



## Original Article

### Analysis of Capital Structure, Size, Growth, and Profitability on Company Value: A Study on Food and Beverage Industry Issuers Listed on the IDX (2020-2022)

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#### Abstract:

The objective of this study is to examine the effects of capital structure, size, growth, and profitability company on the value of manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange (IDX) during the period 2020-2022. The research methodology employed is a quantitative approach utilizing simple linear regression analysis. Quantitative data were sourced from the financial statements of companies listed on the IDX. Variables under scrutiny encompass capital structure, size, growth, profitability, and company value. Regression analysis was conducted to assess the relationships among these variables. From the results of the research and hypothesis testing carried out in this research, it was found that there is no influence of company capital structure on the company value variable, there is no influence of company size on the company value variable, there is an influence of company growth on the company value variable, and there is an influence of company profitability. on the Company Value variable.

**Keywords:** Company Capital Structure, Company Size, Company Growth and Company Profitability, Company Value, Fnb Manufactures

#### Introduction

The food and beverage industry plays a very important role in the Indonesian economy. As a strategic, this industry functions to meet the basic needs of the community, create jobs, and contribute to the country's economic growth. At the national and international levels, food and beverage companies listed on the Indonesia Stock Exchange (IDX) play an important role in this industry. Putu Juli Ardika, Director General of Agro Industry of the Ministry of Industry (kemenperin), highlighted the importance of the role of these companies in this sector, which is expected to grow 5-7 percent in the food and beverage industry by the end of the year. Year 2023 ([Kompas.com, 2023](https://kompas.com/2023)).



<https://jurnal.usk.ac.id/riwayat>

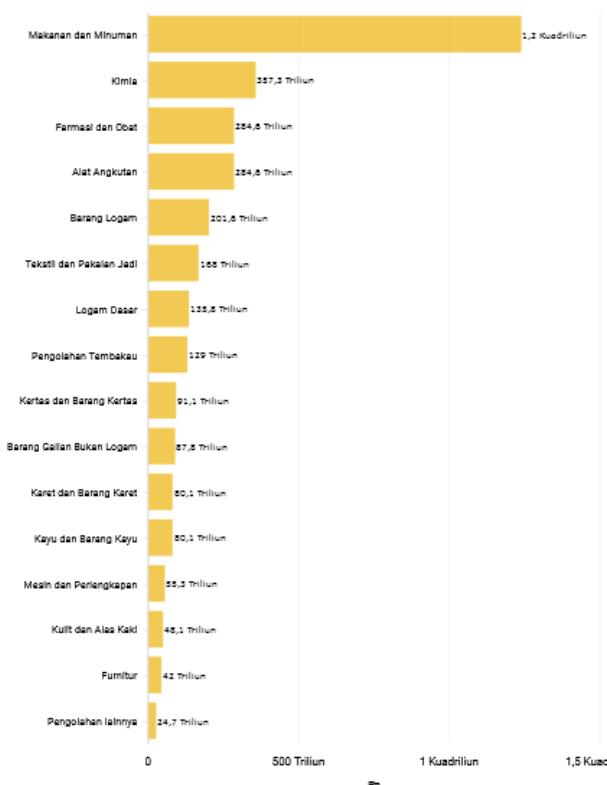


Figure 1. Food & Beverage Manufacturing Contribution in 2023

(Source: <https://databoks.katadata.co.id/datapublish/2023/02/13/makanan-dan-minuman-topang-sepertiga-industri-pengolahan-nasional-pada-2022>)

An important part of Indonesia's economy is the food and beverage production sector. Its impact on GDP and job creation shows its contribution to economic expansion. Strong economic expansion and increasing public consumption are reflected in the growth of the industry.

The national food and beverage industry has contributed Rp 1.23 quadrillion to the gross domestic product (GDP) in 2022 on the basis of prevailing prices (ADHB), based on a report by the Central Statistics Agency (BPS). This figure represents 6.32% of the overall national economic value which reaches Rp 19.59 03 quadrillion. The food and beverage sector also contributed 38.35% of the total Gross Domestic Product of the non-oil and gas processing industry worth Rp 3.23 trillion. Thus, this sector is the largest contributor when compared to other industrial sectors ([Katadata.co.id, 2023](https://katadata.co.id)).

In addition, the food and beverage manufacturing industry also has an important role in Indonesia's exports and trade balance. Indonesian food and beverage products are very competitive in the world market. The growth of this industry can help boost exports and reduce the trade balance deficit, ultimately supporting national economic growth ([Rodrik, 2009](#)).

During the 2020-2022 period, the food and beverage industry faced significant challenges, including changing consumer preferences, regulatory changes, increasingly fierce

competition, and the impact of the COVID-19 pandemic. In the midst of these conditions, stakeholders such as investors, company management, regulators, and market analysts need to deeply understand the factors that affect the performance of companies in this industry, including Company Value which is an important indicator ([Hillman & Keim, 2001](#)).

According to Kasmir (2016), Company Value reflects the financial performance of a company. A high score shows that the company has succeeded in creating good revenue and profit. On the other hand, a low Company value can indicate problems or challenges in the Company's operations, growth, or profitability ([Ameer & Othman, 2012](#)). The Company's values are a reference for stakeholders, including investors, financial analysts, and the Company's management. Investors will consider the value of the Company in assessing whether the company's shares have attractive value potential to buy. A high company value can attract investors, while a low company value can make investors hesitant to invest. As a result, the Company's value is an important factor in making investment decisions. In addition, company management can use company values as a guide in identifying existing resources and optimizing their use. Increasing company value is a strategic goal for company management in the long term ([Sarkhosh, 2024; Jeston, 2014; Kushermanto & Rohman, 2024](#)).

In the ever-changing and competitive world of business, recognizing the elements that may affect a company's financial success is essential. The company's capital structure, size, growth and profitability are the main aspects that affect the company's success and shareholder value ([Bintara, 2020](#)). Thus, the study of the impact of these variables on food and beverage companies listed on the Indonesia Stock Exchange (IDX) is very important to understand the Indonesian capital market. In this study, the researcher focuses on independent variables such as capital structure, size, growth, and profitability of the company, all of which have the potential to affect the value of the company.

As for the variable of a balanced Company Capital Structure, this can provide confidence to investors. Maintaining a balance between equity and debt reflects the company's financial stability and ability to meet financial responsibilities. Capital structure decisions are crucial for financial managers because they determine the composition of debt, common stock, and preferred stock that the company will use ([Suleman, 2021](#)).

Meanwhile, for company size, companies with larger sizes can often achieve economies of scale, which means increased efficiency and reduced production costs per unit. By increasing profit margins, companies can increase the value of their companies. When deciding on the composition of debt, ordinary shares, and preferred shares used by the Company, financial managers also need to consider the decision on capital structure ([Suleman, 2021](#)).

In addition, Growth Potential can also affect the company's value. Strong growth reflects a positive future outlook for the Company. Investors usually give a more positive evaluation to companies that show good growth potential. This is due to the belief that the Company has the opportunity to generate more profits in the future. The high growth rate also means that the Company needs more sources of funds, especially from external parties, to support the Company's development or meet investment demand ([Triani & Tarmidi, 2019](#)).

For the next variable of company profitability, the capacity of a company to earn profits from ongoing operations is referred to as profitability, used also as a key measure in evaluating company performance. Companies can compare their performance with competitors or over different time frames using financial ratios such as ROA, ROI, and profit margin. A high level of profitability shows the company's capacity to generate satisfactory income and revenue, which is an indicator of long-term prospects for investors ([Siegel, 2021](#)).

This research aims to understand the value of companies by focusing on crucial factors such as the company's capital structure, size, growth, and profitability. Conducted by a number of researchers on companies listed on the Indonesia Stock Exchange (IDX), previous research, including the works of [Priyatama & Pratini \(2021\)](#), [Ramdhonah, Solikin, & Sari \(2019\)](#), [Tasik \(2020\)](#), [Dhani & Utama \(2017\)](#), and [Ukhriyawati & Dewi \(2019\)](#), has made important contributions in documenting similar variables in various industry sectors.

As a concrete example, research conducted by [Ramdhonah, Solikin, & Sari \(2019\)](#) presents findings that indicate that factors such as capital structure, growth, and profitability of companies have a positive impact on company value. In the mining sector listed on the Indonesia Stock Exchange (IDX), the size of the company is actually recorded to have a negative influence on the value of the company. In addition, the results of the research presented by [Tasik \(2020\)](#) reveal different patterns in the banking sector listed on the IDX. Tasik found that the capital structure, company growth, and company size showed a negative impact on the value of companies in the context of the banking sector. Meanwhile, profitability turns out to have a positive influence on the value of companies in the same sector. These findings provide further insights related to the complexity of the variables that affect company value and make a significant contribution in understanding the dynamics of corporate value in the banking sector ([Renaldi et al., 2020](#)).

This study fills a knowledge gap about the factors that affect the financial performance of food and beverage companies in Indonesia. Focus on the Company's capital structure, size, growth and profitability. This research aims to provide comprehensive and valuable insights for stakeholders in the industry. It is hoped that the results of the research can expand the understanding of the factors that affect the value and performance of companies in the context of the food and beverage industry in Indonesia.

With the title "The Influence of Capital Structure, Size, Growth and Profitability of Companies on Company Value in Food and Beverage Industry Issuers Listed on the IDX in 2020–2022", the researcher hopes to delve into this topic. The purpose of this study is to test and analyze the Influence of Capital Structure, Company Size, Company Growth and Company Profitability on the Company Value of Food and Beverage Industry Issuers listed on the IDX in 2020-2022.

## Literature Review

### Capital Structure (x1)

Capital Structure is the use of long-term debt to own capital ([Ramadanti et al., 2024](#)).

### Company Size (x2)

A scale where the size of a company can be kasified in various ways such as total assets, log size, and stock value ([Siahaan, 2014](#)).

### **Company Growth (X3)**

Company growth refers to changes in the company's scale, capacity, or turnover over time ([Triyono et al., 2019](#)). This can include growth in various aspects, such as revenue, assets, number of employees, market share, and more. The growth of a company is an important indicator that reflects the success and evolution of the company over time.

### **Profitability (X4)**

The size of the profitability produced by a company can be influenced by the value of the company by looking at profitability as the size and performance of the company as shown by the profits generated by the company ([Ariyani et al., 2019](#)).

### **Company Value (Y)**

Company value is the fair value of a company that describes the perception of investors facing certain issuers, so that company value is an investor perception that is always associated with stock prices ([Laux & Leuz, 2010](#)).

### **The Effect of a Company's Capital Structure on Company Value**

Taking on more debt can make a company's revenue stream more risky due to the presence of external variables that affect the business (Nenu et al., 2018). Conversely, debt, regardless of the level of revenue a business generates, can incur fixed costs. Research conducted by [Aeni and Asyik \(2019\)](#), as well as [Fauzi and Aji \(2018\)](#), concluded that there is a negative influence between capital structure and company value. The results of this study show that the value of a company can increase with the implementation of an appropriate capital structure. On the contrary, the findings imply that improper placement of capital structures can have a negative impact on the company's value ([Simerly & Li, 2000](#)). In the context of previous research, [Mardianto \(2022\)](#) stated that efforts to increase the value of a company can be made by adopting an adequate capital structure. Previous research conducted by [Aeni and Asyik \(2019\)](#) and Fauzi and [Aji \(2018\)](#) showed that capital structure plays an important role in influencing the value of a company, with negative effects identified. Thus, suitability and wisdom in the placement of capital structure are the key to increasing the value of the company in accordance with the findings of previous research ([Mardianto, 2022](#)).

- H1: There is a positive and significant influence of the Company's Capital Structure on the Company's Value.

### **The Effect of Company Size on Company Value**

The market value of a company's stock can be calculated using total sales or total assets. According to Prasetyorini's research in 2013, company size has a significant influence on the success of obtaining information that can increase the value of the company; The larger the company, the simpler the access so that it can increase investor confidence.

- H2: There is a positive and significant influence of Company Size on Company Value

### **The Effect of Company Growth on Company Value**

Companies that experience significant growth generally require a large amount of funds in the future, especially funds from external sources, to meet investment needs or support the company's development ([Chandra, 2013](#)). High growth potential in a company has a direct impact on increasing the value of the company, so it is attractive for investors who want to invest in the company ([Amosha et al., 2023](#)). This conclusion is consistent with the results of the study reported by [Oktavia and Fitria \(2019\)](#). These findings reflect that companies with significant growth potential have greater appeal to investors, who see investment in such companies as opportunities to earn profits along with potential growth ([Amosha et al., 2023](#); [Poser, 2012](#)).

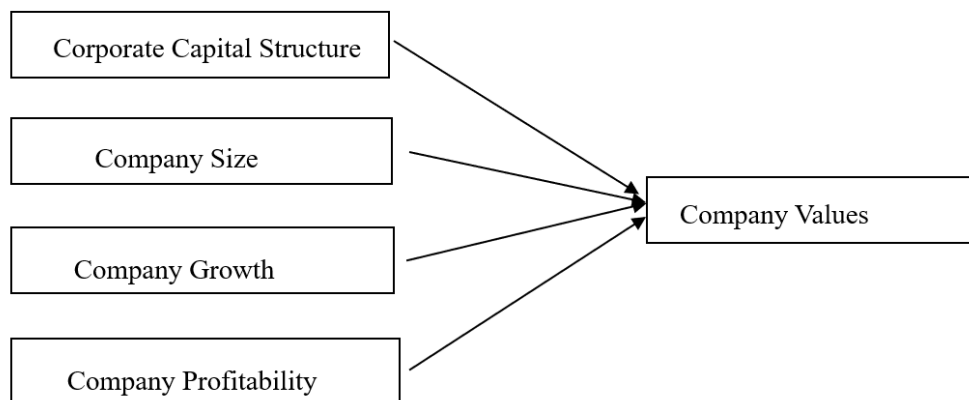
- H3: There is a Positive and Significant Influence of Company Growth on Company Value

### The Effect of Company Profitability on Company Value

The profits generated from a company's profitability level play a very important role in many aspects of business, as it can reflect the efficiency of the company and its overall performance. A company's profitability also shows its ability to deliver greater returns to investors, as revealed in a study by Haq and Rahayu in 2019. Similar findings were also found in a study by Dhani and Utami in 2017, which illustrates the relationship between the two variables.

- H4: There is a positive and significant influence of the company's profitability on the company's value.

Research Model:



The hypotheses tested in this study are:

- H1: There is a positive and significant influence of the Company's Capital Structure on the Company's Value
- H2: There is a positive and significant influence of Company Size on Company Value
- H3: There is a Positive and Significant Influence of Company Growth on Company Value
- H4: There is a Positive and Significant Influence of Company Profitability on Company Value

## Methods

The method of this study uses a quantitative method that focuses on data that can be measured and represented in the form of numbers (Nardi, 2018). Statistical techniques are useful in processing and quantifying the data. This study uses a causal approach to find evidence of a cause-and-effect relationship between independent variables (independent variables) and dependent variables (bound variables) (Pearl, 2009; Cucurachi & Suh, 2017).

Table 1. Variable Operational Definition

| No. | Variable               | Definition                                                                                                                                                                                                                                                                                                                    | Indicator                                                      | Scale |
|-----|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------|
| 1   | Capital Structure (x1) | Capital Structure is the use of long-term debt to own capital.                                                                                                                                                                                                                                                                | DER = Total Debt<br>Total Equity                               | Ratio |
| 2   | Company Size (x2)      | A scale where the size of a company can be kasified in various ways such as total assets, log size, and stock value (Muliati et al., 2021)                                                                                                                                                                                    | SIZE = Ln (Total Aset)                                         | Ratio |
| 3   | Company Growth (X3)    | Company growth refers to changes in a company's scale, capacity, or turnover over time. This can include growth in various aspects, such as revenue, assets, number of employees, market share, and more. The growth of a company is an important indicator that reflects the success and evolution of the company over time. | PP = Total Asett-<br>Total Assets (t 1)<br>Total Asset s (t-1) | Ratio |
| 4   | Profitability (X4)     | The size of the profitability produced by a company can be influenced by the value of the company by looking at profitability as the size and performance of the company as shown by the profits generated by the company (Dewantari et al., 2019)                                                                            | ROA = Net income<br>Total Assetx 100%                          | Ratio |
| 5   | Company Value (Y)      | Company Value is the fair value of a company that describes the perception of investors facing a                                                                                                                                                                                                                              | PBV = price per                                                | Ratio |

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certain issuer, so that the value sharebook value  
of the company is the per share  
perception of investors that is  
always associated with the stock  
price.

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Companies that produce food and beverages and are listed on the Indonesia Stock Exchange (IDX) between 2020 and 2022 are the focus of this research. Purposive sampling is useful in selecting research samples, thus guaranteeing that only companies that meet the inclusion criteria, i.e. have available data included in the sample.

Table 2. Research Sample

| No. | Kode | Nama Perusahaan Manufaktur (Makanan & Minuman)     |
|-----|------|----------------------------------------------------|
| 1   | ADES | Akasha Wira International Tbk                      |
| 2   | AISA | PT FKS Food Sejahtera Tbk                          |
| 3   | ALTO | PT Tri Banyan Tirta Tbk                            |
| 4   | BTEK | Bumi Teknokultura Unggul Tbk                       |
| 5   | BUDI | Budi Starch & Sweetener Tbk                        |
| 6   | CEKA | Wilmar Cahaya Indonesia Tbk                        |
| 7   | DLTA | Delta Djakarta Tbk                                 |
| 8   | ICBP | Indofood CBP Sukses Makmur Tbk                     |
| 9   | INDF | Indofood Sukses Makmur Tbk                         |
| 10  | MLBI | PT Multi Bintang Indonesia Tbk                     |
| 11  | MYOR | Mayora Indah Tbk                                   |
| 12  | PSDN | Prasidha Aneka Niaga Tbk                           |
| 13  | ROTI | PT Nippon Indosari Corporindo Tbk                  |
| 14  | SKBM | Sekar Bumi Tbk                                     |
| 15  | SKLT | Sekar Laut Tbk                                     |
| 16  | STTP | Siantar Top Tbk                                    |
| 17  | ULTJ | PT Ultrajaya Milk Industry and Trading Company Tbk |

This study uses quantitative data derived from secondary data. The annual financial report that can be seen on the [www.ojk.ac.id](http://www.ojk.ac.id) and the Issuer's official website is the data collection method used in this study.

## Results

### Descriptive Statistics

Descriptive statistics are defined by a data analysis method that provides a comprehensive overview of the distribution of a research variable. Through the use of descriptive statistics, information such as minimum, maximum, total (sum), mean, and standard deviation of a data set can be obtained. The minimum value is the smallest value in the data, the maximum value is the largest value, the total is the sum of all the values in

the data, and the average gives an overview of the distribution center. Standard deviation measures how far the values in the data are spread out from the mean, reflecting the degree of variation or dispersion of the data. Descriptive statistics provide a concise and informative overview of the basic characteristics of a research variable, supporting a better understanding of the distribution and nature of the data observed by researchers and readers.

### Normality Test

The normality check is carried out to evaluate whether the residual value, i.e. the difference between the observed value and the estimated value, follows the normal distribution. One common method that is useful in testing normality is the single-sample Kolmogorov-Smirnov test ([Ghozali, 2018](#)). This test compares the residual distribution with the expected normal distribution. If the p-value of the test is greater than the specified significance level (compared to the alpha or standard error of 0.05), it can be concluded that the residual has a normal distribution.

**One-Sample Kolmogorov-Smirnov Test**

|                                  |                   | Unstandardi<br>zed Residual |
|----------------------------------|-------------------|-----------------------------|
| N                                |                   | 51                          |
| Normal Parameters <sup>a,b</sup> | Mean              | 0E-7                        |
|                                  | Std.<br>Deviation | 13.69533489                 |
| Most Extreme<br>Differences      | Absolute          | .139                        |
|                                  | Positive          | .139                        |
|                                  | Negative          | -.089                       |
| Kolmogorov-Smirnov Z             |                   | .993                        |
| Asymp. Sig. (2-tailed)           |                   | .278                        |

a. Test distribution is Normal.

b. Calculated from data.

According to the table above, a significance value of 0.278 was obtained, which means  $>0.05$ . Thus, the data can be considered to have a normal distribution.

### Heteroscedacity Test

The heteroscedasticity test is useful in evaluating whether the residual variance is unstable across the entire range of predictor values. One method that is often useful in testing heteroscedasticity is the White test ([Ghozali, 2018](#)). This test aims to check whether there is a special pattern in the residual variance related to the predictor value. If the p-value of the test is lower than the predetermined significance level of 0.05, it can be concluded that the data show heteroscedasticity; Conversely, if the p-value is higher, it can be concluded that the data do not show heteroscedasticity.

**Coefficientsa**

| Model             | Unstandardized Coefficients |            | Standardized Coefficients | t    | Mr.   |
|-------------------|-----------------------------|------------|---------------------------|------|-------|
|                   | B                           | Std. Error | Beta                      |      |       |
| (Constant)        | -9.369E-015                 | 51.258     |                           | .000 | 1.000 |
| Capital Structure | .000                        | 14.305     | .000                      | .000 | 1.000 |
| Company Size      | .000                        | .924       | .000                      | .000 | 1.000 |
| Company Growth    | .000                        | 1.814      | .000                      | .000 | 1.000 |
| Profitability     | .000                        | 9.045      | .000                      | .000 | 1.000 |

a. Dependent Variable: Unstandardized Residual

Based on the table above, a significance value of 1,000 is obtained for the regression between independent variables and dependents. Thus, the  $\text{sig} > 0.050$ , which means that for heteroscedacity testing proves that no heteroscedadacity symptoms occur.

### Multicollinearity Test

The VIF test in regression analysis evaluates high correlation between independent variables. A VIF value above 10 indicates multicollinearity, requiring corrective actions such as deletion or merging of variables. This is crucial to maintain the interpretation of individual effects in regression models ([Ghozali, 2018](#)). If the VIF value exceeds 10, it can be concluded that there is multicollinearity in the regression model.

**Coefficientsa**

| Model             | Unstandardized Coefficients |            | Standardized Coefficients | t      | Mr.  | Collinearity Statistics |        |
|-------------------|-----------------------------|------------|---------------------------|--------|------|-------------------------|--------|
|                   | B                           | Std. Error | Beta                      |        |      | Tolerance               | BRIGHT |
| (Constant)        | -                           | 51.258     |                           | -2.114 | .040 |                         |        |
| Capital Structure | 108.359                     | 14.305     | -.110                     | -.894  | .376 | .840                    | 1.191  |
| Company Size      | -12.789                     | .924       | -.210                     | -      | .153 | .612                    | 1.634  |
| Company Growth    | -1.343                      | 1.814      | .378                      | 1.454  | .021 | .514                    | 1.945  |
| Profitability     | 4.346                       | 9.045      | .507                      | 2.396  | .001 | .696                    | 1.436  |

#### a. Dependent Variable: Company Value

Based on the table above, a VIF value of 1,191 was obtained for the Capital Structure variable, 1,634 for the Company Size variable, 1,945 for the company growth variable, and 1,436 for the profitability variable.

#### Uji Autokorelasi

The autocorrelation test evaluates the residual correlation at a time interval. The Durbin-Watson test, with a value close to 0 or 4, shows a positive or negative correlation. A value of around 2 indicates no significant autocorrelation. Useful for evaluating autocorrelation problems in regression models or time series ([Ghozali, 2018](#)). If the Durbin Watson statistical value is in the range between 0 and 2, it can be concluded that there is no autocorrelation in the regression model.

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

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
|-------|-------|----------|-------------------|----------------------------|---------------|
| 1     | .641a | .411     | .360              | 14.27837                   | 1.692         |

a. Predictors: (Constant), Profitability, Capital Structure, Company Size, Company Growth

b. Dependent Variable: Company Value

For the Durbin Watson test, a value of 1,692 was obtained, which means that this value is from a value of 0-2, which means that there is no autocorrelation in the regression model.

#### Uji Hipotesis

The significance test was carried out to test whether the independent variable significantly affected the bound variable or not. Meanwhile, the model fit test was carried out to check how well the regression model built could explain the variation in the bound variables. One method that can be useful in measuring model fit is the t-test

#### Test t

The t-test is used as a temporary response to a problem formulation regarding the relationship between two or more variables. The t-test was carried out to determine whether there was a significant partial influence of the independent variable (service quality) on the bound variable (purchase decision). The significance level used was 95% ( $\alpha = 0.05$ ). If the p-value of the t-test is less than  $\alpha$ , it can be concluded that the quality of service has a significant influence on the purchase decision. The following are the criteria for conducting a test of the t-test hypothesis to develop a decision:

- The hypothesis is rejected if the  $t_{table} < \text{calculation}$  is  $\alpha = 0.05$  (no positive effect).
- The hypothesis is accepted if the  $t_{table} > \text{calculation}$  is  $\alpha = 0.05$  (has a positive effect).

The hypotheses tested in this study are:

- H1: There is a positive and significant influence of the Capital Structure on the Company Value variable.
- H2: There is a positive and significant influence of the Company Size on the Company Value variable.
- H3: There is a positive and significant influence of Company Growth on the Company Value variable.
- H4: There is a positive and significant influence of Profitability on the Company Value variable.

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

| Model |                   | Unstandardized Coefficients |            | Standardized Coefficients | t      | Mr.  |
|-------|-------------------|-----------------------------|------------|---------------------------|--------|------|
|       |                   | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)        | -108.359                    | 51.258     |                           | -2.114 | .040 |
|       | Capital Structure | -12.789                     | 14.305     | -.110                     | -.894  | .376 |
|       | Company Size      | -1.343                      | .924       | -.210                     | -1.454 | .153 |
|       | Company Growth    | 4.346                       | 1.814      | .378                      | 2.396  | .021 |
|       | Profitability     | 33.859                      | 9.045      | .507                      | 3.743  | .001 |

a. Dependent Variable: Company Value

- Capital Structure has no positive and significant effect on the Company Value variable (H1 rejected, sig = 0.376).
- Company Size had no positive and significant effect on the Company Value variable (H2 rejected, sig = 0.153).
- The Company's growth had a positive and significant effect on the Company Value variable (H3 accepted, sig = 0.021).
- Profitability has a positive and significant effect on the Company Value variable (rejected, H4 accepted, sig = 0.001).

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

| Model | R     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|----------------------------|
| 1     | .641a | .411     | .360              | 14.27837                   |

a. Predictors: (Constant), Profitability, Capital Structure, Company Size, Company Growth

b. Dependent Variable: Company Value

The Adjusted R square of 0.360 shows that 36% of the variation in Company Value is explained by capital structure, company size, growth, and profitability. About 64% of the remaining variations were influenced by other factors that were not studied.

## Discussion

### The Influence of Corporate Capital Structure on Corporate Value

In this case there is no significant influence of the Company's Capital Structure on the Company's Value. This is contrary to the general situation (theory) because in this case the company relies on debt as the main source of funding rather than equity. Meanwhile, an increase in debt levels can cause increased risks faced by the company's revenue flow, especially due to the influence of external factors. Although debt can incur a fixed burden without paying attention to revenue, for the hypoestation test 1, it was found that Capital Structure had no positive and significant effect on the Company Value variable (H1 rejected, sig = 0.376).

The value of the company will be high if the level of debt committed by the company is still within a reasonable limit, and if the level of the company's debt has exceeded the limit, the value of the company will decrease because of the many interest burdens that the company must pay to creditors and will reduce investors' interest in investing and reduce the value of the company and this can also have an impact on the bankruptcy that occurs by the company ([Widyantari and Yadnya, 2017](#)).

### The Effect of Company Size on Company Value

The large size of a company makes it easier to access information, and the valuation of the stock market value can be related to total sales or total assets. This factor contributes to investor confidence, which in turn can affect the company's value ([Prasetyorini, 2013](#)). Company Size had no positive and significant effect on the Company Value variable (H2 rejected, sig = 0.153). As a result, it can be concluded that there is no significant influence of Company Size on Company Value.

The findings of the study show that the size of the company has no effect on the value of the company. Investors are more likely to judge based on a company's financial performance and reputation. This is in line with previous research by [Gultom et al. \(2013\)](#) and [Priyastuty \(2014\)](#), concluding that company size does not affect company value.

This means that the size of a large or small company will not be able to affect the value of the company. An investor who wants to value a company will not look at the size of the company which is reflected in the total assets owned by the company. However, investors will review from various aspects such as paying attention to the company's performance as seen in the company's financial statements, the company's good name, and dividend policy ([Priyastuty, 2014](#)).

### The Effect of Company Growth on Company Value

High-growth companies require external funds for investment. Growth potential can affect the value of a company and attract investors ([Indrajaya et al., 2011](#); [Safrida,](#)

[2008](#)). The Company's growth had a positive and significant effect on the Company Value variable (H3 accepted, sig = 0.021). In conclusion, there is a significant influence of Company Growth on Company Value.

When viewed from the investor side, good company growth is expected to result in a higher rate of return on the investment made. Investors who obtain information about the company's growth indicated through an increase in the total assets of a company will receive a good response from the market, so that it can increase the stock price or reflect the increasing value of the company ([Syardiana et al., 2015](#)).

### **The Effect of Company Profitability on Company Value**

Profitability plays an important role in all aspects of business because it reflects the efficiency and performance of the company, as well as shows the company's ability to deliver greater returns to investors.

The findings of the study show that the size of the company has no effect on the value of the company. Investors are more likely to judge based on a company's financial performance and reputation. This is in line with previous research by [Gultom et al. \(2013\)](#) and [Priyastuty \(2014\)](#), concluding that company size does not affect company value.

Profitability has a positive and significant effect on the Company Value variable (rejected, H4 accepted, sig = 0.001). Therefore, it can be concluded that there is a significant influence of Profitability on Company Value. The influence is also positive, which means that increased profitability will increase the value of the company. This finding is in line with research conducted by [Haq and Rahayu \(2019\)](#) and [Dhani and Utami \(2017\)](#), which also show a similar trend, where the increasing profitability of a company reflects an increase in the company's efficiency, so it shows that the company's performance is improving. Companies with good performance are seen through their profits, thereby increasing the confidence of investors who want a return on their investment. Potential investors are always looking for companies with good performance and will then carry out investment activities in the company, so that these activities can increase market perception and the company's value will increase ([Dhani and Utami, 2017](#)).

### **Conclusion**

From the results of the research and hypothesis testing carried out in this study, it is found that there is no Influence of Company Capital Structure on the Company Value variable, there is no Influence of Company Size on the Company Value variable, there is an Influence of Company Growth on the Company Value variable. The existing influence is a positive influence, which means that increasing the company's growth will increase the company's value, and there is an influence of the company's profitability on the company's value variables. The existing influence is a positive influence, which means that increasing profitability will increase the value of the company.

Based on the conclusions drawn in the previous section, the researcher can provide suggestions, that this study proves that company growth and profitability can be indicators of increasing company value in food and beverage industry companies on the IDX in 2020-

2022. Therefore, the Company is hungry for activities that can increase asset growth, and can encourage good profitability so that the Company can generate good profits as an indicator of the Company's ability to generate profits.

In addition, this study proves that the capital structure and size of the company cannot be an indicator of the company's value, so it is hoped that investors can conduct alternative research by utilizing other variables. There are various other variables such as activity ratios, risk ratios, and various other ratios that can be indicators of stock growth in this sector.

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