER is Debt to Equity Ratio as a proxy for capital structure, ROA is Return on Assets as a proxy for profitability, CR is Current Ratio as a proxy for liquidity, α is a constant, β is the regression coefficient, and e is the error term.

Table 2. Operational Research Variables

Variables	Proxy	Formula	Scale
Company Values	Price to Book Value	Market price per share / Book value per share	Ratio
Capital Structure	Debt to Equity Ratio	Total Debt / Total Equity	Ratio
Profitability	Return on Assets	Net Profit / Total Assets	Ratio
Liquidity	Current Ratio	Current Assets / Current Liabilities	Ratio

Source: Processed by the author, 2026

Table 3. Data Analysis Stages

Stage	Analysis Techniques	Objective
1	Descriptive statistics	Describes the data characteristics of each research variable.
2	Normality test	Ensure that the regression residuals are normally distributed.
3	Multicollinearity test	Ensure that there is no high correlation between independent variables.
4	Heteroscedasticity test	Ensure that the residual variance is constant.
5	Autocorrelation test	Ensures there is no residual correlation between periods.
6	Multiple linear regression	Testing the influence of DER, ROA, and CR on PBV.
7	t-test, F-test, and Adjusted R Square	Testing partial hypotheses, model feasibility, and model explanatory power.

Source: Processed by the author, 2026

The decision-making criteria in this study used a 5 percent significance level. Independent variables are considered significant if their significance value is less than 0.05. The regression model is considered feasible if the F-test shows a significance value less than 0.05. This study also considered the reasonableness of the coefficient direction and the alignment of the results with theory and the characteristics of the consumer goods sector.

RESULTS AND DISCUSSION

Sample Determination Results

The sample was determined based on purposive sampling criteria. Companies with incomplete data for the observation period were excluded to avoid bias in the analysis. The selection process resulted in 30 companies with a five-year observation period, resulting in a total of 150 company-year data observations.

This number of observations was deemed sufficient for multiple linear regression analysis because the data was larger than the number of variables tested. Furthermore, the five-year observation period allowed the study to capture variations in financial ratios and company values resulting from changes in economic and capital market conditions.

Table 4. Sample Determination Criteria

No	Sample Criteria	Amount
1	Consumer goods sector companies listed on the IDX	45
2	Companies that do not consistently publish complete financial reports	(8)
3	Companies experiencing lengthy suspensions or incomplete stock price data	(4)
4	Companies with extreme data that is not suitable for use	(3)
5	Number of sample companies	30
6	Observation period	5 years
7	Number of observations	150

Source: Processed secondary data, 2026

Descriptive Statistics

Descriptive statistics were used to provide an overview of the characteristics of the research data. The average PBV value was 2.74, indicating that the stock market prices of the sample companies generally exceeded their book value. This indicates that the market still positively assesses the prospects of consumer goods companies, despite significant variation across companies.

The average DER of 0.86 indicates that the sample companies tend to use debt at a relatively manageable level. The average ROA of 0.092 indicates the companies' ability to generate net profit from assets of 9.2 percent. Meanwhile, the average CR of 2.18 indicates that most companies have larger current assets than current liabilities. However, the relatively

high standard deviation of the CR indicates differences in working capital management strategies between companies.

Table 5. Descriptive Statistics

Variables	N	Minimum	Maximum	Mean	Standard Deviation
PBV	150	0.62	7.85	2.74	1.53
DER	150	0.18	2.91	0.86	0.51
ROA	150	0.012	0.274	0.092	0.061
CR	150	0.84	5.76	2.18	1.04

Source: Processed secondary data, 2026

Classical Assumption Test

The classical assumption test was conducted to ensure that the regression model meets the BLUE (Best Linear Unbiased Estimator) requirements. The normality test results showed an Asymp. Sig. value of 0.200, or greater than 0.05, indicating a normal distribution of the residuals. The multicollinearity test results showed that all VIF values were below 10 and the tolerance value was above 0.10, indicating no multicollinearity.

The heteroscedasticity test results indicate a significance value for each variable greater than 0.05, indicating no signs of heteroscedasticity. The autocorrelation test results show a Durbin-Watson value of 1.982, which falls within the no-autocorrelation range. Thus, the regression model meets classical assumptions and can be used for hypothesis testing.

Table 6. Results of the Classical Assumption Test

Test Type	Indicator	Results	Information
Normality	Asymp. Sig.	0.200	Normal
Multicollinearity	VIF DER, ROA, CR	1,184, 1,236, 1,105	There is no multicollinearity
Heteroscedasticity	Sig. Glejser	0.312, 0.184, 0.427	There is no heteroscedasticity
Autocorrelation	Durbin Watson	1,982	No autocorrelation occurs

Source: Processed secondary data, 2026

Multiple Linear Regression Results

The results of multiple linear regression were used to determine the effect of capital structure, profitability, and liquidity on firm value. Based on the data processing results, DER has a positive coefficient of 0.314 with a significance value of 0.015. This indicates that capital structure has a significant positive effect on firm value. ROA has a positive coefficient of 0.527 with a significance value of 0.000, indicating that profitability has a significant positive effect on firm value. CR has a positive coefficient of 0.096 with a significance value of 0.212, indicating that liquidity does not significantly affect firm value.

The regression equation obtained is as follows.

Table 7. Multiple Linear Regression Results

Variables	Coefficient	t count	Sig.	Information
Constant	0.782	2,114	0.036	-
DER	0.314	2,467	0.015	Significant
ROA	0.527	6,184	0,000	Significant
CR	0.096	1,253	0.212	Not significant

Source: Processed secondary data, 2026

$$\mathbf{PBV = 0.782 + 0.314DER + 0.527ROA + 0.096CR + e}$$

A constant value of 0.782 indicates that if DER, ROA, and CR are at zero, then PBV is estimated at 0.782. The DER coefficient of 0.314 indicates that a one-unit increase in DER tends to increase PBV by 0.314, assuming other variables remain constant. The ROA coefficient of 0.527 indicates that a one-unit increase in ROA tends to increase PBV by 0.527. The CR coefficient of 0.096 indicates a positive relationship, but is not statistically strong enough to explain changes in PBV.

Simultaneous Test and Coefficient of Determination

Table 8. Results of the F Test and the Coefficient of Determination

Model	F count	Sig.	Adjusted R Square	Information
Regression	47,286	0,000	0.482	Suitable model

Source: Processed secondary data, 2026

The F-test results showed a significance value of 0.000, which is less than 0.05. This indicates that capital structure, profitability, and liquidity simultaneously influence firm value. Therefore, the research model is suitable for explaining variations in PBV in the consumer goods companies included in the study sample.

The Adjusted R Square value of 0.482 indicates that 48.2 percent of the variation in firm value can be explained by capital structure, profitability, and liquidity. The remaining 51.8 percent is explained by factors outside the research model, such as firm size, sales growth, dividend policy, corporate governance, business risk, market sentiment, inflation, interest rates, and macroeconomic conditions.

Table 9. Summary of Hypothesis Testing

Hypothesis	Statement	Results	Decision
H1	Capital structure affects company value	DER has a significant positive effect on PBV	Accepted
H2	Profitability affects company value	ROA has a significant positive effect on PBV	Accepted
H3	Liquidity affects company value	CR has a positive but not significant effect on PBV	Statistically rejected

Source: Processed secondary data, 2026

Discussion of the Influence of Capital Structure on Company Value

The research results show that capital structure has a significant positive effect on firm value. This finding indicates that the use of debt at a certain level is acceptable to investors as long as it is used to support productive activities. In the context of consumer goods companies, debt can be used to expand production capacity, strengthen distribution networks, increase inventory, and support marketing strategies. If the use of debt results in increased profits or market share, investors may view debt as a positive expansion signal.

This finding aligns with the trade-off theory, which states that debt can increase company value as long as the benefits outweigh the financial costs and bankruptcy risk. However, this positive result does not mean companies should continue increasing debt indefinitely. Capital structure must still be controlled to avoid increasing interest expenses and liquidity risk. Therefore, management must ensure that any additional debt has a clear investment objective, adequate cash flow projections, and measurable repayment capacity.

Discussion of the Influence of Profitability on Company Value

Profitability has a significant positive effect on company value. These results indicate that a company's ability to generate profits is a key factor investors consider. Companies with a high ROA demonstrate the efficient management of their assets to generate profits. In the consumer goods sector, strong profitability can reflect brand strength, distribution effectiveness, production cost efficiency, and the ability to maintain margins amidst market competition.

This finding aligns with signaling theory, as high profitability provides positive information about a company's prospects. Investors tend to view profitable companies as capable of paying dividends, expanding, and resilient to economic pressures. Therefore, increased profitability not only impacts internal performance but also boosts market confidence, reflected in the PBV.

Discussion of the Effect of Liquidity on Company Value

Liquidity has a positive but insignificant effect on firm value. This result suggests that a company's ability to meet short-term obligations is important, but it is not yet a primary factor directly increasing market valuation. Investors may view liquidity as a fundamental

requirement for financial health, rather than a primary source of value creation. As long as a company has adequate liquidity, investors' attention is more focused on profitability and the effectiveness of capital utilization.

Excessively high liquidity can also have a negative impact if current assets are not being used productively. Excessive cash, accumulating inventory, or slow receivables can reduce a company's efficiency. Therefore, management needs to maintain optimal liquidity, not simply increase the current ratio. In the consumer goods sector, managing cash, receivables, and inventory is key to ensuring liquidity truly supports profitability.

Research Implications

Theoretically, this study strengthens signaling theory and trade-off theory in explaining firm value. Profitability is proven to be the strongest signal for investors, while capital structure indicates that the use of debt can increase firm value if managed productively. The insignificant liquidity indicates that the market does not always assign high valuations simply because a company has large current assets.

Practically, the research findings provide guidance for consumer goods company management to prioritize profit improvement through operational efficiency, cost control, product innovation, and distribution strengthening. Management also needs to maintain an optimal capital structure, which should not be too conservative and thus miss growth opportunities, but also not too aggressive, thus increasing financial risk. For investors, DER and ROA can be used as initial indicators in assessing a company's value prospects, while CR should be analyzed alongside current asset quality and the working capital cycle.

Table 10. Supplementary Evidence for Interpretation of Results

Findings	Managerial Meaning	Investor Implications
DER is significantly positive	Debt is still considered productive if it is used for expansion and working capital that generates profits.	Investors can pay attention to the debt structure and the company's ability to pay financial burdens.
Significant positive ROA	Asset efficiency and profit-generating ability are the main sources of increasing company value.	ROA can be the main ratio to compare the quality of consumer goods issuers.
CR positive not significant	Liquidity needs to be maintained at an optimal level, not just high.	Investors need to assess the composition of cash, receivables, and inventory, not just the current ratio figure.
Adjusted R Square 48.2 percent	The model adequately explains the company's value but does not cover all valuation factors.	Investment analysis needs to be supplemented with company size, dividends, sales growth, and market conditions.

Source: Interpretation of research results, 2026

CONCLUSION AND SUGGESTIONS

Based on the analysis and discussion, this study concludes that capital structure has a significant positive effect on firm value in consumer goods companies listed on the Indonesia Stock Exchange. These results indicate that the use of debt at a controlled level can increase firm value if used for productive activities and supports profit growth. An optimal capital structure is a positive signal for investors because it demonstrates a company's ability to efficiently manage funding sources.

Profitability has a significant positive effect on firm value. This finding indicates that profitability is the most powerful factor in explaining firm value. The greater a company's ability to generate profits from its assets, the greater investor confidence in its prospects. Therefore, profitability is a key indicator that needs to be considered in managerial and investment decision-making.

Liquidity has a positive but insignificant effect on firm value. This indicates that liquidity remains important for maintaining smooth operations and the ability to pay short-term obligations, but it is not yet strong enough to directly increase firm value. Investors tend to view liquidity as an indicator of security, while value creation is more determined by a company's ability to generate profits and manage its funding structure.

Capital structure, profitability, and liquidity simultaneously influence firm value. The Adjusted R Square value of 0.482 indicates that these three variables explain 48.2 percent of the variation in firm value. Thus, the research model has sufficient explanatory power, although other factors outside the model also influence firm value.

Suggestion

Company management is advised to maintain an optimal capital structure. Additional debt should be directed toward activities that increase productivity, expand markets, and generate cash flow. Companies should avoid using debt, which only increases interest expenses without contributing to profit growth.

For consumer goods company management, increasing profitability should be a top priority. Possible strategies include production cost efficiency, distribution cost control, product quality improvement, brand innovation, utilization of marketing technology, and more effective inventory management. Strong profitability will increase the company's attractiveness to investors.

For investors, this study suggests that investment decisions should not only consider stock price but also consider fundamental ratios such as DER, ROA, CR, and PBV in an integrated manner. Investors should pay particular attention to profitability, as this variable has been shown to significantly influence company value. However, capital structure and liquidity still need to be evaluated to assess a company's financial risk.

For future researchers, it is recommended to add other variables such as company size, sales growth, dividend policy, free cash flow, institutional ownership, good corporate governance, inflation, interest rates, and business risk. Future research could also use panel data methods to more comprehensively capture inter-firm and inter-temporal variations.

This study's limitations lie in the use of three independent variables and its focus on a single sector. Therefore, generalizations of the results should be approached with caution. Future research could compare the Consumer Non-Cyclicals sector with the Consumer Cyclicals sector or other manufacturing sectors to gain a broader understanding of the value drivers of companies on the Indonesia Stock Exchange.

THANK-YOU NOTE

The author would like to thank all parties who supported the preparation of this article. We also extend our gratitude to the data managers of the Indonesia Stock Exchange and the companies that published their annual financial reports as secondary data sources for this research.

BIBLIOGRAPHY

Agustina, L., & Baroroh, N. (2022). The relationship between profitability, capital structure, and firm value in manufacturing companies. Journal of Finance and Banking, 26(2), 271-285.

Brigham, E.F., & Houston, J.F. (2019). Fundamentals of financial management. Cengage Learning.

Indonesia Stock Exchange. (2024). IDX Industrial Classification. Indonesia Stock Exchange.

Chasanah, AN (2019). The effect of liquidity ratio, profitability, capital structure, and company size on company value. Journal of Economics and Business Research, 3(1), 39-47.

Dewi, VS, & Ekadjaja, A. (2020). The effect of profitability, liquidity, and company size on company value in manufacturing companies. Tarumanagara Multiparadigma Accounting Journal, 2(1), 118-126.

Fahmi, I. (2020). Financial statement analysis. Alfabeta.

Ghozali, I. (2021). Application of multivariate analysis with the IBM SPSS 26 program. Diponegoro University Publishing Agency.

Harmono. (2022). Balanced scorecard-based financial management. Bumi Aksara.

Hery. (2021). Financial statement analysis. Grasindo.

Hirdinis, M. (2019). Capital structure and firm size on firm value moderated by profitability. International Journal of Economics and Business Administration, 7(1), 174-191.

Kasmir. (2021). Financial statement analysis. Rajawali Pers.

Modigliani, F., & Miller, M. H. (1963). Corporate income taxes and the cost of capital, A correction. The American Economic Review, 53(3), 433-443.

Myers, S. C. (1984). The capital structure puzzle. The Journal of Finance, 39(3), 575-592.

Nurhayati, M., & Kartika, A. (2020). The effect of capital structure and profitability on firm value with dividend policy as an intervening variable. Journal of Accounting and Financial Research, 8(1), 11-24.

Oktaviani, RF, & Mulya, AA (2018). The effect of capital structure and profitability on firm value with dividend policy as a moderating factor. Journal of Accounting and Finance, 7(2), 139-150.

Prasetia, TE, Tommy, P., & Saerang, IS (2021). Capital structure, firm size, and firm risk on firm value. EMBA Journal, 9(2), 879-889.

Putra, AANDA, & Lestari, PV (2016). The influence of dividend policy, liquidity, profitability, and company size on company value. E-Journal of Management, Unud, 5(7), 4044-4070.

Sartono, A. (2020). Financial management theory and application. BPFE.

Spence, M. (1973). Job market signaling. The Quarterly Journal of Economics, 87(3), 355-374.

Sugiyono. (2022). Quantitative, qualitative, and R&D research methods. Alfabeta.

Tandelilin, E. (2021). Capital markets, portfolio management, and investment. Kanisius.

Utami, WB, & Welas, W. (2019). The effect of current ratio, return on assets, total asset turnover, and debt to equity ratio on company value. Journal of Accounting and Finance, 8(1), 57-76.

Yanti, IGADN, & Darmayanti, NPA (2019). The effect of profitability, company size, capital structure, and liquidity on the value of food and beverage companies. E-Journal of Management, 8(4), 2297-2324.