

The Influence of Return on Assets, Debt to Equity Ratio, and Current Ratio on Firm Value with Firm Size as a Control Variable in Manufacturing Companies Listed on the Indonesia Stock Exchange

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Abstract

Purpose – This study aims to examine the effect of Return on Assets (ROA), Debt to Equity Ratio (DER), and Current Ratio (CR) on firm value with firm size as a control variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX).

Design/methodology/approach – This study uses a quantitative approach with secondary data obtained from the annual financial statements of manufacturing companies in 2024. The sample consisted of 70 companies selected using purposive sampling. Data were analyzed using multiple linear regression analysis with SPSS software.

Originality – This study provides empirical evidence regarding the influence of profitability, solvency, and liquidity on firm value by including firm size as a control variable.

Findings and Discussion – The results show that ROA, DER, CR, and firm size simultaneously affect firm value. However, partially, each variable does not significantly affect firm value. The coefficient of determination indicates that the independent variables explain 39.7% of the variation in firm value.

Conclusion – Financial performance variables and firm size collectively influence firm value in manufacturing companies listed on the IDX.

Keywords – *Return on Assets, Debt to Equity Ratio, Current Ratio, Firm Value, Firm Size, Manufacturing Companies.*

Introduction

In an increasingly competitive economic environment, companies are required to manage their resources effectively in order to maintain business sustainability and improve competitiveness. One way to achieve this is by going public through the capital market. Companies listed on the Indonesia Stock Exchange (IDX) are expected to maintain good financial performance because investors evaluate company prospects based on published financial information. Firm value reflects market perceptions of a company's performance and future prospects, making it an important indicator for investors in making investment decisions. The manufacturing sector has a strategic role in the Indonesian economy because it contributes significantly to economic growth, added value creation, and employment opportunities. Manufacturing companies also have complex operational activities that require effective financial management, especially in managing profitability, capital structure, and liquidity. Therefore, financial performance becomes an important consideration for investors in assessing firm value.

This study aims to examine the effect of Return on Assets (ROA), Debt to Equity Ratio (DER), and Current Ratio (CR) on firm value with firm size as a control variable in manufacturing companies listed on the IDX in 2024. This research uses a quantitative approach with secondary data obtained from annual financial reports. The data were analyzed using multiple linear regression analysis with SPSS software. The findings indicate that ROA, DER, CR, and firm size simultaneously affect firm value, although partially these variables do not have a significant effect. This study contributes to providing empirical evidence regarding the relationship between financial performance and firm value in manufacturing companies.

Literature Review

This study's theoretical framework integrates several financial management theories to explain the relationship between Return on Assets (ROA), Debt to Equity Ratio (DER), Current Ratio (CR), Firm Size, and Firm Value. Firm Value (Y) is considered an important indicator reflecting the company's success in managing its resources and maximizing shareholder wealth. Meanwhile, ROA (X1), DER (X2), CR (X3), and Firm Size (X4) are considered factors that influence investors' perceptions and market assessments of the company. Signaling Theory provides the main theoretical foundation explaining that financial information published by companies serves as a signal to investors regarding the company's performance and future prospects. Financial ratios such as ROA, DER, and CR are indicators used by investors in assessing company value. Agency Theory explains the relationship between managers and shareholders in managing company resources. Decisions related to profitability, debt policy, liquidity, and company expansion are expected to increase firm value and shareholder welfare. Trade-Off Theory explains how companies balance the use of debt and equity financing to achieve an optimal capital structure that can maximize firm value.

The Relationship Between Return on Assets (ROA) and Firm Value

Firm Value (Y) reflects the market's perception of the company's overall performance, which is generally associated with stock prices and investor confidence. According to Hery (2017), firm value describes the level of public trust achieved by the company through its operational performance. One factor affecting firm value is Return on Assets (ROA) (X1). ROA is a profitability ratio that measures the company's ability to generate profit by utilizing its total assets efficiently. According to Leon et al. (2023), ROA indicates how effectively company assets are used to generate earnings. A higher ROA reflects better company performance and signals efficient management to investors. Based on Signaling Theory, companies with high profitability provide positive signals to investors, increasing investor confidence and market valuation of the company. Therefore, companies with higher ROA tend to have higher firm value.

H1: Return on Assets (ROA) has a positive effect on Firm Value.

The Relationship Between Debt to Equity Ratio (DER) and Firm Value

Debt to Equity Ratio (DER) (X2) is a leverage ratio used to measure the proportion of debt compared to shareholders' equity. According to Kasmir (2012), DER indicates the extent to which company assets are financed through debt. A high DER shows that the company relies more heavily on external financing. According to Trade-Off Theory, the use of debt can increase firm value because debt provides tax advantages and additional

funding for business expansion. However, excessive debt may increase financial risk and reduce investor confidence. Therefore, DER has an important role in influencing investor perceptions of company stability and financial risk. Investors generally evaluate whether the company can manage its debt effectively in order to maintain and improve firm value. H2: Debt to Equity Ratio (DER) has an effect on Firm Value.

The Relationship Between Current Ratio (CR) and Firm Value

Current Ratio (CR) (X3) is a liquidity ratio that measures the company's ability to fulfill short-term obligations using current assets. According to Kasmir (2012), CR reflects the company's short-term financial strength and liquidity condition. A higher CR indicates that the company has sufficient current assets to cover its short-term liabilities, which may increase investor confidence. However, an excessively high CR may also indicate inefficient asset management because too many current assets are idle and not used productively. From the perspective of Signaling Theory, liquidity information provides signals regarding the company's financial condition and operational stability. Companies with good liquidity tend to attract investors and improve firm value.

H3: Current Ratio (CR) has an effect on Firm Value.

The Relationship Between Firm Size and Firm Value

Firm Size (X4) represents the scale or size of the company, commonly measured using the natural logarithm of total assets. According to Horne and Wachowicz (2014), larger companies generally possess greater assets, broader operational networks, and stronger financial capabilities. Large companies tend to have easier access to external financing, stronger bargaining power, and higher investor confidence. In addition, larger firms are usually considered more stable and capable of surviving economic uncertainty. Based on Agency Theory and Signaling Theory, firm size can influence investor perceptions regarding company credibility and future growth prospects. Therefore, larger firms are expected to have higher firm value.

H4: Firm Size has a positive effect on Firm Value.

Conceptual Framework

Based on the theoretical explanation above, this study examines the influence of Return on Assets (ROA), Debt to Equity Ratio (DER), Current Ratio (CR), and Firm Size on Firm Value. ROA reflects profitability, DER reflects capital structure, CR reflects liquidity, and Firm Size reflects company scale, all of which are expected to influence investor perceptions and market valuation of the company. Therefore, these variables are theoretically interconnected in determining firm value and supporting the achievement of shareholder welfare.

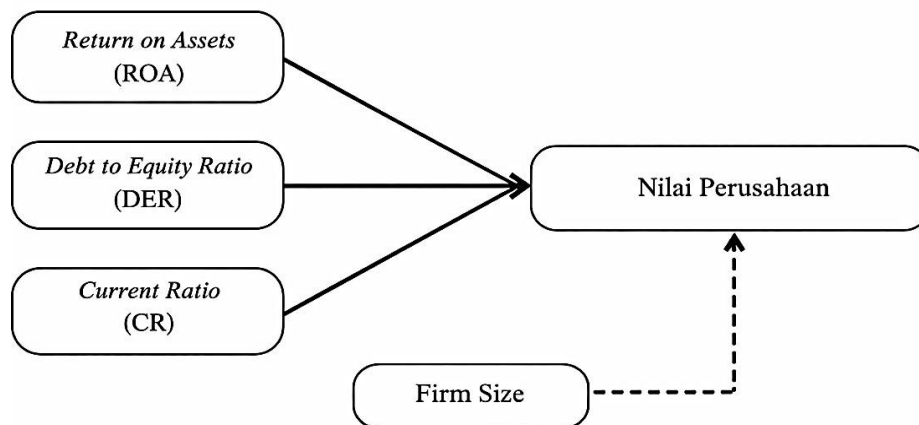


Figure 1. Conceptual Framework

Methods, Data, and Analysis

The methods section explains the procedures followed in conducting the study and provides justification for the research methods used. This section is intended to provide sufficient detail regarding the research process, data collection, measurement of variables, and statistical analysis techniques to ensure the reliability and validity of the findings. Furthermore, the information presented enables other researchers to replicate the study in similar research contexts.

Research Design

This study uses a quantitative research method with an associative approach. According to Sugiyono (2019), quantitative research is a method based on the philosophy of positivism and is used to examine specific populations or samples through statistical analysis. The quantitative approach is appropriate for this study because it aims to examine the effect of independent variables on the dependent variable using numerical data and statistical testing. The associative approach is employed to analyze the relationship between Return on Assets (ROA), Debt to Equity Ratio (DER), and Current Ratio (CR) on Firm Value, with Firm Size as a control variable.

Sampling

The population of this study consists of all manufacturing companies listed on the Indonesia Stock Exchange, totaling 84 companies. The research context focuses on manufacturing companies because this sector has a significant contribution to the Indonesian capital market and provides comprehensive financial reporting data. The sampling technique used in this study is saturated sampling. According to Sugiyono (2019), saturated sampling is a sampling technique in which all members of the population are used as research samples. Therefore, all 84 manufacturing companies listed on the Indonesia Stock Exchange are included as the research sample. The unit of analysis in this study is the annual financial statements of manufacturing companies published through the official Indonesia Stock Exchange website and the official websites of the respective companies.

Data Collection

This study uses documentation techniques with secondary data sources. Documentation is used to collect data from company financial reports and other related documents that have already been published. The secondary data used in this study consist of Annual Reports, financial statement summaries, company performance reports, and other supporting information obtained from the official Indonesia Stock Exchange website and the official websites of manufacturing companies. The data collected include information related to Return on Assets (ROA), Debt to Equity Ratio (DER), Current Ratio (CR), Firm Size, and Firm Value.

Measures

The variables used in this study consist of independent variables, a dependent variable, and a control variable.

Independent Variables

Return on Assets (ROA) (X1)

ROA measures the company's ability to generate profit from its total assets. The formula used is:

$$ROA = \frac{Net\ Income \times 100\%}{Total\ Assets}$$

Source: Kasmir (2012:204)

Debt to Equity Ratio (DER) (X2)

DER measures the proportion of total liabilities compared to shareholders' equity. The formula used is:

$$DER = \frac{Total\ Liabilities}{Total\ Equity}$$

Source: Kasmir (2012:202)

Current Ratio (CR) (X3)

CR measures the company's ability to meet short-term liabilities using current assets. The formula used is:

$$CR = \frac{Current\ Assets}{Current\ Liabilities}$$

Source: Kasmir (2012:200)

Dependent Variable

Firm Value (Y)

Firm Value is measured using Price to Book Value (PBV). The formula used is:

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

Book Value per Share is calculated using the following formula:

$$Book\ Value\ per\ Share = \frac{Total\ Equity}{Number\ of\ Shares}$$

Source: Kasmir (2012:201)

Control Variable

Firm Size (Z)

Firm Size is measured using the natural logarithm of total assets. The formula used is:

$$SIZE = \ln(Total\ Assets)$$

Source: Kasmir (2012:201)

Data Analysis

The data analysis technique used in this study is multiple linear regression analysis to determine the effect of ROA, DER, and CR on Firm Value with Firm Size as a control variable.

The regression model used in this study is as follows:

$$PBV = \alpha + \beta_1 ROA + \beta_2 DER + \beta_3 CR + \beta_4 SIZE + \varepsilon$$

Where:

PBV = Firm Value

ROA = Return on Assets

DER = Debt to Equity Ratio

CR = Current Ratio

SIZE = Firm Size

α = Constant

β = Regression coefficient

ε = Error term

Before conducting regression analysis, classical assumption tests are performed, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests to ensure the appropriateness of the regression model.

In addition, correlation coefficient analysis, coefficient of determination (R^2), F-test, and t-test are conducted to examine the strength of relationships, explanatory power of the model, simultaneous effects, and partial effects of the independent variables on Firm Value.

Results

Return on Assets (ROA)

Table 1. Calculation of Return on Assets (ROA) of Manufacturing Companies in 2024

No	Kode	Nilai
1	ADES	19,55
2	AMFG	3,28
3	APLI	3,65
4	ARNA	16,14
5	AUTO	10,38
6	AVIA	15,04
7	BELL	1,98
8	BOLT	-
9	BOBA	8,73
10	BTON	7,46
11	BUDI	1,78

12	CAMP	8,97
13	CEKA	13,62
14	CHEM	2,48
15	CLEO	17,80
16	CLPI	-
17	CMRY	18,55
18	DPNS	4,00
19	DRMA	15,44
20	DVLA	7,22
21	EKAD	4,99
22	ESIP	0,87
23	EURO	5,99
24	GGRM	1,15
25	GOOD	8,15
26	HMSP	12,24
27	HRTA	7,43
28	ICBP	6,99
29	IFII	10,21
30	IGAR	7,46
31	IMPC	12,14
32	INCI	4,99
33	INDF	6,48
34	INDS	1,90
35	INTP	6,60
36	ISAP	0,80
37	ISSP	6,39
38	KBLM	4,09
39	KDSI	7,50
40	KEJU	15,08
41	KLBF	11,03
42	KUAS	4,06
43	LPIN	9,19
44	LTLS	3,58
45	MARK	29,98
46	MDKI	2,76
47	MERK	16,04
48	MLBI	33,19
49	MLIA	4,41
50	MOLI	0,92
51	MYOR	10,32

52	NASI	0,18
53	NTBK	0,38
54	PBID	13,59
55	PDPP	3,99
56	PNGO	12,53
57	ROTI	9,67
58	SAMF	14,23
59	SBMA	4,61
60	SCPI	11,41
61	SCCO	5,17
62	SIDO	29,72
63	SKLT	7,82
64	SMBR	2,63
65	SMCB	3,54
66	SMGR	1,00
67	SMKL	1,09
68	SMSM	22,52
69	SOHO	8,55
70	SPMA	14,97
71	SRSN	1,98
72	TALF	1,01
73	TBLA	2,52
74	TOTO	9,12
75	TRIS	6,58
76	TSPC	12,40
77	UCID	4,05
78	ULTJ	13,64
79	UNVR	20,99
80	VICI	13,69
81	WIIM	9,87
82	WOOD	1,97
83	WTON	0,89
84	ZYRX	3,87

Source: Processed Data, 2026

Based on the table above, the highest Return on Assets (ROA) value was achieved by MLBI at 33.19%, indicating that the company was highly effective in utilizing its assets to generate profit. This reflects strong operational efficiency and excellent company performance. In contrast, the lowest ROA value was recorded by NASI at 0.18%, indicating that the company's ability to generate profit from its assets was still very low. This suggests that the utilization of assets was not yet optimal and operational efficiency remained weak.

Debt to Equity Ratio (DER)

Table 2. Calculation of Debt to Equity Ratio (DER) of Manufacturing Companies in 2024”

No	Kode	Nilai
1	ADES	0,19
2	AMFG	0,62
3	APLI	0,35
4	ARNA	0,42
5	AUTO	0,35
6	AVIA	0,15
7	BELL	1,15
8	BOLT	0,58
9	BOBA	0,15
10	BTON	0,42
11	BUDI	1,36
12	CAMP	0,16
13	CEKA	0,25
14	CHEM	0,48
15	CLEO	0,38
16	CLPI	-
17	CMRY	0,21
18	DPNS	0,07
19	DRMA	0,56
20	DVLA	0,49
21	EKAD	0,09
22	ESIP	0,04
23	EURO	0,10
24	GGRM	0,37
25	GOOD	1,10
26	HMSP	0,91
27	HRTA	1,54
28	ICBP	0,88
29	IFII	0,34
30	IGAR	0,09
31	IMPC	1,08
32	INCI	0,13
33	INDF	0,85

34	INDS	0,21
35	INTP	0,38
36	ISAP	0,04
37	ISSP	0,64
38	KBLM	0,33
39	KDSI	0,37
40	KEJU	0,32
41	KLBF	0,20
42	KUAS	0,71
43	LPIN	0,09
44	LTLS	0,94
45	MARK	0,11
46	MDKI	0,07
47	MERK	0,19
48	MLBI	1,61
49	MLIA	0,32
50	MOLI	0,43
51	MYOR	0,74
52	NASI	0,39
53	NTBK	0,77
54	PBID	0,21
55	PDPP	0,50
56	PNGO	0,83
57	ROTI	0,62
58	SAMF	0,79
59	SBMA	0,27
60	SCPI	0,58
61	SCCO	0,06
62	SIDO	0,13
63	SKLT	0,66
64	SMBR	0,50
65	SMCB	0,63
66	SMGR	0,59
67	SMKL	1,18
68	SMSM	0,26
69	SOHO	0,99
70	SPMA	0,42
71	SRSN	0,54

72	TALF	0,49
73	TBLA	2,29
74	TOTO	0,40
75	TRIS	0,63
76	TSPC	0,36
77	UCID	0,48
78	ULTJ	0,14
79	UNVR	6,47
80	VICI	0,25
81	WIIM	0,58
82	WOOD	0,75
83	WTON	0,95
84	ZYRX	0,31

Source: Processed Data, 2026

Based on the table above, the highest Debt to Equity Ratio (DER) was recorded by UNVR at 6.47, indicating that the company relied heavily on debt financing and faced relatively high financial risk. Meanwhile, the lowest DER was recorded by ESIP and ISAP at 0.04, indicating that the companies used very little debt compared to equity, resulting in lower financial risk.

Current Ratio (CR)

Table 3. Calculation of Current Ratio (CR) of Manufacturing Companies in 2024

No	Kode	Nilai
1	ADES	4,04
2	AMFG	1,42
3	APLI	4,09
4	ARNA	2,10
5	AUTO	1,98
6	AVIA	6,28
7	BELL	1,38
8	BOLT	-
9	BOBA	2,86
10	BTON	3,08
11	BUDI	1,44
12	CAMP	5,05
13	CEKA	4,74
14	CHEM	2,65
15	CLEO	1,20
16	CLPI	-

17	CMRY	3,16
18	DPNS	17,33
19	DRMA	1,77
20	DVLA	2,69
21	EKAD	15,03
22	ESIP	13,07
23	EURO	9,87
24	GGRM	2,29
25	GOOD	1,37
26	HMSP	1,63
27	HRTA	2,05
28	ICBP	4,09
29	IFII	2,29
30	IGAR	15,69
31	IMPC	1,81
32	INCI	5,64
33	INDF	2,15
34	INDS	3,43
35	INTP	1,45
36	ISAP	26,39
37	ISSP	3,26
38	KBLM	1,59
39	KDSI	2,72
40	KEJU	2,92
41	KLBF	4,11
42	KUAS	2,00
43	LPIN	6,75
44	LTLS	1,16
45	MARK	5,31
46	MDKI	11,48
47	MERK	6,52
48	MLBI	0,90
49	MLIA	2,69
50	MOLI	2,12
51	MYOR	2,65
52	NASI	2,63
53	NTBK	2,17
54	PBID	4,40

55	PDPP	1,48
56	PNGO	1,03
57	ROTI	1,71
58	SAMF	2,05
59	SBMA	1,35
60	SCPI	2,34
61	SCCO	7,76
62	SIDO	5,36
63	SKLT	1,77
64	SMBR	1,22
65	SMCB	1,05
66	SMGR	1,25
67	SMKL	1,00
68	SMSM	4,68
69	SOHO	1,88
70	SPMA	13,69
71	SRSN	1,96
72	TALF	1,71
73	TBLA	1,30
74	TOTO	3,63
75	TRIS	1,99
76	TSPC	3,09
77	UCID	2,26
78	ULTJ	5,39
79	UNVR	0,45
80	VICI	4,12
81	WIIM	2,44
82	WOOD	1,76
83	WTON	1,29
84	ZYRX	3,40

Source: Processed Data, 2026

Based on the table above, the highest Price to Book Value (PBV) was recorded by UNVR at 33.90, indicating strong investor confidence and high market valuation of the company. Meanwhile, the lowest PBV was recorded by SCPI at 0.10, indicating that the market valued the company lower than its book value, which may reflect weak performance or less favorable future prospects.

Firm Size

Table 4. Calculation of Firm Size of Manufacturing Companies in 2024

No	Kode	Nilai
1	ADES	28,62
2	AMFG	29,61
3	APLI	26,86
4	ARNA	28,61
5	AUTO	30,68
6	AVIA	30,03
7	BELL	27,09
8	BOLT	-
9	BOBA	25,93
10	BTON	26,71
11	BUDI	28,97
12	CAMP	27,71
13	CEKA	28,50
14	CHEM	25,86
15	CLEO	28,61
16	CLPI	-
17	CMRY	29,73
18	DPNS	26,60
19	DRMA	28,98
20	DVLA	28,40
21	EKAD	27,89
22	ESIP	25,34
23	EURO	24,83
24	GGRM	32,07
25	GOOD	29,76
26	HMSP	31,63
27	HRTA	29,42
28	ICBP	32,47
29	IFII	28,19
30	IGAR	27,60
31	IMPC	29,13
32	INCI	26,97
33	INDF	32,94
34	INDS	29,08

35	INTP	31,05
36	ISAP	25,90
37	ISSP	29,75
38	KBLM	28,27
39	KDSI	27,76
40	KEJU	27,60
41	KLBF	31,01
42	KUAS	26,35
43	LPIN	26,64
44	LTLS	29,43
45	MARK	27,59
46	MDKI	27,67
47	MERK	27,59
48	MLBI	28,87
49	MLIA	29,58
50	MOLI	28,29
51	MYOR	31,02
52	NASI	25,15
53	NTBK	25,85
54	PBID	28,91
55	PDPP	27,12
56	PNGO	28,20
57	ROTI	28,95
58	SAMF	28,66
59	SBMA	26,39
60	SCPI	28,12
61	SCCO	29,37
62	SIDO	29,00
63	SKLT	28,05
64	SMBR	29,22
65	SMCB	30,68
66	SMGR	31,97
67	SMKL	28,35
68	SMSM	29,23
69	SOHO	29,32
70	SPMA	28,85
71	SRSN	27,76
72	TALF	28,24

73	TBLA	30,95
74	TOTO	28,87
75	TRIS	27,86
76	TSPC	30,16
77	UCID	29,79
78	ULTJ	29,77
79	UNVR	30,41
80	VICI	27,88
81	WIIM	28,74
82	WOOD	29,69
83	WTON	29,60
84	ZYRX	26,70

Source: Processed Data, 2026

Based on the table above, the largest firm size was recorded by INDF at 32.94, indicating that the company had the largest total assets and a stronger business scale compared to other companies. Meanwhile, the smallest firm size was recorded by NASI at 25.15, indicating that the company had relatively smaller total assets and a more limited business scale.

Classical Assumption Tests

Table 5. Normality Test Before Outlier Treatment

One-Sample Kolmogorov-Smirnov Test		
		Standardized Residual
N		70
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.29606090
Most Extreme Differences	Absolute	.161
	Positive	.161
	Negative	-.115
Test Statistic		.161
Asymp. Sig. (2-tailed)		.000 ^c
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		

Based on the results of the normality test before outlier treatment, the significance value was $0.000 < 0.05$, indicating that the regression residuals were not normally distributed.

Table 6. Normality Test After Outlier Treatment

One-Sample Kolmogorov-Smirnov Test		
		Standardized Residual
N		70
Normal Parameters ^{a,b}	Mean	-.2121854
	Std. Deviation	1.58353375
Most Extreme Differences	Absolute	.066
	Positive	.066
	Negative	-.054
Test Statistic		.066
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Based on the results of the normality test after outlier treatment, the significance value was $0.200 > 0.05$, indicating that the regression residuals were normally distributed.

Table 7. Multicollinearity Test

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	ROA	.789	1.268
	DER	.563	1.775
	CR	.536	1.864
	FIRM SIZE	.887	1.128

a. Dependent Variable: PBV

Based on the table above, all independent variables have Tolerance values > 0.10 and VIF values < 10 . This indicates that there is no multicollinearity among the independent variables in the regression model, meaning the model is appropriate for further analysis.

Table 8. Heteroscedasticity Test

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	1.974	2.925		.675
	ROA	.167	.028	.638	.235
	DER	1.601	.649	.316	.106

CR	.142	.124	.151	1.145	.256
FIRM SIZE	-.101	.101	-.103	-1.005	.319

a. Dependent Variable: PBV

Based on tabel all independent variables have significance values > 0.05. This indicates that there is no heteroscedasticity in the regression model, meaning the model has fulfilled the homoscedasticity assumption.

Table 9. Autocorrelation Test

Runs Test	
	tandardized Residual
Test Value ^a	-.20934
Cases < Test Value	35
Cases >= Test Value	35
Total Cases	70
Number of Runs	35
Z	-.241
Asymp. Sig. (2-tailed)	.810
a. Median	

Based on the table above, the Asymp. Sig. (2-tailed) value is 0.810, which is greater than 0.05. This indicates that the residuals are random and there is no autocorrelation in the regression model.

Discussion

Based on the results of multiple linear regression analysis, the regression equation obtained is:

$$PBV = 1.974 + 0.167(ROA) + 1.601(DER) + 0.142(CR) - 0.101(Firm\ Size)$$

The constant value of 1.974 indicates that if ROA, DER, CR, and Firm Size are equal to zero, then Firm Value (PBV) will be 1.974. The regression coefficient of ROA is 0.167, meaning that every one-unit increase in ROA will increase Firm Value (PBV) by 0.167, assuming other variables remain constant. The regression coefficient of DER is 1.601, indicating that every one-unit increase in DER will increase Firm Value (PBV) by 1.601, assuming other variables remain constant. The regression coefficient of CR is 0.142, meaning that every one-unit increase in CR will increase Firm Value (PBV) by 0.142, assuming other variables remain constant. Meanwhile, the regression coefficient of Firm Size is -0.101, indicating that every one-unit increase in Firm Size will decrease Firm Value (PBV) by 0.101, assuming other variables remain constant.

Based on the correlation coefficient test results, the correlation coefficient (R) value is 0.630, indicating that ROA, DER, CR, and Firm Size have a fairly strong relationship with Firm Value (PBV). In addition, the coefficient of determination (R²) value is 0.397, meaning that 39.7% of the variation in Firm Value can be explained by ROA, DER, CR, and Firm Size, while the remaining 60.3% is explained by other variables outside the research model. Based on the F-test results, the significance value is 0.004 < 0.05, indicating that ROA, DER, CR, and Firm Size simultaneously have a significant effect

on Firm Value (PBV). Based on the partial test (t-test), the ROA variable has a significance value of $0.235 > 0.05$, indicating that ROA does not significantly affect Firm Value (PBV). The DER variable has a significance value of $0.106 > 0.05$, indicating that DER does not significantly affect Firm Value (PBV). The CR variable has a significance value of $0.256 > 0.05$, indicating that CR does not significantly affect Firm Value (PBV). Meanwhile, the Firm Size variable has a significance value of $0.319 > 0.05$, indicating that Firm Size also does not significantly affect Firm Value (PBV). Therefore, all independent variables partially do not have a significant effect on Firm Value.

Conclusion

Based on the results of the study examining the effects of Return on Assets (ROA), Debt to Equity Ratio (DER), Current Ratio (CR), and Firm Size on Firm Value (Price to Book Value/PBV), several conclusions can be drawn. First, the correlation coefficient test indicates that ROA, DER, CR, and Firm Size have a fairly strong relationship with Firm Value (PBV). The coefficient of determination (R^2) value of 0.397 shows that 39.7% of the variation in Firm Value can be explained by ROA, DER, CR, and Firm Size, while the remaining 60.3% is influenced by other variables outside the scope of this study. Second, the results of the F-test show a significance value of $0.004 < 0.05$, indicating that ROA, DER, CR, and Firm Size simultaneously have a significant effect on Firm Value (PBV). Third, the partial test results indicate that ROA, DER, CR, and Firm Size do not individually have a significant effect on Firm Value (PBV), since all variables have significance values greater than 0.05. This study has several limitations. The research only focuses on manufacturing companies listed on the Indonesia Stock Exchange in 2024 and uses limited independent variables, namely ROA, DER, CR, and Firm Size. Therefore, the findings may not fully explain all factors affecting Firm Value. In addition, the use of secondary data from financial statements may limit the depth of analysis because the study depends entirely on published company data.

Limitation

Based on the conclusions above, several suggestions can be proposed. For companies, it is recommended to pay attention to other factors outside ROA, DER, CR, and Firm Size that may influence Firm Value, such as dividend policy, company growth, corporate governance, and external factors including market conditions and investor confidence. For investors, the results of this study may serve as additional consideration in making investment decisions. However, investors should not rely solely on the financial ratios used in this study but should also consider other internal and external factors affecting company value. For future researchers, it is suggested to include additional variables, extend the research period, and increase the number of samples in order to obtain more comprehensive and accurate results regarding the determinants of Firm Value.

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