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Factor Affecting Firm Value with Profitability as an Intervening Variable in Food & Beverage Sub-Sector Companies Listed on the Indonesia Stock Exchange

Irwanto; Yusuf Ronny Edward; Sauh Hwee Teng

Faculty of Economics, Universitas Prima Indonesia, Medan, Indonesia

E-mail: irwanto811@gmail.com

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Abstract

This study aims to examine and analyze the Firm Value of food & beverage sub-sector companies listed on the Indonesia Stock Exchange. The variables tested include Liquidity, Capital Structure, and Firm Size with Profitability as an intervening variable. The method used in sampling is purposive sampling. The data used is secondary data obtained from the official website of IDX, namely www.idx.co.id and the official websites of each company. The data collection technique is a documentation study with the type of data, namely secondary data. This research uses the Partial Least Square data analysis method. The data analysis tool used Partial Least Square. The results showed that Liquidity has a negative and significant effect on Firm Value, Capital Structure and Profitability have a positive and significant effect on Firm Value, Firm Size has no effect on Firm Value. Liquidity has a positive effect on Profitability, Capital Structure and Firm Size have no effect on Profitability. Profitability is not able to mediate the influence of Liquidity, Capital Structure, and Firm Size on Firm Value.

Keywords: *Liquidity; Capital Structure; Firm Size; Profitability; Firm Value*

Introduction

In the current era of globalization, companies face a high level of competition and are constantly changing. To have high competitiveness, each company must have a competitive advantage compared to other companies. With these advantages, the company will be able to keep its survival.

Firm value is the result of the company's performance over a certain period. The better the financial performance of a company, the easier it will be to attract the attention of investors to invest in the company. Good performance will increase the stock's value and provide the expected returns to investors. The investor's assessment is reflected in the company's share price. The high price of the company's shares can make the market and investors believe in the performance of the company, so it will be an opportunity to attract investors to make investments (Mumpuni & Maryono, 2022). Firm value provides an overview to investors of the condition and performance of the company and shows the level of investor return. Firm value can also give a signal to potential investors as to whether the company is worthy of investment or not.

In this study, firm value is proxied by price to book value because it is considered to look more at the actual condition or situation of the company because it looks at the equity owned by the company (Muliana & Ikhsani, 2019). Price to book value is calculated to find out what is the comparison between the value of shares and the book value owned by the company in certain conditions and periods. The higher the firm's value, the investor will give confidence to invest in the company (Nilawanti, 2021).

This research chooses the food & beverage sector because throughout 2018, the food & beverage industry was able to grow by 7,91% surpassing the national economic growth which was only at 5,17%. The food industry is also one of the sectors that supports the increase in the value of national investment which in 2018 contributed up to Rp 56,60 trillion (Kemenperin, 2019).

Other factors that may affect firm value are also worth researching, one of which is the fundamental factor. Some of these fundamental factors are liquidity, capital structure, firm size, and profitability.

Liquidity is the ability of a person or company to repay short-term debt. Since a company can be assessed using its liquidity, the level of liquidity is important for the company. The greater the level of liquidity of a company, the more it can be concluded that the company has a good performance (Hondro et al., 2021). The indicator used to measure the level of liquidity in this study is the current ratio. Current ratio is a ratio used to measure how much current assets are available to cover current liabilities that will mature (Kasmir, 2018). The higher the current ratio, the more liquid a company will be. A liquid company will affect firm value. A liquid company will make potential investors think that the company will not have trouble fulfilling all its short-term obligations. However, the current ratio value that is too high is not exceptionally good because investors will assume that the company's management is not able to use its current assets optimally to make a profit.

According to Putro & Risman (2021), the capital structure is part of the financial structure that can show a reflection of the balance between long-term debt and equity. One of the most important decisions is regarding the company's ability to meet the needs of funds that will be used for operational activities or for expansion. The fulfillment of these funds can be obtained from internal and external parties. The capital structure in this study is proxied by the debt to equity ratio (DER). The capital structure provides an overview of the use of debt by the company for its operational activities as well as for production. Ineffective management of the capital structure will affect firm value. Incorrect decisions in deciding the capital structure can lead to losses for the company. Companies that mostly use debt as a source of funding will make investors have the view that the company will find it difficult to pay off its debts on time due to its large nominal. Thus, the company will be charged interest costs, which will reduce the company's profit.

Firm size is one of the benchmarks for investors in assessing the company. A large company shows that the company is better known by the public. With the recognition of the company, it will be easier for investors to obtain information to assess the company. In addition, large companies have a lower risk of bankruptcy because they will tend to diversify their business. Thus, investors will have more confidence to invest their capital. Firm size in the study was measured by the natural logarithm (Ln) of total assets. Natural logarithms are used to reduce excessive data fluctuations, to reduce the tendency of distribution and data to spread normally, and to minimize standard regression coefficient errors (Hertina et al., 2020). The total assets owned by the company that can be used for operational activities show firm size. The large asset value will provide freedom for management in using the company's assets. For company management, companies that have a large asset value will increase the value of the company (Waryanti et al., 2022). Firm size is also often a consideration for investors before investing its capital, if firm size will affect how the company faces the various situations and risks that it may face and that it will be related to its operations as well as affect the rate of return that the investor will earn (Helia et al., 2020).

Profitability analysis focuses on the ability of a company to make a profit. This ability can be seen from the results of the company's operational activities reported in the income statement. The company's ability to generate profit also depends on the assets available for the company's operational activities reported in the statement of financial position (Warren et al., 2015). Kasmir (2018), states that the profitability ratio is a ratio used to assess a company's ability to seek profit. This ratio also provides a measure of the level of effectiveness of the management of a company. This is shown by the profit generated from sales and investment income. The bottom line is that the use of this ratio shows the efficiency of the company. Profitability in this study was measured using return on assets (ROA). This ratio provides an overview of the ability and how efficiently the company's management is in managing company assets to obtain profits. The high value of return on assets shows that management has a good ability to use its assets to make a profit. High company profit can increase the value of the company, because in the calculation of the company's value, the company's profit becomes one of the comparisons.

Research Methods

Population is an area or group consisting of objects or subjects that have certain qualities and characteristics set by the researcher and will then be studied to obtain a conclusion (Sugiyono, 2021). The population in this study is the food & beverage sub-sector company listed on the Indonesia Stock Exchange which amounts to 39 companies.

The sample is part of the number and characteristics owned by that population. If the population is too large and it is impossible for researchers to study everything in the population, for example due to limited funds, energy, and time, then researchers can use samples taken from that population (Sugiyono, 2021).

The sampling used in this study was a nonprobability sampling technique with the purposive sampling method. Purposive sampling is a sample determination technique with certain considerations (Sugiyono, 2021).

Table 1. Sample selection

No.	Information	Sum
1.	Food & beverage sub-sector companies listed on the IDX	39
2.	Food & beverage sub-sector companies that are not routinely listed on the IDX for the 2015-2021 period	(20)
3.	Food & beverage sub-sector companies that have negative profits for the 2015-2021 period	(6)
4.	Food &beverage sub-sector companies that do not publish financial statements regularly during 2015-2021.	0
Number of study samples		**13**
Total research sample (13 companies x 7 years)		**91**

Based on the sample selection criteria above, the research samples obtained were 13 companies with a data coverage of 7 years under study, so that the number of data studied became 91 data.

Table 2. Operational Definition

Variable	Operational Definition	Formula
Liquidity (CR)	Current ratio (CR) is the company's ability to meet its short-term debt using available current assets.	$CR = \frac{\text{Current Assets}}{\text{Current Liabilities}}$
Capital Structure (DER)	Debt to equity ratio (DER) is a comparison between debt (external funding sources) and equity (internal funding sources) to finance the company's operational activities and for production activities.	$DER = \frac{\text{Total Liabilities}}{\text{Total Assets}}$
Company Size (Size)	Size is the scale of a company that can be seen from the total assets owned by the company.	Size = Ln Total Assets
Profitability (ROA)	Return on assets (ROA) is a ratio that shows the ability of company management to use available assets to obtain maximum profit.	$ROA = \frac{\text{Net Profit}}{\text{Total Assets}}$
Firm Value (PBV)	Price to book value (PBV) is a comparison between share price and the book value per share which aims to determine the ability of management to create market value for the company.	$PBV = \frac{\text{Share Price}}{\text{Book Value}}$ $BV = \frac{\text{Total Equity}}{\text{Number of Shares Outstanding}}$

Results & Discussion

Descriptive analysis shows the description of data seen from the mean, median, standard deviation, maximum, minimum, sum, range, kurtosis, and skewness. The variables used include independent variables, namely liquidity (current ratio), capital structure (debt to equity ratio), company size (size), intervening variables, namely profitability (return on assets) and dependent variables, namely firm value (price to book value).

Indicators: | Indicator Correlations | Raw File

	No.	Missing	Mean	Median	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
CR	1	0	2.505	1.952	0.584	8.638	1.770	2.537	1.667
DER	2	0	0.904	0.900	0.168	2.102	0.543	-0.864	0.384
SIZE	3	0	29.008	28.695	26.656	32.820	1.496	0.176	1.014
PBV	4	0	4.388	2.974	0.276	30.172	6.083	9.976	3.192
ROA	5	0	0.108	0.096	0.002	0.527	0.095	6.148	2.175

Figure 1. Descriptive Statistical Analysis

Based on the data of each of these variables, a descriptive analysis using SmartPLS was tested so that the following results were obtained:

1. The CR variable has a total sample of 91, with the minimum is 0,584 at PT Multi Bintang Indonesia Tbk in 2015 and maximum is 8,638 at PT Delta Djakarta Tbk in 2017 and the mean is 2,505 and the standard deviation is 1,770.
2. The DER variable has a total sample of 91, with the minimum is 0,168 at PT Ultrajaya Milk Industry & Trading Company Tbk in 2018 and the maximum is 2,102 at PT Budi Starch & Sweetener Tbk in 2015 and the mean is 0,904 and the standard deviation is 0,543.
3. The SIZE variable has a total sample of 91, with the minimum is 26,656 at PT Sekar Laut Tbk in 2015 and the maximum is 32,820 at PT Indofood Sukses Makmur Tbk in 2021 and the mean is 29,008 and the standard deviation is 1,496.
4. The PBV variable has a total sample of 91, with the minimum is 0,276 at PT Budi Starch & Sweetener Tbk in 2015 and the maximum is 30,172 at PT Multi Bintang Indonesia Tbk in 2016 and the mean is 4,388 and the standard deviation is 6,083.
5. The ROA variable has a total sample of 91, with the minimum value is 0,002 at PT Sekar Bumi Tbk in 2019 and the maximum is 0,527 at PT Multi Bintang Indonesia in 2017 and the aveage mean is 0.108 and the standard deviation is 0.095.

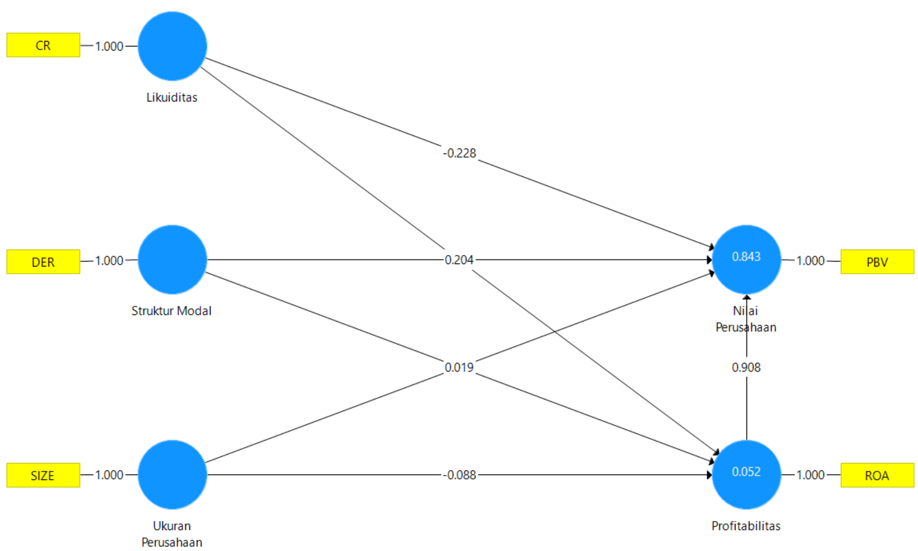

Figure 2. PLS Algorithm Calculation Result Model

R Square

Matrix | R Square | R Square Adjusted

	R Square	R Square Adjusted
NILAI PERUSAHAAN	0.843	0.835
PROFITABILITAS	0.052	0.020

Figure 3. Coefficient of Determination

Based on the figure above, the R-Square Adjusted value at the company value is 0,835. The value shows the ability of liquidity (current ratio), capital structure (debt to equity ratio), company size (size) and profitability (return on assets) in influencing the firm's value (price to book value) of 83.5% and the remaining 16.5% are explained by variables or other factors beyond the variables in this study.

The value of R-Square Adjusted on profitably is 0,020. This value shows the ability of liquidity (current ratio), capital structure (debt to equity ratio) and company size (size) in influencing profitability (return on assets) by 2% and the remaining 98% are explained by variables or other factors outside the variables in this study.

Path Coefficients

Mean, STDEV, T-Values, P-Values | Confidence Intervals | Confidence Intervals Bias Corrected | Samples | Copy t

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Likuiditas -> Nilai Perusahaan	-0.228	-0.235	0.085	2.678	0.008
Likuiditas -> Profitabilitas	0.237	0.248	0.116	2.041	0.042
Profitabilitas -> Nilai Perusahaan	0.908	0.913	0.043	21.270	0.000
Struktur Modal -> Nilai Perusahaan	0.204	0.209	0.068	3.014	0.003
Struktur Modal -> Profitabilitas	0.049	0.043	0.145	0.339	0.735
Ukuran Perusahaan -> Nilai Perusahaan	0.019	0.025	0.035	0.535	0.593
Ukuran Perusahaan -> Profitabilitas	-0.088	-0.083	0.071	1.233	0.218

Figure 4. Path Coefficient

Specific Indirect Effects

Mean, STDEV, T-Values, P-Values | Confidence Intervals | Confidence Intervals Bias Corrected | Samples | Copy to Clipboard:

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Likuiditas -> Profitabilitas -> Nilai Perusahaan	0.215	0.228	0.111	1.929	0.054
Ukuran Perusahaan -> Profitabilitas -> Nilai Perusahaan	-0.080	-0.074	0.064	1.254	0.210
Struktur Modal -> Profitabilitas -> Nilai Perusahaan	0.045	0.037	0.131	0.340	0.734

Figure 5. Specific Indirect Effects

Based on the results of the path coefficients analysis in figure 4, it can be seen that the results of the hypothesis test of the effect of liquidity (current ratio) on firm value (price to book value) have a parameter coefficient value is -0,228 with a t-statistical significance level is 2,678 greater than 1,96 and a P-Values value is 0,008, which is smaller than 0,05. This shows that liquidity affects firm value. The results showed that liquidity has a significant negative effect on firm value. A company that has a high level of liquidity indicates that the company will have no difficulty in meeting any kind of its short-term debt. However, the high liquidity value shows that the company has total assets that are unemployed or not being used.

In a food & beverage company, a slow inventory turnover can make the value of inventory look large. Slow inventory turnover can be an indication that the large amount of inventory is piled up in warehouses and shows that management is unable to sell the company's products so that the company's sales will decrease and will have negative consequences on the company's profits, which can indirectly reduce the interest of potential investors in the company and can reduce firm value.

The results of this study are in line with research that has been conducted by Djashan & Agustinus (2020), Bahraini et al. (2021), Hidayat et al. (2020), Jihadi et al. (2021), and Yuliani et al. (2020) which states that liquidity affects firm value. However, it is different from the research conducted by Suhendry et al. (2021), Pangestuti & Louisa (2020), Adiputra & Hermawan (2020), and Chen et al. (2021) which states that liquidity has no effect on firm value.

Based on the results of the path coefficients analysis in figure 4, it shows that the results of the hypothesis test of the influence of capital structure (debt to equity ratio) on firm value (price to book value) have a parameter coefficient value is 0,204 with a t-statistical significance is 3,014 greater than 1,96 and a P-Values value is 0,003, which is smaller than 0,05. This indicates that the capital structure affects firm value. The results of this study show that the capital structure has a positive and significant effect on firm value. A company that has an optimal capital structure will increase its value. The decision on the use of high debt can increase firm value because investors are of the view that the company has good prospects or is in the expansion stage so that it needs more funds obtained from debt.

In accordance with the signalling theory, which states that decisions in the use of debt can provide positive signals for investors. Investors are expected to catch the signal, which shows that the company has a good outlook for the future. The use of debt with the right composition can develop a business in the hope that the company will receive a greater profit. With the increase in company profits, firm value will increase as well.

This is in accordance with the trade-off theory, which states that the use of debt can increase firm value. The proper use of debt can reduce the company's tax burden so that firm value will increase. In addition to increasing firm value, the use of debt appropriately can also expand the scale of the company's size if the debt is used to expand or acquire the company.

The results of this study are in line with research that has been conducted by Jannah et al. (2022), Anggraeni & Rahyuda (2020), Sudiyatno et al. (2020), Suzulia et al. (2020), Hertina et al. (2020), Felicia et al. (2022), and Wijaya & Pakpahan (2021), which states that the capital structure affects firm value. Meanwhile, it is different from the research that has been conducted by Saluy et al. (2020), Wijayaningsih & Yulianto (2021), Sudrajat & Setiyawati (2021), and Avista et al. (2021), which states that the capital structure does not affect firm value.

Based on the results of the path coefficients analysis in figure 4, it shows that the results of the hypothesis test of the influence of firm size (size) on the firm value (price to book value) have a parameter coefficient value is 0,019 with a t-statistical significance value is 0,535 smaller than 1,96 and a P-Values value is 0,593, greater than 0,05. This shows that firm size has no effect on firm value. This shows that investors do not attach much importance to the size of the company when investing. A large company is not yet certain to show that it has good prospects. Having large assets is not always a good thing. If the company has large assets but is unable to manage them properly, it will suffer a loss on firm value. On the other hand, if the company has small assets but management can manage them well and efficiently, it will increase firm value.

This research is not in accordance with the signalling theory, which states that the size of the company is a positive signal or benchmark for investors to invest in because the large scale of the company makes people more familiar with the company and can increase public trust.

Food & beverage sub-sector companies have a large size, which can be seen from the total assets owned by the company. This happens because processing raw goods into finished goods will require a lot of raw materials and high-tech production machines and will require good infrastructure in the form of factories.

The results of this study are in line with research that has been carried out by Margono & Gantino (2021), Dwiastuti & Dillak (2019), Hermanto & Aryani (2021), Adiputra & Hermawan (2020), Felicia et al. (2022), and Hertina et al. (2020), which states that the size of the company does not affect firm value, but is different from the research that has been carried out by Bahraini et al. (2021), Sudrajat & Setiyawati (2021), Sudiyatno et al. (2020), Anggraeni & Rahyuda (2020), and Jannah et al. (2022), which states that the size of the company affects firm value.

Based on the results of the path coefficients analysis in figure 4, it shows that the results of the hypothesis test of the influence of profitability (return on assets) to the firm value (price to book value) has a parameter coefficient value is 0,908 with a t-statistical significance value is 21,270 greater than 1,96 and a P-Values value 0,000, smaller than 0,05, indicating that profitability affects firm value. The results of this study show that profitability has a positive and significant effect on firm value. A high level of profitability indicates that the company's management has an excellent ability to use the company's resources to obtain a profit. With the increase in company profits, firm value will increase due to the high demand for company shares.

In accordance with the signalling theory, high profitability can indicate a good prospect for the company and will be a positive signal for investors to invest in the company. If the market responds to these positive signals, the firm's value will increase.

The operational activities of food & beverage sub-sector companies tend to be high, so companies must be able to manage each of their activities to obtain maximum profits. This causes this sub-sector to tend to have high inventory turnover. The high turnover of inventory shows that the turnover of funds embedded in the inventory is also high. The slow turnover shows the length of time the inventory of goods is stored in the warehouse, so it will affect the company's profit. Inventory that is stored in the warehouse for too long shows that the funds embedded in the inventory are also high, so it will cause losses to the company.

The results of this study are in line with research that has been conducted by Markonah et al. (2020), Agustina (2020), Seno & Thamrin (2020), Rachmi & Heykal (2020), Listyaningsih (2020), Yulianti & Syarif (2021), Katharina et al. (2021), and Yasin & Studiviany (2021), which states that profitability affects firm value. However, it contradicts the research conducted by Reschiwati et al. (2019), and Supeno et al. (2022), which states that profitability has no effect on firm value.

Based on the results of the analysis of specific indirect effects in figure 5, it shows that the results of the hypothesis test of the influence of liquidity (current ratio) to the firm value (price to book value) with profitability (return on assets) as an intervening variable, has a parameter coefficient value is 0,215 with a t-statistical significance is 1,929 less than 1,96 and a P-Values value is 0,054 greater than 0,05 thus indicating that liquidity has no effect on firm value with profitability as an intervening variable. The results of this study show that liquidity has no effect on firm value with profitability as an intervening variable. A company with a high level of liquidity in the short term means that the company can meet all its short-term debt. However, this also shows that the company's management is not able to optimize the company's current assets for the company's operations. The high level of liquidity of the company has a negative effect on the company because it is considered that it will reduce the company's value. The existence of profitability as an intervening variable does not affect firm value because high liquidity will only reduce interest expenses or fines on short-term debt. Compared to the low level of liquidity, it shows that the company's management can make maximum use of the company's current assets, is usually long-term oriented and can increase firm value.

Company liquidity is certainly one of the considerations for investors to assess the company's performance. Because investors consider that companies with good liquidity will be able to meet all the needs of working capital in their production activities, so investors can assess the company as having the ability to make a profit. Although a high level of liquidity indicates that the company has current assets that can be utilized to be processed into sales or income, that can have an impact on firm value. However, this does not have an impact on firm value because investors are more of the view that liquidity factors are considered unable to judge whether the company is good or not, especially since there are some companies that have low liquidity but high profitability.

The results of this study are in line with research that has been conducted by Hidayat et al. (2020), and Wijaya & Pakpahan (2021), which states that profitability cannot moderate the influence of liquidity on firm value. However, it is different from the research conducted by Sipahutar et al. (2021), Wendy et al. (2022), and Putro & Risman (2021), which states that profitability can moderate the influence of liquidity on firm value.

Based on the results of the analysis of specific indirect effects in figure 5, it can be seen that the results of the hypothesis test of the capital structure (debt to equity ratio) to the firm value (price to book value) with profitability (return on assets) as an intervening variable has a parameter coefficient value is 0,045 with a t-statistical significance value is 0,340 smaller than 1,96 and a P-Values is 0,734 greater than 0,05. This shows that the capital structure has no effect on firm value with profitability as an intervening variable.

The results of this study show that the capital structure has no effect on firm value with profitability as an intervening variable. Optimal use of debt can add value to the company because it shows signs that the company is expanding or in a developing condition. Profitability cannot be an intervening variable in this study. The high composition of the company's debt will increase the company's expenses such as interest on loans, coupon bond expenses, and so on. Thus, although the loans obtained by the company to expand can increase the company's profit, along with the increase in profits, the company will also experience an increase in financial expenses.

An optimal capital structure can provide benefits for the company because, in its management, the company can manage its obligations well. Profitability reflects the company's ability to make a profit from the sale of its own assets and capital. The increase in the capital structure shows that the company's management can optimize the capital structure by increasing the company's profit and the company's share price. The increase in firm value is a pride that is in accordance with the goals of the owner, because with the increase in firm value, the welfare of the owner will also increase. Firm value is the main goal of managerial decisions, that is, it considers the time and risks associated with earnings per share for the maximum share price. This is because the company focuses on managing the capital structure optimally so that the company's profits are transferred to the development of the capital structure or to pay the company's obligations, for which the dividends distributed by the company are not too large or cannot provide returns as expected by shareholders.

Companies that have a high debt value will also have a high interest expense. The use of too large debt can reduce the net profit earned by the company due to the amount of payments that are greater than the amount of debt used. Based on signalling theory, when profitability decreases, the company's stock price also decreases because of the signal received by investors that the company does not promise good prospects in the future, thereby affecting firm value.

The results of this study are in line with research that has been conducted by Jannah et al. (2022), Sudiyatno et al. (2020), Putro & Risman (2021), Muliana & Ikhsani (2019), and Prakoso et al. (2022) which states that profitability cannot moderate the influence of capital structure on firm value. However, it is different from research conducted by Wijaya & Pakpahan (2021), Suzulia et al. (2020), and Wendy et al. (2022), which states that profitability can moderate the influence of capital structure on firm value.

Based on the results of the analysis of specific indirect effects in figure 5, it can be seen that the results of the hypothesis test of the firm size (size) on firm value (price to book value) with profitability (return on assets) as an intervening variable is -0,080 with a t-statistical significance value is 1,254 smaller than 1,96 and the P-Values is 0,210 are greater than 0,05. This shows that the firm size has no effect on firm value with profitability as an intervening variable. The large size of the company is not always an assessment for investors. A company that is large but cannot maximize the use of its resources will lower its value. Compared to if the company is small, but the company's management can manage resources optimally, it will attract the attention of investors, which results in an increase in firm value. The presence of profitability as an intervening variable can not affect the value of the enterprise.

The size of the company in terms of the size of the assets owned by the company affects firm value. This is because, with the increasing number of assets that can show the size of a company that is in line with the increase in firm value, it is necessary to manage the company properly to keep the size of the company high. The large size of the company makes it easier for companies to get capital so that the capital can be used for the company. Increased profitability will increase investor confidence in the company, making it easier for the company to attract capital in the form of shares. Maximizing firm value is aimed at achieving the welfare of stakeholders, namely parties interested in the company, including employees, management, suppliers, creditors, the surrounding community, and shareholders. The higher firm value, the greater shareholders' return will be. This is because the large company tends to take advantage of the company's profits by buying company assets instead of distributing dividends to shareholders.

The results of this study are in line with research that has been conducted by Jannah et al. (2022), Prakoso et al. (2022), and Muliana & Ikhsani (2019), which states that profitability cannot moderate the influence of company size on firm value. However, it is different from the research conducted by Sudiyatno et al. (2020), and Sugosha & Artini (2020), which states that profitability can moderate the influence of company size on firm value.

Conclusion

Based on the results of the research and the discussion of the results of the research that has been conducted, the following conclusions can be drawn:

1. Liquidity (current ratio) affects firm value (price to book value) in food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.
2. The capital structure (debt to equity ratio) affects firm value (price to book value) in food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.
3. Firm size does not affect firm value (price to book value) in the food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.
4. Profitability (return on assets) affects firm value (price to book value) in food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.
5. Liquidity (current ratio) does not affect firm value (price to book value) with profitability (return on assets) as an intervening variable in food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.
6. The capital structure (debt to equity ratio) does not affect firm value (price to book value) with profitability (return on assets) as an intervening variable in food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.
7. Firm size does not affect firm value (price to book value) with profitability (return on assets) as an intervening variable in food & beverage sub-sector companies listed on the Indonesia Stock Exchange for the 2015-2021 period.

Based on the limitations and conclusions above, the researcher proposed the following suggestions:

1. For food & beverage sub-sector companies, keeping the company's liquidity level is certainly a good thing. This is intended to meet the liabilities that are about to mature and reduce other costs

that may arise due to delays in fulfilling these obligations. However, too high a level of liquidity can be an indication that the company's current assets are not being utilized optimally. The choice of funding sources using loans is not a bad thing. The use of loans in the right and proper manner can increase the value of the enterprise. The increase in firm value can be maximized if the use of the loan is used to expand or acquire other companies. This shows that the company has promising prospects in the future.

2. For researchers, it is hoped that they can expand the research sector by looking for samples of other companies' sectors, adding observation periods so that they can provide better data variations, and adding several other variables such as growth opportunity, solvency, and so on, or by replacing or adding proxies from research variables. In addition, this study shows that profitability (return on assets) is an intervening variable that has no influence firm value (price to book value), so that next researchers can change profitability as an independent variable or even use it as a moderating variable.

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