

Determinants of Company Value: The Role of Liquidity, Profitability, and Solvency in Food and Beverage Issuers

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ABSTRACT

This research aims For analyze influence Liquidity (Current Ratio), Profitability (Return on Assets), and Solvency (Debt to Equity Ratio) against the proxy Company Value with Price to Book Value (PBV) in the company manufacturing subsector food and beverage companies listed on the Indonesia Stock Exchange for the 2021–2024 period . The method used is processed panel data regression use EViews 14, with Fixed Effect Model (FEM) approach , which was chosen based on Chow Test and Hausman Test results . Data sourced from from report finance 10 companies' annual sample with a total of 40 observations (balanced panel). Research results show that in a way partial CR, ROA, and DER are not influential significant to PBV at $\alpha = 5\%$. However in a way simultaneous , third variables influential significant against PBV with F- statistic value of 10.9960 and a probability of 0.0000 ($\alpha = 1\%$). The Adjusted R-squared value of 75.46% indicates that the model has Power high explanatory power . This finding implies that investors in the sub-sector food and Drink evaluate mark company in a way holistic based on combination performance finance , not only One ratio single.

Keywords: *Company Value, Liquidity, Profitability*

INTRODUCTION

In the era of globalization and economic liberalization, investment is one of the main factors driving the growth and development of the Indonesian economy (Afsari et al., 2025) . According to a report from the Ministry of Investment and Downstream Investment Coordinating Board (BKPM), national investment realization shows a consistent upward trend, from IDR 1,418 trillion in 2023 to IDR 1,650 trillion in 2024, and again recorded a peak of IDR

1,931.2 trillion throughout 2025, or 101.3% of the established national investment target, with an annual growth of 12.7%. This increase reflects high investor confidence in the stability and prospects of the Indonesian economy. The capital market is one of the main alternatives chosen by many investors to gain profits through company share ownership (Rohyati et al., 2024). In the book (Astaginy et al., 2025) it is stated that the main function of the capital market is to provide a source of capital for individuals or companies that need capital to fund their company activities and open up investment opportunities for investors.

Among the various investment instrument options in the capital market, shares of manufacturing sector issuers show increasing attractiveness for investors, reflected in the increase in the number of manufacturing issuers on the IDX from 195 companies in 2021 to 228 companies in 2024, which is accompanied by an increase in the investment value of this sector from IDR 327.4 trillion to IDR 721.3 trillion in the same period (Ministry of Investment/BKPM). Based on the industrial classification on the Indonesia Stock Exchange (IDX), manufacturing companies do not stand as a single sector, but are distributed into several business sectors, namely *Basic Materials*, *Industrials*, *Consumer Non-Cyclicals*, and *Consumer Cyclicals* (Wildan & Maithy, 2025). The manufacturing sector plays a vital role in the economy due to its ability to process raw materials into finished products, drive exports, and create jobs (Prabowo, 2025).

Among these manufacturing sectors, *Consumer Non-Cyclicals* demonstrates a competitive advantage in the form of consistent financial performance and business resilience, as it produces staple goods whose demand is relatively stable across various economic conditions. (Barsyah & Hermi, 2025) This characteristic makes the sector more attractive to investors oriented towards long-term investment security compared to cyclical sectors. This advantage is clearly reflected in the food and beverage subsector, which contributes significantly to this sector, with industrial growth reaching 6%, exceeding national economic growth of around 5%, and contributing 41% to the GDP of the non-oil and gas processing industry (Sabini and Fredrikus Wolgabrink, 2025). This non-cyclical character makes the food and beverage subsector relatively immune to economic cycle pressures such as inflation or recession (Azahra & Sulistyowati, 2025) so that it is perceived as a defensive investment instrument.

Despite being classified as defensive, the value of companies in the food and beverage subsector continues to fluctuate. Company value reflects a company's success and financial health, reflecting stakeholder trust and the company's ability to create long-term value. This influences a company's ability to attract investors, maintain *liquidity*, and respond to market changes with the necessary flexibility. Furthermore, high company value can strengthen brand image and provide a strong competitive advantage in the industry (Putra et al., 2025). Company value can be represented through Price to Book Value (PBV), which reflects the market's assessment of the company (Bay et al., 2026). In this study, it is proxied through *Price to Book Value* (PBV). The average PBV of food and beverage subsector companies fluctuated from 4.77 times in 2021, rising to 4.84 times in 2022, falling to 3.94 times in 2023, and rising again to 4.26 times in 2024, with a fairly wide disparity between issuers. PT Multi Bintang Indonesia Tbk

recorded the highest PBV of 17.57 times in 2022, while PT Indofood Sukses Makmur Tbk recorded the lowest PBV of 0.56 times in 2023 (based on the results of research data processing from financial reports and company stock price data during the 2021–2024 period). This condition indicates that company value is not only influenced by industry characteristics, but also internal factors such as liquidity, profitability, and solvency.

liquidity ratio is a ratio used to measure a company's ability to meet short-term obligations by looking at the company's current assets against its current liabilities (Susilawati & Rimawan, 2023). Adequate *liquidity* signals to investors that the company has the financial flexibility to run operations without urgent funding pressures, thus tending to increase market confidence in the company's value. *Profitability* is a company's ability to generate profits by utilizing its assets. Companies with high *profitability* generally attract the attention of investors looking to invest their capital, because high profits reflect the effectiveness of management in generating added value for shareholders, which in turn influences the assessment of the company's value (Florensita & Wahyudi, 2023). Meanwhile, *solvency* measures a company's ability to meet all its obligations, both short-term and long-term (Fortuna & Sulistyowati, 2024). The funding structure reflected in *solvency* can influence investors' perceptions of a company's financial risk, where a reasonable proportion of debt can provide tax benefits (tax shield), but an excessive proportion has the potential to increase the risk of bankruptcy, so that both have implications for the assessment of the company's value by the market.

Previous research has shown inconsistent results. (Firdarini & Safaatun, 2022) found that liquidity affects firm value. However, (Wijaya et al., 2025) found that liquidity has no effect on firm value. (R. Susanto & Rahayu, 2022) found that profitability has a positive effect on firm value. Meanwhile, (Thoha & Hairunnisa, 2022) found that profitability has no positive effect on firm value. (Adhyasta & Sudarsi, 2023) found that solvency affects firm value. Conversely, (Wijaya et al., 2025) found no effect on firm value. This inconsistency is reinforced by the recommendation (Santania & Jonnardi, 2025) who suggest re-examining the effect of liquidity, profitability, and solvency on firm value in sectors outside the scope of previous research. Therefore, the selection of the food and beverage subsector in this study is relevant to enrich empirical evidence in a more specific context. The inconsistency of these findings indicates that the relationship between liquidity, profitability, and solvency on company value cannot be generalized across sectors, so there is still empirical uncertainty regarding the consistency of the direction and significance of the influence of these three variables, especially in food and beverage sub-sector manufacturing companies that have defensive business characteristics and are different from the manufacturing sector in general.

The novelty of this research lies in its focus, which specifically focuses on defensive-oriented manufacturing companies in the food and beverage subsector. However, it still demonstrates significant fluctuations in company value, and the use of the latest data from 2021–2024, which encompasses the dynamics of post-pandemic economic recovery, is expected to provide empirical evidence more relevant to current capital market conditions. This

study aims to analyze the influence of liquidity, profitability, and solvency, both partially and simultaneously, on company value for listed companies in the food and beverage subsector listed on the Indonesia Stock Exchange for the 2021–2024 period.

RESEARCH METHODS

This study uses a quantitative method. According to (PC Susanto et al., 2024) , quantitative research is a research methodology that uses scientific techniques to collect numerical data, conduct statistical analysis, and draw conclusions. This study uses a panel data regression method. The data used is secondary data in the form of annual financial reports obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id) and the official websites of each sample company.

The study population comprised all manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period. The sampling technique used was purposive sampling, with the following criteria:

1. Manufacturing companies in the food and beverage sub-sector listed on the main board are listed on the IDX in 2021-2024.
2. Manufacturing companies in the food and beverage sub-sector that published their financial reports on the IDX for 2021-2024
3. Manufacturing companies in the food and beverage sub-sector that use the rupiah currency in their financial reports for the 2021-2024 period
4. Manufacturing companies in the food and beverage sub-sector with companies that have active shares and are frequently traded on the capital market in the 2021-2024 period

From purposive sampling measured by these 4 criteria, 10 companies were obtained with an observation period from 2021-2024 (4 years), so that the number of samples in this study was 40.

Table 1. Research Variables and Indicators

Variables	indicator	Measurement
Company value (Y)	<i>Price to Book Value (PBV)</i>	$PBV = \frac{\text{Harga Pasar Persaham}}{\text{Nilai Buku perlembar Saham (NBVS)}}$
Liquidity (X1)	<i>Current Ratio (CR)</i>	$CR = \frac{\text{Aset lancar}}{\text{utang lancar}}$
Profitability (X2)	<i>Return on Assets (ROA)</i>	$ROA = \frac{\text{Laba Bersih}}{\text{Total Aset}} \times 100\%$

S Solvency (X3)	<i>Debt to Equity Ratio</i> (DER)	$DER = \frac{\text{Total Utang}}{\text{Total Ekuitas}} \times 100\%$
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The framework was developed based on a literature review and research objectives by describing the relationship between liquidity, profitability, solvency and company value (Figure 1).

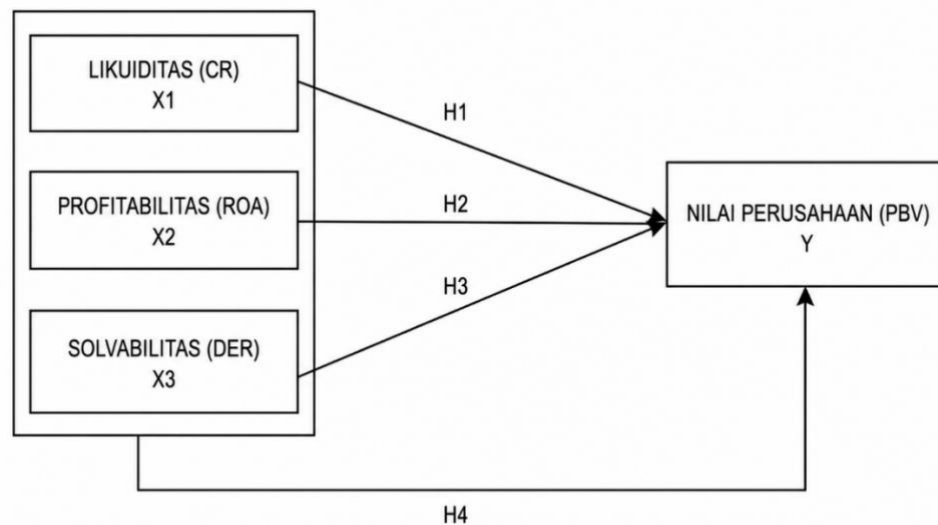


Figure 1 Research Framework

Relationship Between Variables

The Influence of *Liquidity* on Company Value

Based on Agency Theory, a company's ability to maintain liquidity reflects management's performance in efficiently managing assets to meet short-term obligations, thereby reducing the potential for conflict between management and shareholders. Maintained liquidity indicates sound financial management and minimizes the risk of conflicts of interest, thus increasing investor confidence, which is ultimately reflected in market assessments of the company's value. (Adhyasta & Sudarsi, 2023) as well as (Firdarini & Safaatun, 2022) Show that liquidity influential to Company value . Based on argumentation said , then formulated hypothesis

H1: *Liquidity* (CR) has an effect positive significant to Company Value (PBV)

Influence Profitability Against Company Values

Based on Signaling Theory , high profitability is signal positive from management to

the market that company capable produce profit in a way effective from assets and capital owned . This signal is responded to positive by investors because indicates prospects finance a good company in the future , so that push improvement request shares and ultimately reflected in the market assessment of mark company . Findings (Wijaya et al., 2025) as well as (R. Susanto & Rahayu, 2022) Show that Profitability influential to Company value . Based on argumentation said , then formulated hypothesis

H2: Profitability (ROA) has an effect positive significant on Company Value (PBV)

Influence Solvency to Company values

Based on *the Trade-Off Theory* , the use of debt can increase a company's value through tax benefits (*tax shield*), as long as the debt proportion does not exceed the optimal capital structure point where the risk of bankruptcy begins to outweigh the tax benefits . Controlled solvency indicates that a company is able to utilize debt strategically without excessively increasing financial risk, thereby increasing investor confidence, which is ultimately reflected in the market's assessment of the company's value. (R. Susanto & Rahayu, 2022) as well as (Sari & Mildawati, 2025) Show that Solvency influential to Company value . Based on argumentation said , then formulated hypothesis

H3: Solvency (DER) has an impact positive significant on Company Value (PBV)

Influence liquidity , profitability and solvency to Company values

This hypothesis states that liquidity, profitability, and solvency are thought to simultaneously influence company value in the food and beverage subsector. Liquidity indicates a company's ability to meet short-term obligations, profitability reflects its ability to generate profits, and solvency reflects the company's funding structure and level of financial risk.

This simultaneous influence will be tested using regression analysis, and if proven significant, the results of this study will show that the company's financial performance has an important role in increasing the company's value in the food and beverage sub-sector.

H4: liquidity (CR), profitability (ROA), and solvency (DER) are simultaneous influential to mark company (PBV)

RESULTS AND DISCUSSION

RESULTS

The data in this study were obtained from the analysis of financial reports of manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX) for the 2021-2024 period. Data processing and tabulation were performed using *E-views 14* and *Microsoft Excel statistical analysis tools* .

Description of Research Object

This study uses a quantitative approach with secondary data obtained from the annual

financial reports of food and beverage manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2024 period. The sample was selected using a purposive sampling technique in accordance with the criteria established in the research methodology. Based on this selection process, 10 companies were selected as samples from a population of 32, multiplied by four years of the study period, resulting in a total of 40 samples.

Descriptive Statistical Analysis

Descriptive statistical analysis aims to provide an overview of the characteristics of research data.

Table 2 Results of Descriptive Statistical Analysis

	X1	X2	X3	Y
Mean	2.491750	0.107250	0.834000	4.678525
Median	1.895000	0.090000	0.880000	3.715000
Maximum	6.180000	0.330000	2.140000	17.57000
Minimum	0.740000	0.010000	0.130000	0.001000
Std. Dev.	1.404584	0.078217	0.483294	3.861731

Source: Data processed using *E-views* 14 (2026)

Based on Table 2, the results of the descriptive statistical analysis show a general overview of the research data consisting of 10 manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange during the 2021–2024 period, so that the total observations in this study amount to 40 panel data (10 companies $\times$ 4 years).

liquidity variable (CR) ranged from 0.740–6.180 with a mean of 2.492 and a standard deviation of 1.405 (56.37%), indicating moderate variation between companies. The *profitability variable* (ROA) ranged from 0.010–0.330 with a mean of 0.107 and a standard deviation of 0.078 (72.93%), indicating a fairly high variation in asset management efficiency between companies. The *solvency variable* (DER) ranged from 0.130–2.140 with a mean of 0.834 and a standard deviation of 0.483 (57.95%), indicating a moderate capital structure preference but still within a reasonable range. The value of company (PBV) has the widest range, namely 0.001–17.570 with an average of 4.679 and a standard deviation 3.862 (82.54%), the highest among all variables. The minimum value recorded at PT Japfa Comfeed Indonesia Tbk (JFPA) in 2022, while mark maximum at PT Multi Bintang Indonesia Tbk (MLBI) in 2022.

In a way Overall, PBV shows the most heterogeneous data distribution, followed by ROA, DER, and CR, which indicates height heterogeneity mark companies in the sub-sector food and Drink during period study so that need caution in generalize results.

Panel Data Regression Model Selection

The selection of the regression model in this study was carried out For determine the most appropriate estimation model. The panel data regression model used consists of The Common Effect Model (CEM), *Fixed Effect Model* (FEM), and *Random Effect Model* (REM) were used. The best model was determined using the Chow test, the Hausman test, and, if necessary, the Lagrange multiplier test. The results of the model selection in this study can be

seen in the following table.

Table 3 Chow Test Results

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	3.199131	(9,27)	0.0092
Cross-section Chi-square	29.031875	9	0.0006

Source: Data processed using *E-views* 14 (2026)

The results from table 3 show that the Prob value in the Cross-section Chi Square is 0.0006, which means that the Prob value is <0.05 , so the better regression model is the *Fixed Effect model*.

Table 4 Hausman Test Results

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	17.739435	3	0.0005

Source: Data processed using *E-views* 14 (2026)

The results of the table above show that the Prob value for *Cross-section* Random is smaller than the significance value, which is $0.0005 < 0.05$. So the better regression model is the Fixed Effect model. Based on Table 3.2 and Table 3.3 which show both prob values below 0.05, it can be concluded that both tests consistently choose *the Fixed Effect Model* (FEM) so that there is no need for a Lagrange multiplier test. Therefore, all subsequent hypothesis tests use *the Fixed Effect Model*.

Classical Assumptions

Because the selected model is a *fixed-effect model*, the classical assumption tests performed include multicollinearity and heteroscedasticity tests. This aligns with the characteristics of panel data regression using a *fixed-effect model*, where normality and autocorrelation tests are not essential requirements (Basuki, 2021).

Multicollinearity Test

Table 5 Multicollinearity Test Results

	X1	X2	X3
X1	1	-0.0287090...	-0.5928882...
X2	-0.0287090...	1	0.15773235...
X3	-0.5928882...	0.15773235...	1

Source: Data processed using *E-views* 14 (2026)

The results of the multicollinearity test show that all correlation coefficients between independent variables are below 0.85, so it can be concluded that the regression model in this study is free from multicollinearity problems, or in other words, the model has passed the multicollinearity test.

Heteroscedasticity Test

Table 6 Glesjer Test Results

Dependent Variable: ABSRES
Method: Panel Least Squares
Date: 06/06/26 Time: 19:19
Sample: 2021 2024
Periods included: 4
Cross-sections included: 10
Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.057453	1.255839	-0.045749	0.9638
X1	-0.16138	0.201804	-0.799702	0.4309
X2	2.258620	7.627555	0.296113	0.7694
X3	1.491401	0.803194	1.856837	0.0743

Source: Data processed using *E-views* 14 (2026)

The results of the heteroscedasticity test using the Glejser method show that all independent ratio variables have a probability value of more than 0.05. Therefore, it can be concluded that there are no symptoms of heteroscedasticity in the research model.

Panel data regression equation

Based on the estimation results using the Fixed Effect Model (FEM), the panel data regression equation is obtained as follows:

$$PBV = 6.74222 - 0.249447 CR - 25.93915 ROA + 1.606517 DER + e$$

The regression equation shows the relationship between the independent variables, consisting of *liquidity* (CR), *profitability* (ROA), and *solvency* (DER), and firm value (PBV). The interpretation of each regression coefficient is as follows:

1. The constant value (α) of 6.7422 is statistically significant at the 99% confidence level (Prob. = 0.0091 < 0.01), which in the context of the Fixed Effect Model is the average intercept value of all sample companies, with adjustments to the specific intercept (α_i) for each company.
2. The CR coefficient of -0.2494 indicates that every 1 unit increase in CR decreases PBV by 0.2494 units (*ceteris paribus*), but is not significant (Prob. = 0.5234 > 0.10). The

ROA coefficient of -25.9392 indicates that every 1 unit increase in ROA (100%) decreases PBV by 25.9392 units — or equivalent to a decrease of 0.2594 units for every 1% increase in ROA — and is significant at the 90% confidence level (Prob. = 0.0866 < 0.10). The DER coefficient of +1.6065 indicates that every 1 unit increase in DER increases PBV by 1.6065 units, but is not significant (Prob. = 0.3048 > 0.10).

Based on equality mentioned, DER shows direction connection positive, while CR and ROA show direction connection negative to mark company. However thus, the direction coefficient only show trend relationship and not yet can conclude existence influence, so that required testing hypothesis. For know significance the influence of each variable.

Hypothesis Testing

Coefficient of Determination Test and F Test (Simultaneous)

Table 7 Results of the Determination Coefficient Test and F Test (Simultaneous)

Cross-section fixed (dummy variables)			
R-squared	0.830137	Mean dependent var	4.67852
Adjusted R-squared	0.754642	S.D. dependent var	3.861731
S.E. of regression	1.912854	Akaike info criterion	4.392027
Sum squared resid	98.79328	Schwarz criterion	4.940913
Log likelihood	-74.84054	Hannan-Quinn criter.	4.590487
F-statistic	10.99597	Durbin-Watson stat	2.904080
Prob(F-statistic)	0.000000		

Source: Data processed using *E-views* 14 (2026)

Based on the results of the Determination Coefficient and F Test, the Adjusted R² was 75.46%, while the F test showed a value of 10.996 with a p-value of 0.0000 < 0.05, so that CR, ROA, and DER simultaneously had a significant effect on PBV.

Significance Test t (Partial Test)

Table 8 Partial Test Results

Dependent Variable: Y
 Method: Panel Least Squares
 Date: 06/08/26 Time: 21:51
 Sample: 2021 2024
 Periods included: 4
 Cross-sections included: 10
 Total panel (balanced) observations: 40

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.74222	2.401071	2.808006	0.0091
X1	-0.249447	0.385833	-0.646514	0.5234
X2	-25.93915	14.58331	-1.778687	0.0866
X3	1.606517	1.535647	1.046150	0.3048

Source: Data processed using *E-views* 14 (2026)

Based on the results of the t-test above, it can be concluded that the influence of independent variables on the dependent variable partially is as follows: The liquidity variable (CR) obtained a t-count value of -0.6465, smaller than the t-table of 2.028, with a probability of $0.5234 > 0.05$, so that H1 was rejected and CR had no significant effect on PBV. The profitability variable (ROA) obtained a t-count value of -1.7787, smaller than the t-table of 2.028, with a probability of $0.0866 > 0.05$, so that H2 was rejected at a significance level of $\alpha = 5\%$ and ROA had no significant effect on PBV at a 95% confidence level. The ROA regression coefficient is negative at -25.9392, which means that for every 1% (0.01) increase in ROA, the company value (PBV) tends to decrease by 0.2594 units (*ceteris paribus*). The solvency variable (DER) obtained a t-count value of 1.0461, smaller than the t-table of 2.028, with a probability of $0.3048 > 0.05$, so H3 was rejected and DER had no significant effect on PBV.

DISCUSSION

Connection *Liquidity* (CR) to Company Value (PBV)

Based on the partial test results show that Current Ratio (CR) variable does not influential significant to mark company so that hypothesis first (H1) is rejected .

The results of this study show that tall low ability company in fulfil obligation term short Not yet capable increase and lower mark company in a way significant to the company manufacturing subsector food and drink . This indicates that investors do not make level liquidity as consideration main in evaluate company , but rather more notice other factors such as ability produce profit and stability request product .

Characteristics subsector food and drink included *consumer non-cyclical* cause relative cash turnover fast Because products produced is need main with request stable throughout year . This condition makes company No too depending on the size asset fluent For guard continuity operationally , it is different with industry that has cycle production long or fluctuating demand . Therefore that , level high liquidity No always perceived as signal positive by investors, because potential reflect asset smooth that is not managed in a way productive .

This finding is in line with with Agency Theory, which states that level high liquidity

No always reflect efficiency management , due to excessive CR potential interpreted as existence asset idle assets and not managed in a way productive . Rational investor therefore No necessarily raise valuation company only based on high CR, so that the effect of CR on PBV is not proven significant in this research .

The results of this study are in line with study (Sari & Mildawati, 2025) , (R. Susanto & Rahayu, 2022) who also found that liquidity No influential significant to mark company , so that indicates that investors in the capital market are more consider ability company produce profit term long compared to just ability fulfil obligation term short

Connection *profitability* (ROA) to Company Value (PBV)

Based on the partial test results show that Return on Assets (ROA) variable does not influential significant to mark company so that hypothesis second (H2) is rejected . The results of this study indicate that fluctuations profit generated from management asset company Not yet capable influence mark company in a way significant to the company manufacturing subsector food and drink . This indicates that investors do not solely make change profitability annual as base main assessment , but rather consider consistency performance company in term long .

This finding is in line with with Signaling Theory, which states that something signal finance new considered relevant by investors if reflect significant fundamental changes , not just fluctuations term short . In the sector with stable demand like food and beverages , level profitability base tend Already anticipated by investors as reasonable conditions , so that change in ROA from year to year tend viewed as normal variations in performance company , not as signal new that changes market expectations . Although Thus , the value ROA probability of 0.0866 which is close to the significance limit indicates existence trend influence profitability to mark company , so that signal profitability in this subsector is likely start responded to by the market even though Not yet Enough strong For produce significant influence in a way statistics . Conditions this is what explains Why signal from annual ROA fluctuations become more weak its influence to mark company compared to sectors where profits more volatile .

The results of this study are in line with research (Thoha & Hairunnisa, 2022) which also concluded that profitability No influential significant to mark companies in the sub-sector food and beverages on the Indonesia Stock Exchange .

Connection *Solvency* (DER) to Company Value (PBV)

Based on the partial test results show that Debt to Equity Ratio (DER) variable does not influential significant to mark company in a way statistics so that hypothesis The third hypothesis (H3) is rejected . The results of this study indicate that that size proportion use of debt not yet capable increase and lower mark company in a way significant to the company manufacturing subsector food and drink . This indicates that investors do not make debt level as consideration main in evaluate company , but rather more notice other factors such as ability produce profit and stability request product .

Characteristics subsector food and drink included industry need main cause need relative capital expenditure moderate , because scale production can customized in a way flexible follow stable market demand , without need investment asset still in scale big in a way This condition makes companies in this sector tend to be conservative in their use of debt.

This finding is in line with the Trade-Off Theory, which explains that the use of debt can increase company value through tax benefits (*tax shield*), as long as the proportion of debt has not exceeded the optimal capital structure point where the risk of bankruptcy begins to outweigh the tax benefits. Associated with the results of this study, the average DER of the sample is only 0.83 times, far below the threshold of 1 time commonly considered as the transition point to a risky capital structure, indicating that the companies in the sample are still at a moderate debt level and have not yet approached their optimal point. The positive direction of the DER coefficient (+1.6065) is consistent with the predictions of this theory, but the insignificance of this effect indicates that at this low debt level, the tax benefits from using debt are not yet large enough to significantly influence investors' perceptions of company value.

This research is in line with (Wijaya et al., 2025) who also found that DER had no significant effect on company value, thus strengthening the indication that the use of debt is not necessarily the main factor that investors consider in assessing companies, especially in companies with leverage levels that have not reached the optimal point.

Connection *Liquidity* (CR), *Profitability* (ROA), and *Solvency* (DER) in general Simultan on Company Value (PBV)

Based on results testing simultaneously (F test) , simultaneous influential significant on Price to Book Value (PBV) in the company manufacturing subsector food and Drink period 2021–2024. This finding indicates existence difference pattern influence between testing partial and simultaneous , where although in a way partial CR, ROA, and DER are not each influential significant , in terms of together all three precisely significant affect PBV. This indicates that investors assess company based on combination liquidity , profitability , and solvency in a way comprehensive , not from One ratio finance in a way separate . According to with Signaling Theory, combination signal from various aspect performance finance more convince investors compared to signal single , so that reduce risk of misinterpretation to condition company .

The results of this study are in line with (Sari & Mildawati, 2025) , who also found that liquidity , profitability , and solvency in a way simultaneous influential significant to mark company , although in a way partial No all variables proven influential .

CONCLUSION AND SUGGESTIONS

Based on the results of panel data regression analysis using *the Fixed Effect Model* (FEM), it is concluded that *liquidity* (CR), *profitability* (ROA), and *solvency* (DER) partially does not have a significant effect on company value (PBV), so H1, H2, and H3 are rejected, but all three have a significant effect simultaneously with an Adjusted R-squared of 0.754642

(75.46%), which indicates that liquidity, profitability, and solvency play a more complementary role in forming investor assessments than playing an individual role. Based on these findings, companies in the food and beverage subsector are advised to manage liquidity, profitability, and capital structure in a balanced manner so that current assets are not idle and debt levels remain optimal; investors are advised to conduct a comprehensive analysis by considering a combination of financial indicators and non-financial factors such as brand strength and growth prospects; while further research is advised to add other variables such as Return on Equity (ROE), Earning Per Share (EPS), company size, and sales growth, considering that 24.54% of the PBV variation in this study has not been explained by the model, as well as expanding the observation period, number of samples, or coverage of industrial sectors .

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