

## The Influence of Capital Structure, Company Growth, Liquidity, and Profitability on Company Value in Food and Beverages Sector Companies Listed on the IDX for 2017 - 2022

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Received 10-02-2024

Revised 11-02-2024

Accepted 28-02-2024

Published 01-03-2024



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### Abstract:

This study aims to examine the effect of capital structure, company growth, liquidity, and profitability on firm value. The population/object of this research is manufacturing companies in the food and beverages sector that have been listed on the Indonesia Stock Exchange (IDX) in 2017-2022. This study took samples using a purposive sampling technique that was selected based on certain criteria. Of the 27 manufacturing companies in the food and beverage sector listed on the Indonesia Stock Exchange (IDX) during 2017-2022, 16 companies met the criteria and could be used as samples in this study. The data analysis method used is a descriptive statistical test, a classic assumption test, which consists of normality test, heteroscedasticity test, autocorrelation test and multicollinearity test. In addition, multiple linear regression analysis, and hypothesis testing, namely the coefficient of determination and the T test.

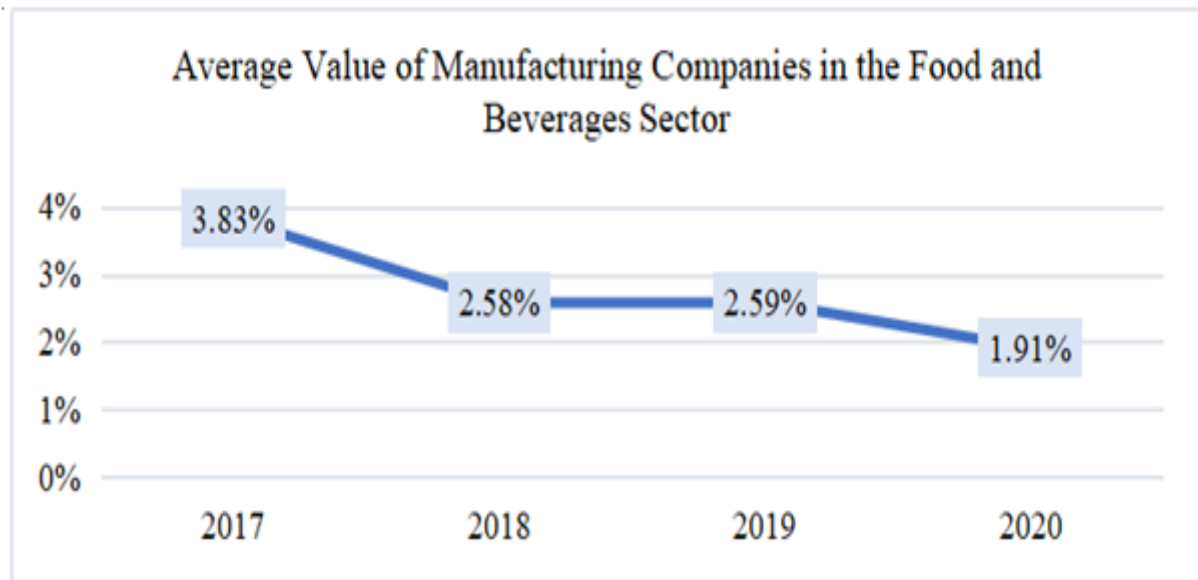
**Keywords:** Company Value, Capital Structure, Company Growth, Liquidity, Profitability

### Introduction:

Companies in the industrial sector are growing from time to time, especially in the food and beverage industry sector in Indonesia. Potential investors can take advantage of developments in the Food and Beverages industry to invest their shares in the company. In this way, the company is expected to be able to carry out operational activities and create profits to increase its share price. If the share price is high, the

company value will also be high, so potential investors will be interested in investing their shares in the company. Company value can provide an overview of a company's performance which can be used by potential investors to assess the company which is linked to the share price.

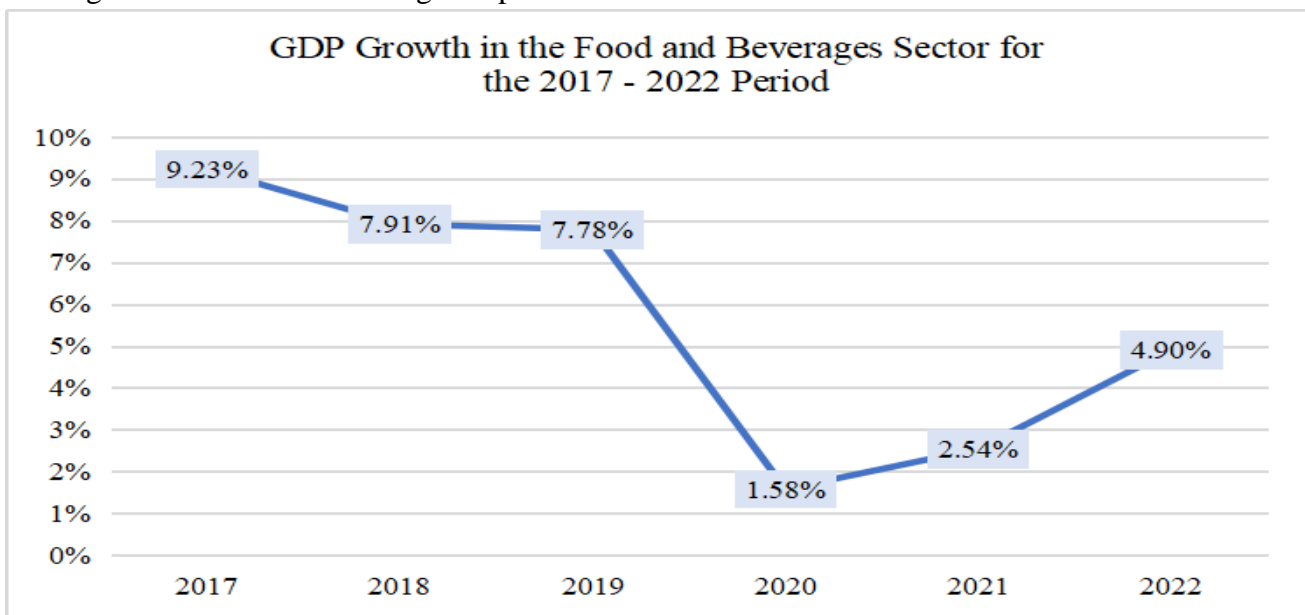
Companies that have gone public are companies that offer their shares to the public or have listed their shares on the Indonesian Stock Exchange (BEI).



Graph 1. Average Value of Manufacturing Companies in the Food and Beverages Sector for the 2017-2020 Period

The rise and fall of the average company value in the capital market is an interesting phenomenon. This is proven in the graph above which shows that the average value of manufacturing companies in the food and beverages sector in the 2017-2020 period experienced fluctuations. In 2017 manufacturing companies in the food and beverages sector managed to become the strongest stock index. The Indonesian Stock Exchange (BEI) noted that in 2017 the stock index in the food and beverages sector rose 3.02% from the previous year. In 2018 the average value of manufacturing companies in

the food and beverages sector decreased by 1.25% and in 2019 it increased by 0.1%. In 2020, the average value of manufacturing companies in the food and beverages sector decreased by 0.68. The average company value of manufacturing companies in the food and beverages sector in 2017-2020 has an average of above one, so the company can be said to be overvalued, which shows that the company is successful in managing company assets. This can attract investors to invest their capital in the company and will affect the value of the company.



Graph 2. GDP Growth in the Food and Beverages Sector for the 2017 – 2022 Period

The graph above shows that 2017 was the year with the highest GDP growth rate in the Food and Beverages sector in 6 years. This made manufacturing companies in the Food and Beverages sector in 2017 successful in becoming the strongest stock sector index. In 2017 the Indonesian Stock Exchange (BEI) noted that the Food and Beverages sector index rose 3.02% from the previous year. This increase was influenced by the consumption behavior of market players, where in 2017 people had high consumption power, especially food and beverages products. This can be seen from data from the Central Statistics Agency (BPS) that manufacturing companies in the food and beverages sector make the highest contribution to national GDP or national income. The role of manufacturing companies in the food and beverages sector is very important, thereby providing opportunities for companies to develop their business to gain greater profits. To develop its business, the company needs funds from outside the company or attract investors to invest their capital in the company. Companies must increase their company value so that investors believe and are interested in investing because company value is important for investors to assess the company's development in buying and selling its shares on the capital market (Ngurah et al., 2017).

The phenomenon related to company value is the case of a manufacturing company in the Food and Beverages sector, namely PT Tiga Pilar Sejahtera Tbk (AISA). PT Tiga Pilar Sejahtera in 2017 had its shares closed on the stock exchange by the IDX because the company's performance and capital structure decreased by 24.8%. This has a negative impact on the company because investors are not interested in investing their capital in the company, and the company value will also decrease. However, in 2020, PT Tiga Pilar Sejahtera's shares were reopened by increasing the company's capital. This is done so that the company's performance and capital structure can be improved which will affect the value of the company (CNBC Indonesia, 2020).

Thus, the company's capital structure can influence company value.

From the phenomena above, it can be seen that food and beverage sector companies have an important role in economic growth and national income. Good company growth can be seen from profits which always increase every year. This is following the basic principles of accounting, namely business continuity (going concern). Business sustainability can be achieved by increasing company profits every year. The higher the company's profits, the more investors will believe in the company, and investors will be interested in investing.

The definition of a stakeholder according to Freeman and McVea (2001) is an individual or group of organizations that are influenced by stakeholders in achieving organizational goals. Stakeholder Theory is a theory that explains that companies do not only think about their interests but must be responsible to other parties or other stakeholders.

Agency theory is the theory that in a company there is a separation between the management function and the ownership or shareholder function. Agency theory is a relationship between two parties, the first party is the owner (principal) and the second party is management (agent). An agency relationship occurs when the owner (principal) makes decisions for the company in the future and delegates authority or responsibility to management (Jensen and Meckling, 1976).

Signal theory is a signal between investors and management, where management provides signals to investors regarding company performance information (Brigham and Houston, 2016). Signal theory is a theory that provides signals about the condition of the company to investors about managers assessing the company's prospects as their responsibility for managing the company.

A company is a group or organization that has the aim of creating goods/services to sell and make a profit using company resources. Meanwhile, company value is the value that

reflects the price that investors can pay for the company's share price.

Capital structure is a combination of own capital and foreign capital to finance the company's operational activities. Own capital is investment made by the owner of the company, while foreign capital is capital that comes from short-term and long-term debt. One of the indicators for measuring capital structure is measured by the Debt to Equity Ratio (DER). This can increase investor confidence because investors assume that the company has good performance prospects in the future by using high debt and this will affect the value of a company. This is supported by previous research examined by Dahar et al., (2019) on Property and Real Estate companies which states that capital structure influences company value because if the capital structure increases, especially to finance its operational activities, the company will develop well. and will get high profits, so it will attract investor interest will have an influence on higher share prices, and will affect the value of the company.

Company growth is the company's efforts to increase its size and financial performance. In general, companies experience a growth cycle, namely from the beginning of the company (start-up), then experiencing business growth (growth), then becoming a large company (mature), and finally the process of business decline or experiencing losses (declining). The results of research conducted by (Pebriani et al., 2019) provide evidence that company growth influences company value because information that the company is experiencing good growth, can provide a positive signal for investors, that investors will be interested in investing their capital in the company. , this can increase share prices and have an impact on increasing company value.

Liquidity is a ratio used to measure the company's ability to pay off its short-term debts. A company can be said to be liquid if the company's current assets are greater than the total

short-term debt owned by the company (Thaib & Dewantoro, 2017). A company can be said to be liquid if the company's current assets are greater than the total short-term debt owned by the company. If the company is unable to pay its debts, it will have a negative impact on the company, because this means the company has problems related to its finances. If the company cannot pay its debts, then investors will not have confidence in the company and this will affect the company's value. This is supported by Nugraha (2020) research on manufacturing companies listed on the Indonesia Stock Exchange (BEI) showing that liquidity affects company value because of its capital and total cash which is high compared to total foreign capital (debt) the company can pay off the total debt and will have a good impact on the value of the company.

Profitability is a company's ability to generate profits during a certain period. Profitability can be used as an indicator of the success of a company. Profitability is used by potential investors to assess the profit that will be obtained from their investment results. If the company can generate profits, investors will be interested in investing their capital in the company, and this will increase the value of the company. Profitability can be used as an indicator of the success of a company. If the company can generate profits, investors will be interested in investing their capital in the company, and this will increase the value of the company. In addition, profitability is used by creditors to assess a company's ability to pay off its debts and to assess management's effectiveness and efficiency in managing company resources to carry out its operational activities. If the company can increase profits, many investors will want to invest in the company. With this, the company's share price will increase, and the company's value will also increase. This is supported by research by Tamrin et al., (2017) showing that profitability affects company value because if profitability increases, it means the company's performance is in good condition, so investors are interested in investing their capital in the company.

From the above background, several studies regarding the influence of capital structure, company growth, liquidity and profitability on company value still show inconsistent results, so researchers are interested in conducting this research with the title "The Influence of Capital Structure, Company Growth, Liquidity and Profitability on Value "Companies in the Food and Beverages Sector Companies Registered on the IDX in the 2017-2022 Period."

**Research Methods:**

This research uses data sources, namely secondary data in the form of financial reports and annual reports of manufacturing companies in the food and beverages sector published by the Indonesia Stock Exchange (BEI), especially in 2017-2022, obtained through the official BEI website, namely [www.idx.co.id](http://www.idx.co.id) and official website of each manufacturing company in the food and beverages sector. The type of data for this research is quantitative data. The population/object of this research is food and

beverages manufacturing companies that have been listed on the Indonesia Stock Exchange (BEI) in 2017-2022, totaling 27 companies.

This research took samples using a purposive sampling technique which was selected based on certain criteria, following criteria:

- a. Food and beverages sector companies that are consistently listed on the IDX in the 2017-2022 period.
- b. Food and beverages sector company that provides information regarding research variables in the 2017-2022 period.
- c. Food and beverages sector company that publishes and publishes a complete annual report for the 2017-2022 period.
- d. Food and beverages companies that have positive profit values during the 2017-2022 period.

**Table 4.1 Summary of Sample Selection Procedures**

No.	Information	Number of Companies
1.	Food and beverages sector manufacturing company listed on the Indonesia Stock Exchange in 2017-2022	27
2.	Food and beverages sector manufacturing companies that have negative profit values during the 2017-2022 period	(11)
3.	Number of manufacturing companies in the food and beverages sector that have positive profit values	16
4.	Research period	6
Jumlah data penelitian		91

Source: Processed data (2023)

Of the 27 manufacturing companies in the food and beverages sector listed on the Indonesia Stock Exchange (BEI) during 2017-2022, there are 16 companies that meet the above criteria or 91 companies over the 6 years period and can be used as samples in this research.

**Variables and Operational Definitions of Research Variables:**

1. Dependent Variable

A dependent variable or dependent variable is a variable that can be influenced by an independent variable or independent variable. Company value as proxied by Price to Book Value (PBV) is the dependent variable in this research. PBV is the ratio between share price and book value per share (Brigham and Gapenski, 2006). The Price to Book Value (PBV) formula is:

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

## 2. Independent Variable

An independent variable or independent variable is a variable that can influence the dependent variable or dependent variable, whether it has a positive or negative influence. The independent variables used in this research are:

### a. Capital Structure

Capital structure is a combination of own capital and foreign capital to finance the company's operational activities. Own capital is investment made by the owner of the company, while foreign capital is capital that comes from short-term and long-term debt. One of the indicators for measuring capital structure is measured by the Debt to Equity Ratio (DER). DER is a measuring tool to measure the comparison between debt (foreign capital) and total capital (own capital) owned by a company. The capital structure formula is as follows:

$$DER = \frac{\text{Total Amount of Debt}}{\text{Total Equity}} \times 100\%$$

### b. Company Growth

Company growth is the company's efforts to increase its size and financial performance. Good company growth can be seen from profits which always increase every year. This is following the basic principles of accounting, namely business continuity (going concern). Business sustainability can be achieved by increasing company profits every year. The formula for measuring company growth is:

$$\text{Growth} = \frac{\text{Net Profit (t)} - \text{Net Profit (t-1)}}{\text{Net Profit (t-1)}}$$

### c. Liquidity

Liquidity is a ratio used to measure the company's ability to pay off its short-term debts. A company can be said to be liquid if the company's current assets are greater than the total short-term debt owned by the company (Thaib &

Dewantoro, 2017). Liquidity can be measured using the formula:

$$CR = \frac{\text{Current Assets}}{\text{Current Debt}} \times 100\%$$

### d. Profitability

Profitability is a company's ability to generate profits during a certain period. Profitability can be used as an indicator of the success of a company. Profitability is used by potential investors to assess the profit that will be obtained from their investment results. If the company can generate profits, investors will be interested in investing their capital in the company, and this will increase the value of the company. In addition, profitability is used by creditors to assess a company's ability to pay off its debts and to assess management's effectiveness and efficiency in managing company resources to carry out its operational activities. Profitability can be measured by the formula:

$$ROE = \frac{\text{Net Profit After Tax}}{\text{Total Equity}} \times 100\%$$

This research model uses quantitative data analysis techniques with statistical calculations. This data analysis used the SPSS 24 application program and was assisted by Microsoft Excel. The data analysis method used is descriptive statistical tests, and classical assumption tests, which consist of normality tests, heteroscedasticity tests, autocorrelation tests and multicollinearity tests. Apart from that, multiple linear regression analysis, and hypothesis testing, namely the coefficient of determination and T-test.

## Results and Discussion:

### Descriptive Statistics Test Results

**Table 4.2 Descriptive Statistics**

	N	Minimum	Maximum	Mean	Std. Deviation
X1_Capital Structure	91	.11	1.77	.6408	.41038
X2_Company Growth	91	-15.67	1.92	-.1536	1.76157
X3_Liquidity	91	.73	15.82	3.3040	3.13230
X4_Profitability	91	.00	1.24	.1661	.19521
Y_Company Value	91	.34	29.66	3.8390	5.26417
Valid N (listwise)	91				

Source: Processed Secondary Data Results (2023)

Table 4.2 above shows that based on descriptive statistics it can be explained that this research consisted of 91 samples or data processed from each research variable. The following are details of the results of statistical analysis on each research variable:

- a. The capital structure variable (DER) has a total of 91 data (N) and an average value of 0.6408. The standard deviation obtained is 0.41038, this value is smaller than the average value so it can be interpreted that the capital structure variable has a normal data distribution and is less variable with a low level of data deviation. The minimum capital structure (DER) value is 0.11 and the maximum value is 1.77. This shows that the capital structure value in the sample is between 0.11 to 1.77.
- b. The profitability variable (ROE) has a total of 91 data (N) and an average value of 0.1661. This shows that the average sample company is able to generate profits of 0.1661 from its total capital. The standard deviation obtained is 0.19521, this value is greater than the average value so it can be interpreted that the profitability variable has a normal and varied data distribution with a low level of data deviation. The minimum value of profitability (ROE) is 0.00 and the maximum value is 1.24. This shows that the profitability value in the sample is between 0.00 to 1.24. The maximum value of the ROE variable is 1.24, this shows that the manufacturing company in this study can

generate a net profit after tax of IDR. 1.24 from every Rp. 1 income. The high profitability value is because the company can generate high income with low expenses.

- c. The company growth variable (Growth) has a total of 91 data (N) and an average value of -0.1536. The standard deviation obtained is 1.76157, this value is greater than the average value so it can be interpreted that the company growth variable has a normal and varied data distribution with a low level of data deviation. The minimum value of company growth (Growth) is -15.67 and the maximum value is 1.92. This shows that the growth value of the companies in the sample is between -15.67 to 1.92.
- d. The liquidity variable (CR) has a total of 91 data (N) and an average value of 3.30400. The standard deviation obtained is 3.13230, this value is smaller than the average value so it can be interpreted that the liquidity variable has a normal data distribution and is less variable with a low level of data deviation. The minimum liquidity value (CR) is 0.73 and the maximum value is 15.82. This shows that the liquidity value in the sample is between 0.73 to 15.82.
- e. The company value variable (PBV) has a total of 91 data (N) and an average value of 3.8390. The standard deviation obtained is 5.26417, this value is greater than the average value so it can be interpreted that the company value variable has a normal and varied data distribution with a low level of

data deviation. The minimum value of company value (PBV) is 0.34 and the maximum value is 29.66. This shows that the value of the companies in the sample is between 0.34 to 29.66.

a. Normality Test (Kolmogrov Smirnov)

In this research, normality testing was carried out using the Kolmogrov-Smirnov statistical test with the condition  $\alpha = 0.05$  which can be seen in table 4.3 below:

**Classic Assumption Test Results**

**Table 4.3: One-Sample Kolmogorov-Smirnov Test Results**

		Unstandardized Residual
N		91
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	2.01736957
Most Extreme Differences	Absolute	.074
	Positive	.074
	Negative	-.064
Test Statistic		.074
Asymp. Sig. (2-tailed)		.200 <sup>c</sup>

Source: Processed Secondary Data Results (2023)

Based on table 4.3, shows that the Kolmogorov-Smirnov significance results obtained the Asymp value. Significance (2-tailed) is  $0.200 > 0.05$ . This can be interpreted as meaning that this regression model meets the normality assumption.

b. Heteroscedasticity Test (Park Test)

In this study, to identify heteroscedasticity using the Park test method. The results of the heteroscedasticity test in this study are as follows:

**Table 4.4 Heteroscedasticity Test Results**

Coefficients <sup>a</sup>							Keterangan
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
		B	Std. Error	Beta			
1	(Constant)	.567	.162		3.507	.001	Heteroscedasticity does not occur
	X1_Capital Structure	.153	.193	.129	.793	.430	Heteroscedasticity does not occur
	X2_Company Growth	.075	.091	.098	.822	.414	Heteroscedasticity does not occur
	X3_Liquidity	-.021	.020	-.152	-1.056	.295	Heteroscedasticity does not occur
	X4_Profitability	-.472	.296	-.221	-1.594	.116	Heteroscedasticity does not occur
a. Dependent Variable: LnRes_2							



Source: Processed Secondary Data Results (2023)

Based on table 4.4, shows that the significant results for the variables capital structure, company growth, liquidity, and profitability are each above 0.05 ( $> 0.05$ ). This can be interpreted as meaning that this regression model does not experience symptoms of heteroscedasticity.

c. Autocorrelation Test (Durbin Watson)

Autocorrelation testing uses the Durbin Waston test. The results of the autocorrelation test are as follows:

**Table 4.5 Autocorrelation Test Results**

Model Summary <sup>b</sup>						Keterangan
Model	R	R Square	Adjusted Square	RStd. Error of the Estimate	Durbin-Watson	
1	.924 <sup>a</sup>	.853	.846	2.06375	2.238	Autocorrelation does not occur
a. Predictors: (Constant), X4_Profitability, X2_Company Growth, X3_Liquidity, X1_Capital Structure						
b. Dependent Variable: Y_Company Value						

Source: Processed Secondary Data Results (2023)

Based on table 4.5, shows that the Durbin Watson for this research model is 2.244, this is compared with the DW table with a sample size of 91, several independent variables is 4, and a confidence level of 5%, the lower limit (DL) value is obtained = 1.5685 and the limit top (DU) = 1.7516. Therefore, the DW value of 2.238 is

between the upper limit of (DU) = 1.7516 and (4-DU) = 2.2484, so it can be concluded that this research does not have autocorrelation.

d. Multicollinearity Tes

The results of the multicollinearity test can be seen below:

**Table 4.6 Multicollinearity Test Results**

Coefficients <sup>a</sup>				Keterangan	
			Collinearity Statistics		
Model			Tolerance	VIF	
1	X1_Capital Structure		.593	1.685	Multicollinearity does not occur
	X2_Company Growth		.982	1.019	Multicollinearity does not occur
	X3_Liquidity		.645	1.550	Multicollinearity does not occur
	X4_Profitability		.881	1.135	Multicollinearity does not occur
a. Dependent Variable: Y_Company Value					

Source: Processed Secondary Data Results (2023)

Based on table 4.6, shows that the tolerance values for the variable capital structure, company growth, liquidity, and profitability are each above

0.10 ( $> 0.10$ ) and the VIF value is below 10 ( $< 10$ ), so it can be concluded that this research did not occur. symptoms of multicollinearity.

Results of Multiple Linear Regression Analysis

Table 4.7 Multiple Linear Regression Analysis Test Results

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.677	.673		-2.490	.015
	X1_Capital Structure	1.630	.688	.127	2.369	.020
	X2_Company Growth	-.235	.125	-.079	-1.889	.062
	X3_Liquidity	.130	.086	.077	1.499	.138
	X4_Profitability	24.130	1.187	.895	20.324	.000

Dependent Variable: Y\_Company Value

Source: Processed Secondary Data Results (2023)

Based on table 4.7, it shows that this research can be arranged using the following mathematical equation:

$$Y = \alpha + \text{DERX1} + \text{GROWTHX2} + \text{CRX3} + \text{ROEX4} + \epsilon$$

$$\text{PBV} = -1.677 + 1.630\text{X1} - 0.235\text{X2} + 0.130\text{X3} + 24.130\text{X4} + \epsilon$$

Hypothesis Test Results

a. Coefficient of Determination

Table 4.8 Coefficient of Determination Results

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.924 <sup>a</sup>	.853	.846	2.06375	2.238

a. Predictors: (Constant), X4\_Profitabilitas, X2\_Pertumbuhan Perusahaan, X3\_Likuiditas, X1\_Struktur Modal

b. Dependent Variable: Y\_Company Value

Source: Processed Secondary Data Results (2023)

Table 4.8 above shows that the R Square value in this study was obtained at 0.853 or 85%. This shows that the capital structure, company growth, liquidity and profitability variables have an

influence on the company value variable (PBV) by 85% and the remaining 15% is influenced by other variables outside this research.

b. T-test

**Table 4.9 T test results**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.677	.673		-2.490	.015
	X1_Capital Structure	1.630	.688	.127	2.369	.020
	X2_Company Growth	-.235	.125	-.079	-1.889	.062
	X3_Liquidity	.130	.086	.077	1.499	.138
	X4_Profitability	24.130	1.187	.895	20.324	.000

Dependent Variable: Y\_Company Value

Source: Processed Secondary Data Results (2023)

Based on Table 4.8 above, it can be concluded that the t<sub>test</sub> results are as follows:

- 1) The capital structure variable has a calculated t value > t table where 2.369 > 1.666 with a significance level of 0.020 which is smaller than 0.05 so it can be stated that capital structure affects the company value variable. Thus, H<sub>1</sub> in this study is accepted.
- 2) The company growth variable has a calculated t value < t table where -1.889 < 1.666 with a significance level of 0.062 which is greater than 0.05 so it can be stated that company growth does not affect the company value variable. Thus, H<sub>2</sub> in this study is rejected.
- 3) The liquidity variable has a calculated t value < t table where 1.499 < 1.666 with a significance level of 0.138 which is greater than 0.05 so it can be stated that liquidity does not affect the company value variable. Thus, H<sub>3</sub> in this study is rejected.
- 4) The profitability variable has a calculated t value > t table where 20.324 > 1.666 with a significance level of 0.000 which is smaller than 0.05 so it can be stated that profitability affects the company value variable. Thus, H<sub>4</sub> in this study is accepted.

**Discussion:**

- a. The Influence of Capital Structure on Company Value

The results of the statistics show that capital structure influences company value. This can be seen in table 4.8 which shows that the capital structure has a calculated t value > t table where 2.369 > 1.666 with a significance level of 0.020 which is smaller than 0.05 so it can be stated that the capital structure affects the company value variable. The results of this research are by research by Setiawan et al., (2019) that when the DER value increases, the company value will also increase and when the DER value decreases, the company value will also decrease. The use of debt can increase company value, but only up to a certain time limit. If the time limit is exceeded, the use of debt can reduce the value of the company. If the company obtains more capital from outside for its operational activities, then debt and interest rates will also be higher. If corporate taxes are low, then this can increase company profits, and will also increase share prices which can affect company value.

b. The Effect of Company Growth on Company Value

The results of the statistics show that company growth does not affect company value. This can be seen in table 4.8 which shows that company growth has a calculated t value < t table where -1.889 < 1.666 with a significance level of 0.062 which is greater than 0.05 so it can be stated that company growth does not affect the company value variable. The results of this research are in

accordance with research by Pebriani & et al, (2019) with research results showing that company growth does not affect company value.

The company's rapid growth will result in an increasing need for funds for expansion. The greater the need for financing in the future, the greater the company's desire to retain profits. Companies with high growth often do not distribute profits as dividends but use the funds for expansion. If the company retains profits to fund expansion or finance the company's operational activities, funds to distribute dividends to shareholders will also be reduced. This can make potential investors' interest in buying company shares lower and will result in lower company value. This is in line with research conducted by Suwardika and Mustanda (2017).

#### c. The Effect of Liquidity on Company Value

The results of the statistics show that liquidity does not affect company value. This can be seen in table 4.8 which shows that liquidity has a calculated t value  $< t$  table where  $1.499 < 1.666$  with a significance level of 0.064 which is greater than 0.05 so it can be stated that liquidity does not affect the company value variable. This can be interpreted as meaning that if liquidity increases, it will affect the decline in company value. This is in line with research conducted by Hanifah (2020).

Low liquidity will affect the decline in the company's share price, and if the company's liquidity is high it can result in low company profits because a lot of funds are idle. The existence of bad debts and unsold inventory will have an impact on high liquidity. If this happens to the current asset component, the company will have high liquidity and the company will be in liquid condition. This will affect the interest of potential investors in buying company shares and will affect the value of the company. This research is in line with research conducted by Akbar & Irham (2020).

#### d. The Influence of Profitability on Company Value

The results of the statistics show that profitability affects company value. This can be seen in table 4.8 which shows that profitability has a calculated t value  $> t$  table where  $20.324 > 1.666$  with a significance level of 0.000 which is smaller than 0.05 so it can be stated that profitability affects the company value variable. It can be interpreted that the greater the level of profitability, the greater the value of a company. If the company's profitability is large, then the company's performance will also be more optimal. This will increase investors' confidence in being able to invest their capital in the company and will increase the company's value. This is in line with research conducted by Damayanti & Dewi (2019).

Profitability can measure management's ability to carry out its operational activities, namely by maximizing profits and minimizing company expenses so that it can increase company value. If the company's profitability level is high, then the company is in good condition and profitable. Because with this, it can attract the interest of potential investors to invest their shares in the company. The higher the demand for shares, the higher the company value.

#### Conclusions:

This research was conducted to empirically test the relationship between capital structure, company growth, liquidity and profitability on company value. The companies used as samples in this research are manufacturing companies in the Food and Beverages sector which are listed on the Indonesia Stock Exchange with 16 companies meeting the criteria or a total of 91 research samples. Based on the test results obtained, it can be concluded that capital structure affects company value, company growth does not affect company value, liquidity does not affect company value, and profitability affects company value.

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efisien yang diterima secara luas adalah pasar modal jika terdapat sebuah informasi baru baik d. 6(4), 2105–2132.

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