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The Effect of Firm Size, Financial Performance, Capital Structure, and Corporate Governance on Firm Value

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ABSTRACT

This study aims to gather empirical information on factors influencing the value of manufacturing companies listed on the Indonesia Stock Exchange. Profitability, business size, liquidity, number of directors, independent directors, capital structure, and management ownership are some of the factors examined. Using a purposive sampling method, 447 data points from 149 industrial companies listed on the IDX between 2022 and 2024 form the sample for this study. Purposive sampling was employed as the method. The results show that profitability has a significant effect on firm value. Firm value is not influenced by factors such as company size, capital structure, liquidity, number of directors, independent commissioners, or managerial ownership.

KEYWORDS - Profitability, Company Size, Liquidity, Number of Directors, Independent Commissioners, Capital Structure, Management Ownership

1. INTRODUCTION

Company value (firm value) reflects its effectiveness in resource management and operational execution, ultimately impacting the prosperity of owners and the confidence of stakeholders (Sarker & Hossain 2023; Reschiwati, Syahdina, et al., 2020). Strong company value provides favorable indicators for investors and facilitates the company's ability to secure funding for expansion efforts. An increase in company value is not separable from the synergy between management and employees, the implementation of good frameworks and regulations, and the consistent application of corporate governance (Ekadjaja et al. 2021).

Companies with strong corporate values will positively influence overall performance. One of these factors, from an investor's perspective, is that if a company is viewed favorably, it sends a positive signal to investors. When investors have confidence and choose to invest in the company, this can substantially influence company performance, particularly in the funding sector. This provides an advantage for companies to expand their operations through additional capital obtained from investors. The company's value reflects specific principles upheld by the organization, which in turn indicates public trust in the company after a series of activities conducted from its inception to the present (Sukimi, 2012)

PT Bukit Asam is suspected of corruption related to pension fund management and the acquisition of subsidiaries. PT Bukit Asam is a globally recognized energy company involved in coal production, operated by a state-owned enterprise (BUMN) based in Tanjung Enim, South Sumatra. Indonesia is currently among the leading coal producers and exporters in the world. Since 2005, when its coal production surpassed Australia's levels, Indonesia has established itself as a major thermal coal exporter. The corruption incident has undoubtedly caused significant harm to both the country and the company, with the suspects' actions resulting in a state loss of Rp234,506,677,586, as detailed in the audit report. Consequently, this has indirectly led to a 14.54% decrease in assets and a 26.76% reduction in net profit.

This research is expected to help the company remain vigilant against all threats, comply with existing regulations and legislation, and ultimately increase the company's value and quality. Additionally, management can achieve the set targets. Based on the background description above, as the researcher and author, I am very interested in further investigating the factors that influence firm value, with the title "**The Effect of Firm Size, Financial Performance, Capital Structure, and Corporate Governance on Firm Value.**"

2. THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

2.1 *Signaling Theory*

Signaling theory explains how a company should communicate signals to various stakeholders through the dissemination of financial reports. Signals are valuable indicators provided by the company's management, which may suggest that the company has more favorable prospects compared to its competitors. Signaling theory functions as a method for management to transmit information to the users of financial reports, forming the basis for making accurate decisions regarding the company's future outlook (Suganda, 2018).

A positive signal from a company will have a favorable impact on shareholders' business decisions, leading to an increase in share ownership. Companies that submit financial reports on time communicate a positive message, both explicitly and implicitly, to stakeholders regarding their financial disclosures. Consistently complying with existing regulations indicates a high likelihood of achieving favorable performance. Delays in financial reporting can have negative effects on the company, both explicitly and implicitly. One potential indirect effect is that investors may interpret such delays as a negative signal related to the company's prospects. As a result, organizations that fail to uphold transparency principles by submitting annual financial reports after the specified deadlines may face administrative sanctions and fines (Suryanto and Pahala, 2016).

2.2 *Agency theory*

Agency theory explains the relationship between managers and shareholders, as well as the relationship between shareholders and creditors. The funding providers have the task of decision-making, strategic management, and operational management for the company's managers. Managers will operate and make decisions in an effort to optimize shareholder value and ensure the full repayment of all debts (Dang et al., 2019).

As explained in agency theory, managers are motivated to utilize their authority and positions for their own personal gain. In this context, management can be regarded as agents of the owners (principals). The relationship between profitability and agency theory is that when a company demonstrates strong performance, stakeholders such as investors, suppliers, and creditors will assess the company's ability to generate profits through sales and investments. Undoubtedly, the company's performance will increase its overall value.

2.3 *Firm Value*

Company value reflects the quality of a company's performance in managing and carrying out its operational activities (Sarker and Hossain, 2023). A good company value not only has a positive impact on stakeholders but also enhances customer trust from an external perspective. An increase in company value results from various supporting factors and continuous contributions to the business process. Strong company performance serves as a positive signal for investors to invest capital. This investor confidence leads to increased funding, which the company can appropriately utilize to expand and develop its business (Sukimi, 2012).

It is stated that the value of a company reflects the level of public trust formed through a long process from the company's founding until the present (Robert, 2013). The main financial factors that investors focus on include profitability, investment level, and liquidity. These three factors play a crucial role in influencing the company's value because they reflect the company's ability to generate profits, manage investments, and maintain financial stability.

2.4 *Firm size*

Company size indicates the extent of operations and resources of an entity. Larger companies generally demonstrate better financial stability, easier access to funding opportunities, and maintain a good reputation among investors. Therefore, firm scale is often used by investors as an indicator of investment risk and return prospects (Elisa & Amanah, 2021).

Research by (Widyakto *et.al*., 2024), (Husna and Satria, 2019), and (Jihadi *et al.*, 2021) indicates that firm size has a positive effect on company value. The larger the company size, the higher its value, because investors perceive bigger companies as more stable, more trustworthy, and capable of generating better profits, which leads to increased stock prices or market value. Meanwhile, research by (Reschiwati, Syahdina, and Handayani, 2020) suggests that firm size has a negative effect on company value. Large companies are less efficient in decision-making due to complexity, slowness, and higher operational costs, making company size a key factor in investment decisions.

H1: Firm size has an effects on firm value.

2.5 *Profitability*
Profitability is related to the company's ability to generate revenue through comprehensive operational activities and the invested capital. One commonly used metric is Return on Assets (ROA), which measures the efficiency of the company in utilizing its assets to generate profits. A high ROA indicates to investors the effectiveness of operations and management efficiency in producing returns.

Studies by Rafsanjani et al., 2024, Dhyani and Lekok, 2022, and Irfani and Sanjaya, 2024, indicate that profitability has a positive effect on firm value. The higher the profitability, the greater the firm value, because large profits signify good performance, the ability to generate earnings, and promising prospects, thereby increasing investor confidence and driving up stock prices. Conversely, research by Bon and Hartoko, 2022, and Sajiwo Tri Prakoso *et al.*, 2022, states that profitability has a negative effect on firm value. High profits do not necessarily reflect the overall condition of the company, as profits are temporary and influenced by non-operational factors or are not followed by healthy cash flows, thus not guaranteeing the sustainability of performance.

H2: Profitability has an effect on firm value.

2.6 *Capital Structure*
The capital structure indicates the proportion of total debt compared to equity, reflecting the degree of a company's reliance on debt and equity to operate its business and pursue expansion. The Debt to Equity Ratio (DER) is a commonly used metric to assess a company's capital structure. Signaling theory explains that utilizing debt provides benefits through the tax shield mechanism. However, excessive levels of debt can increase the likelihood of bankruptcy, interest expenses, and agency conflicts between owners and creditors (Suganda, 2018).

The research findings by Widyakto et al. (2024), Muslim Muslim (2022), and Sajiwo Tri Prakoso et al. (2022) indicate that capital structure has a positive effect on firm value. A balanced capital structure between debt and equity can enhance financing efficiency and provide positive signals to investors regarding the company's prospects, thereby increasing the firm’s value. Meanwhile, a study by Jihadi et al. (2021) stated that capital structure has a negative effect on firm value. The Debt to Equity Ratio (DER) has a negative and insignificant influence on Price to Book Value (PBV), which may be due to the dominance of debt financing without a corresponding increase in productivity.

H3: Capital structure has an effect on firm value.

2.7 *Liquidity*
Liquidity indicates how well a company can utilize its current assets to meet its short-term obligations. The Current Ratio (CR) is a commonly used metric to assess liquidity. By evaluating current assets and current liabilities, a company with strong liquidity demonstrates good financial stability, thereby increasing confidence among investors and creditors (Dang et al., 2019).

Research by Widyakto et al. (2024) and Dhyani and Lekok (2022) indicates that liquidity has a positive effect on firm value. An adequate level of liquidity enhances investor and creditor confidence in the company's ability to manage financial risks, thereby potentially increasing the company's value. Meanwhile, research by Elisa and Amanah (2021) states that liquidity has an impact on firm value. A high level of liquidity does not always reflect the company's good quality; excess current assets indicate idle funds that cannot be utilized productively, leading investors to perceive the company as less efficient.

H4 : Liquidity has an effects on firm value.

2.8 *Board Size*
Board size refers to the total number of members serving on a company's board of directors. The board plays a crucial role in overseeing the company's operations and providing guidance to the management team. Generally, it is believed that increasing the number of board members can enhance the diversity of experience and perspectives in decision-making, thereby having a positive impact on the company's value.

Research by Uli Sitanggang *et al.* (2024) states that board size has a positive effect on a company's value. The size of the board can enhance the company's quality by maximizing decision-making through diversity, experience, knowledge, and perspectives. Meanwhile, research by Husna and Satria (2019) indicates that board size has a negative effect on a company's value. An excessively large board can lead to coordination challenges, slow down decision-making, and reduce the effectiveness of supervision.

H5: ***Board size firm value has an effect on firm value***

2.9 *Board Independence*

Board independence refers to the proportion of independent members of the board of commissioners within the organizational structure. Independent commissioners are those who have no direct relationship with the company or the controlling shareholders, thus their presence is considered objective and free from conflicts of interest. The presence of independent commissioners is crucial in strengthening the supervisory function and to ensure that managerial decisions remain aligned with the interests of shareholders. Independent commissioners can help mitigate agency problems and enhance transparency in decision-making processes.

Research by (Irfani and Sanjaya, 2024) supports the view that board independence has a significant impact on firm value. Independent commissioners can strengthen the monitoring function over management and reduce agency conflicts. With more objective oversight, company decisions become more transparent and accountable, thereby increasing investor confidence.

H6 : Board Independence has an effects on firm value

2.10 *Managerial Ownership*

Managerial ownership refers to the company's stock ownership by personnel in management, including directors and commissioners. This ownership structure aims to align management's goals with shareholders' interests to ensure that decisions are directed toward enhancing the company's long-term performance. Signal theory states that managerial ownership has the potential to reduce conflicts of interest and encourage management to prioritize shareholders' interests (Aisjah *et. al*., 2013).

Research by Sarker and Hossain (2023), Rafsanjani *et al*. (2024), Ekadjaja *et. al*. (2021) indicates that managerial ownership has a positive influence on firm value. Shareholding by management can align the interests of managers with those of shareholders. This alignment enables more cautious decision-making and a focus on enhancing long-term performance. Meanwhile, research by Uli Sitanggang et al. (2024) states that Managerial ownership has a negative effect on firm value. Share ownership that is excessively high by management can diminish the function of external oversight and lead to management dominance in decision-making, which may not always align with the interests of other shareholders.

H7 : *Managerial ownership* has an effects on *firm value.*

3. RESEARCH METHODOLOGY

The population in this study consists of manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the period 2022-2024. The sampling technique used in this research is purposive sampling. Purposive sampling is a sampling method based on certain considerations or specific criteria (Sugiyono, 2016).

Based on the predetermined sampling, there are criteria that have been established for sample selection. These criteria are as follows:

1. Manufacturing companies that are continuously listed on the Indonesia Stock Exchange (IDX) during the years 2022-2024.
2. Companies that do not issue financial reports and annual reports in a complete and consecutive manner throughout the observation period of 2022-2024.
3. Companies that do not publish financial reports in the Indonesian Rupiah (IDR).
4. Companies that do not have positive profits after tax expenses during the years 2022-2024.

Operational Definitions and Variable Measurements

This research uses the independent variables, which are firm size, capital structure, profitability, liquidity, board size, independent board, and managerial ownership, while the dependent variable is firm value.

The dependent variable used in this study is Firm Value. Firm Value is an important determining factor**.** When investors evaluate the performance of a going-public company, the company's value is closely related to its share price (Jimmy and Yanti). In this study, Tobin's Q is used as a measure of firm value. According to Management 2024, if Tobin's Q is greater than 1, the company's market value exceeds its replacement cost. If Tobin's Q is less than 1, the market value is lower than its replacement cost (Management 2024). This research utilizes the same measurement methodology as previous studies (Widyakto et al. 2024).

$$PBV = \frac{Price\ Per\ Share}{Book\ Value\ of\ Shares}$$

Firm size indicates the magnitude of an organization, determined by assets, total revenue, and average sales figures (Elisa & Amanah, 2021). The size of an entity can be represented by its equity or total assets. The larger the total assets of a company, the broader its overall scope (Hasangapon *et.al*., 2021). Firm size is measured using the same method as in the previous study (Widyakto et al., 2024), with Size used as the measurement symbol as follows:

$$Size = Ln\ (Total\ Assets)$$

A high profitability ratio indicates effective performance and asset management in the process of generating profits. A high level of profitability can suggest efficient asset management by the company, which is also positively responded to by the market (Irawan *et al*., 2022). The growth of Return on Assets (ROA) demonstrates the company's strength in terms of profitability that continues to increase. This indicates that the company has effective utilization of equity to generate profits. Investors perceive this positively, which increases confidence and facilitates the company's ability to seek additional capital in the form of shares. Profitability is measured using the same method as in the previous study (Widyakto et al., 2024), with ROA used as the measurement symbol as follows:

$$\mathbf{ROA} = \frac{\mathbf{Net\ Income}}{\mathbf{Total\ Asset}}$$

To maintain the company's financial stability, the capital structure indicates how assets are financed through debt (long-term and short-term debt) and private ownership (preference shares and common shares) (Balqish, 2020). The capital structure is measured using the same method as in the previous study (Widyakto et al., 2024), with DER used as the measurement symbol:

$$\mathbf{DER} = \frac{\mathbf{Total\ liabilities}}{\mathbf{Total\ Equity}}$$

The use of the current ratio to determine how well a company can meet its short-term obligations. In this context, liquidity ratios indicate how well existing assets can meet short-term obligations or bills that will soon be due (Nofriser et al., 2022). Liquidity is measured using the same method as in the research (Widyakto et al., 2024), employing the CR as the measurement symbol:

$$\mathbf{CR} = \frac{\mathbf{Current\ Asset}}{\mathbf{Current\ Liabilities}}$$

Board size or the number of board members refers to the total number of individuals serving on a company's board of directors (Yermack, 1996). The influence of board size on a company's value is significant. Initially, a larger board provides increased external expertise and a broader network, which can be beneficial in gaining access to resources and stakeholders. Additionally, company oversight, such as responsibilities and decision-making procedures, becomes more effective and structured (Muslim and Hamzah Ahmad, 2022). The composition of a company's board of directors can influence its policies and strategies. Moreover, the board bears the responsibility of ensuring that the company complies with all applicable rules and regulations. Board size is measured using the same method as in the research (Sarker and Hossain, 2023), employing BS as the measurement symbol:

$$BS = sum\ of\ directors\ on\ the\ board$$

Independent commissioners are members who have no close relationships with directors, board members, or other shareholders. Independent commissioners must refrain from participating in business or other relationships that could potentially impair their ability. They act entirely in the best interests of the company. Increasing the proportion of independent commissioners enhances oversight and can reduce agency costs. This will improve the company's operational efficiency and increase its business value (Octaviani & Harahap, 2022). The independence of the board is measured using the same methodology as in the study (Sarker and Hossain, 2023), utilizing BI as a measurement symbol.

$$\mathbf{BI} = \frac{Number\ of\ Total\ Independent\ Commissioners}{Number\ of\ Total\ Commissoners}$$

Managerial ownership relates to the active involvement of management in organizational decision-making (including commissioners, directors, and managers) and the opportunity for them to hold company shares or act as shareholders. Managerial ownership can align the interests of directors and shareholders. As a result, directors are more likely to pursue the best interests of the shareholders, as they are also owners of the company. Managerial ownership is assessed using the same methodology as this study (Sarker and Hossain, 2023), utilizing MO as a measurement symbol.

$$\textbf{MO} = \frac{\textit{Shares Held by CEO Directors}}{\textit{Number of Total Outstanding Shares}}$$

4. RESEARCH RESULTS

The research objects used in this study are manufacturing companies that are consistently listed on the Indonesia Stock Exchange (IDX) during the period from 2022 to 2024. The sampling selection process in this study is presented as follows.

Table 1. Sample Selection Procedure

No	Sample Criteria	Number	Total Data
1	Manufacturing companies that are routinely listed on the Indonesia Stock Exchange (IDX) and do not experience delisting during the 2022–2024 period.	290	870
2	Manufacturing companies that routinely release financial reports and annual reports throughout 2022–2024.	21	(63)
3	Manufacturing companies that do not use the Rupiah as their currency.	41	(123)
4	Companies that do not have positive profits after tax expenses during 2022–2024.	79	(237)
	Total Data	149	447

Table 2: Descriptive Statistical Test Results

Variabel	N	Minumum	Maksimum	Mean	Std. Deviation
PBV	447	-0,053725230	17,57019403	1,690219350	1,93459434
FS	447	24,82778821	33,78995793	28,568859236	1,80577592
ROA	447	0,0001029706	0,6461456203	0,091243704	0,07475675
DER	447	-1,84440161	6,465891860	0,6826076668	0,78522177
CR	447	0,0851746091	33,48369977	3,468813017	3,90464690
BI	447	0,2000000000	0,833333333	0,4180794038	0,10532203
BS	447	1	12	4,63	2,516
MO	447	0,0000000	0,9506097882	0,981877911	0,19601114

Source: Data Processed Using SPSS

Based on the descriptive statistical results presented in Table 2, this study used a total of 447 observations collected from 149 manufacturing companies for the period 2022-2024. The Price to Book Value (PBV) has a minimum value of -0.053725230, which is found in Bakrie Sumatera Plantations Tbk in 2022, while the maximum value is 17.57019403, observed in Multi Bintang Indonesia Tbk in 2022. The average (mean) PBV is 1.690219350, with a standard deviation of 1.934594340. This indicates a high variation in PBV values among the sample companies. The LN (Total Assets) has a minimum value of 24.82778821, found in Estee Gold Feet Tbk in 2022, while the maximum value is 33.78995793, observed in Astra International Tbk. The mean value is 28.56859236, with a standard deviation of 1.805775925, suggesting that the size of the companies in this study is relatively homogeneous. Return on Assets (ROA) has a minimum value of 0.001029706, which is observed in Buyung Poetra Sembada Tbk.

In 2022, the minimum Return on Assets (ROA) value was 0.001029706, observed in Buyung Poetra Sembada Tbk, while the maximum value of 0.6461456203 occurred in Sariguna Primatirta Tbk in 2024. The average ROA across the companies is 0.0812434704, with a standard deviation of 0.0747567576, indicating that the companies' ability to generate profit from their assets tends to be low and varies significantly.

The Current Ratio (CR) has a minimum value of 0.0851746091 noted in Bakrie Sumatera Plantations Tbk in 2022, and a maximum value of 33.48369977 in Duta Pertiwi Nusantara Tbk in 2023. The average CR is 3.468813017, with a standard deviation of 3.904646909, reflecting a large variation in liquidity levels among the companies.

The Debt to Equity Ratio (DER) has a minimum value of -1.84440161, observed in Bakrie Sumatera Plantations Tbk in 2023, while the maximum value of 6.465891860 was recorded in Unilever Indonesia Tbk in 2024. The average DER is 0.6826076668, with a standard deviation of 0.7852217703, indicating considerable variation in capital structure among the companies.Board Independence (BI) has a minimum value of 0.0000, observed in Buyung Poetra Sembada Tbk in 2024, Indo Boga Sukses Tbk in 2024, and several other companies listed in the appendix.

The maximum value of Board Independence (BI) is 0.8333333, observed in Solusi Bangun Indonesia Tbk in 2024. The mean BI value is 0.4180794038, with a standard deviation of 0.1053220345, indicating that the proportion of independent commissioners on the board is still relatively low for most companies. The Board Size (BS) has a minimum value of 1, recorded in Ekadharma International Tbk 2022, Sinergi Inti Plastindo Tbk 2022, and several other companies listed in the appendix. The maximum value is 12, observed in PT Semen Indonesia (Persero). The average BS is 4.63, with a standard deviation of 2.516, indicating variability in the number of board members across companies.

Managerial Ownership (MO) has a minimum value of 0.0000, found in PT Kalbe Farma Tbk, PT Merck Tbk, PT Organon Pharma Indonesia Tbk, and several other companies listed in the appendix. The maximum value is 0.9506097882, observed in Gunawan Dianjaya Steel Tbk 2024. The average MO is 0.0981877911, with a standard deviation of 0.1960111427, indicating that managerial ownership in most companies remains relatively small.

Table 3: Results of the *t-Test*

Variable	B	Sig.	Decision	Conclusion
(Constant)	2.588	0.144	-	-
FS	-0.042	0.491	H1 Not Accepted	No Effect
ROA	0.404	0.000	H2 Accepted	Having Effect
CR	-0.004	0.928	H3 Not Accepted	No Effect
DER	0.069	0.141	H4 Not Accepted	No Effect
CR	-0.004	0.928	H3 Not Accepted	No Effect
BI	-0.053	0.235	H5 Not Accepted	No Effect
BS	-0.056	0.325	H6 Not Accepted	No Effect
MO	0.029	0.531	H7 Not Accepted	No Effect

Source: Data Processed Using SPSS

Firm Size (LN Total Assets) has a significance value of 0.491. Since this value is greater than 0.05, it can be concluded that the firm size does not have a significant effect on the firm's value. Therefore, H1 is not accepted. This finding indicates that the size of a company's assets does not directly determine its value in the eyes of investors, as larger companies also face higher operational and oversight costs, which can reduce efficiency.

Profitability (ROA) has a significance value of 0.000. Since this value is less than 0.05, it can be concluded that H2 is accepted. This result indicates that the company's profitability level is an important factor considered by investors when evaluating the company. The higher the company's ability to generate profits, the greater the investor confidence, which in turn impacts an increase in the company's value. On the other side, the company has the effectiveness of equity used to generate profits. Investors develop a positive perception and increased confidence, which also facilitates the company in seeking additional capital in the form of shares.

Liquidity (Current Ratio/CR) has a significance value of 0.928. Since this value is greater than 0.05, it can be concluded that CR does not have a significant impact on the company’s value. Therefore, H4 is not accepted. This result indicates that the company's ability to meet short-term obligations does not necessarily influence its valuation. This study aims to provide empirical evidence regarding the effects of profitability, firm size, capital structure, liquidity, board size, board independence, and managerial ownership. A positive signal for investors. However, excessively high liquidity may indicate the presence of idle funds that are not utilized optimally, which does not enhance the company's value.

Capital Structure (DER) has a significance value of 0.141. Since this value is greater than 0.05, it can be concluded that DER does not have a significant effect. Therefore, H3 is not accepted. This result indicates that the level of debt utilization has not yet become a primary factor considered by investors when evaluating the company. A relatively stable and still reasonable level of debt usage may lead investors to overlook the capital structure.

Board Size (BS) has a significance value of 0.325 and 0.235 because these values are greater than 0.05, indicating that the board size does not have a significant effect. Therefore, H5 is not accepted. This result suggests that the number of board members does not directly influence the company's value, possibly because coordination and decision-making effectiveness are not yet optimal, even as the size of the board increases.

Board Independence (BI) has a significance value of 0.235, which is greater than 0.05, indicating that BI does not have a significant effect. Therefore, H6 is not accepted. This finding suggests that the presence of independent commissioners is not yet fully effective in enhancing oversight functions and strategic decision-making, thus not able to make a tangible contribution to increasing the company's value.

Managerial Ownership (MO) has a significance value of 0.531, which is greater than 0.05, indicating that managerial ownership does not have a significant effect on firm value. Therefore, H6 is not accepted. This result suggests that the proportion of shares held by management is relatively small and has not yet been able to align the interests of managers with those of shareholders, as explained in Agency Theory

5. CONCLUSION

Based on the statistical analysis conducted on 149 companies listed on the Indonesia Stock Exchange (IDX), the t-test results indicate that the conclusion is as follows.

The profitability variable has a positive effect on firm value. Meanwhile, firm size, capital structure, liquidity, board size, board independence, and managerial ownership do not have an influence on firm value. This study has several limitations, including the following: (1) The research period is relatively short, only covering the years 2022–2024, which means the results may not fully capture the long-term effects of the independent variables on firm value. (2) The findings indicate that the independent variables in the model can only explain 15.4% of the variation in the dependent variable, while the remaining 86.4% is influenced by other factors not included in the model. (3) In this study, the data do not follow a normal distribution due to differences in characteristics and financial scales among manufacturing companies in the sample. This is evidenced by the presence of outliers in some variables.

Although outliers have been addressed, the normality test results still indicate that the data do not follow a normal distribution. The researcher recommends several considerations to support future studies. These recommendations are as follows: (1) Future research is advised to use a longer research period to better capture the influence of independent variables on company values comprehensively and to reflect the company's long-term conditions. (2) Future studies are suggested to employ more appropriate and varied research models, such as adding moderating or intervening variables, to improve model fit and yield more in-depth results. (3) Future research should also consider expanding the sampling criteria to ensure more homogeneous data and to avoid dominance by extreme values.

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