International Journal of Economics and Management Research

E-ISSN: 2830-2508
P-ISSN: 2830-2664

Research Article

The Influence of Capital Structure, Profitability, Liquidity, and Company Size on the Value of Technology Sector Companies Listed on the Indonesia Stock Exchange during 2021-2024

Nasutiah[1*], Muhammad Rizal[2], Ngadi Permana[3]

[1-3] Accounting, Sekolah Tinggi Ilmu Ekonomi Kasih Bangsa, Indonesia.
* Corresponding Author: nasutiahstiekasihbangsa@gmail.com

Abstract: This study was conducted to analyze the impact of capital structure (DER), profitability (ROA), liquidity (CR), and firm size (SIZE) on firm value (PBV) in 22 companies operating in the technology sector listed on the Indonesia Stock Exchange (IDX) from 2021 to 2024. The technology sector in Indonesia faces various major challenges due to intense competition and the need for innovation, which leads to high stock price fluctuations. Therefore, firm value is a major factor that the market pays attention to. The purpose of this study is to examine and analyze the partial and simultaneous impact of capital structure, profitability, liquidity, and firm size on firm value. The methodology used is a quantitative approach with panel data regression analysis, and the Random Effects Model (REM) was chosen as the most appropriate estimation model. The main results of this study indicate that capital structure has a positive relationship and has a significant influence on firm value. On the other hand, profitability has a significant but negative influence on firm value. Meanwhile, liquidity and firm size do not show a significant influence partially on firm value. And simultaneously, capital structure, profitability, liquidity, and firm size have a significant influence on firm value. In conclusion, firm value in the technology sector during the 2021–2024 period is mainly influenced by capital structure and profitability, although overall, the four independent variables are only able to explain 7.55% of the variation in firm value, while the remaining 92.45% is influenced by factors outside this model.

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

Received: July 16, 2025
Revised: September 10, 2025
Accepted: November 5, 2025
Published: December 31, 2025
Current Ver.: December 31, 2025

1. Introduction

The development of the Indonesian capital market is influenced by changes in the global economy and shifts in investor interest in assessing a company's potential, with company value being a key characteristic that reflects the market's view of a company's performance and ability to generate profits in the future. In recent years, technology companies in Indonesia have faced increasing challenges due to intense competition, the need for continuous innovation, and rapid market changes, which often result in increased operational costs, declining profit margins, and uncertainty in funding during expansion (Rolando & Mulyono, 2025). This situation has disrupted financial performance stability and decreased investor confidence, as reflected in stock price movements. As a result, stock price fluctuations for technology companies have increased, reflecting the market's uncertainty regarding the sector's future. This situation suggests that company value is increasingly becoming a key consideration in understanding market reactions to changes in Indonesia's technology sector.

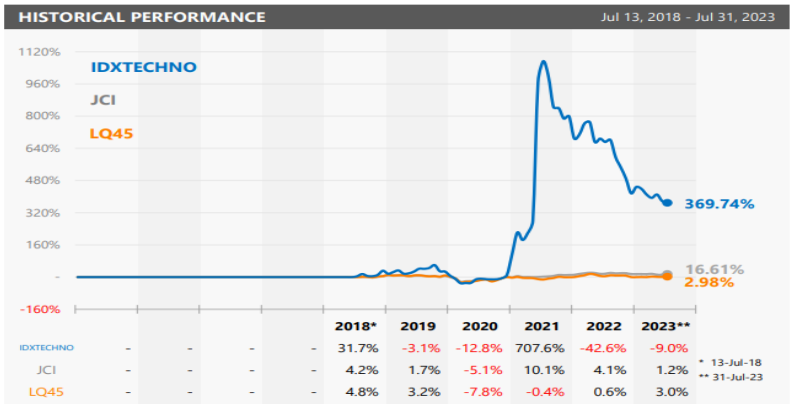

Figure 1. Historical performance chart.

The movement of technology sector stocks on the Indonesia Stock Exchange has shown significant changes, as market sentiment shifts toward company value. The Historical Performance Chart shows a significant surge in the IDXTECHNO index in 2020–2021, far above the JCI and LQ45, reflecting investor enthusiasm for technology companies amidst accelerating digitalization. This phenomenon aligns with information from the Financial Services Authority (OJK), which revealed that the Technology Sector Index increased from 10,703 points in the first half of 2021 to 8,994 points in the second half of 2021. During that time, the technology sector recorded striking annual growth, reaching 860.98% in the first half of 2021 and 707.56% in the second half of 2021, making it one of the leading sectors that year (OJK, 2022). However, this growth did not continue into the following year. The graph shows a drastic decline in the technology index in 2022, according to IDX data, which recorded a decline in the index from 7,885.76 points (Semester I-2022) to 5,162.04 points (Semester II-2022), a correction of approximately -42.61%. This correction indicates a normalization in valuations following the euphoria of 2021, particularly when global central banks implemented liquidity tightening policies and raised interest rates, which made investors more selective about high-risk stocks, including the technology sector (OJK, 2023).

Pressure on technology stocks continued into 2023–2024, indicating a further decline after reaching a peak. IDX data supports this trend, with the Technology Index declining from approximately 4,435 points in 2023 to 3,997 points in 2024, a decline of approximately -9.87% (OJK, 2024). In fact, according to sectoral index performance reports, the technology sector recorded a decline of approximately 30.06% throughout 2024, making it the worst-performing sector compared to other sectors (Nityakanti, 2024). This indicates that volatility remains a dominant characteristic of stock price movements in technology companies in Indonesia.

A company's value reflects how the market assesses its business, risk level, and potential for future growth, as reflected in valuation ratios such as Price to Book Value (PBV) (Movizar, 2024). The PBV ratio reflects the extent to which investors are willing to pay a price above its book value for a stock in response to the company's performance and prospects. In the technology industry, a high PBV often reflects market expectations for long-term growth, despite the risk of greater volatility. In this context, differences in valuation levels between companies are fundamentally related to the company's fundamentals, particularly as reflected in its capital structure, profitability, liquidity, and size, as these elements are the basis for investors' assessments of a company's value on the stock market.

Capital structure is a company's strategy for determining the balance between debt and equity as sources of funding for business activities and investments (Nurkhasanah & Nur, 2022). Utilizing debt has the potential to increase company value, but also increases financial risk due to interest expenses and long-term debt obligations. Therefore, the capital structure, reflected in the Debt to Equity Ratio (DER), needs to be aligned to align with the company's goal of maximizing value without compromising risk and shareholder interests.

Profitability indicates a company's ability to generate returns from managed assets, which is an important benchmark for measuring performance and attracting investor interest (Hardini & Mildawati, 2021). High profitability can increase company value and foster investor confidence, but companies need to develop operational and investment strategies

for sustainable growth. Profitability, measured by Return on Assets (ROA), plays a crucial role in driving company value and maintaining effective asset management and investor confidence.

Liquidity is a company's ability to meet short-term liabilities using current assets (Wenda & Ditilebit, 2021). Liquidity can be calculated using the Current Ratio (CR), which is the ratio between total current assets and total current liabilities. This ratio provides a clear picture of a company's ability to maintain operations and repay maturing debt. A higher CR value indicates a company's increased ability to meet short-term obligations, provide assurance to creditors, and increase investor confidence in the company's financial condition. Adequate liquidity can increase company value, as companies that maintain short-term financial stability are often perceived as healthier, safer, and have lower risk.

Company size reflects the company's scale, as measured by its total assets (Nabila & Rahmawati, 2023). Larger companies tend to demonstrate stronger operational and financial strength, thus being perceived as having lower risk and greater capacity to meet funding needs. Larger companies are often perceived as more stable, more capable of generating profits, and more trusted by investors.

Based on this background, the formulation of the problem that is the core of the discussion in this study is (1) Does capital structure affect company value?, (2) Does profitability affect company value?, (3) Does liquidity affect company value?, (4) Does company size affect company value?, (5) Do capital structure, profitability, liquidity, and company size simultaneously affect company value?. This study aims (1) to test and analyze the effect of capital structure on company value, (2) to test and analyze the effect of profitability on company value, (3) to test and analyze the effect of liquidity on company value, (4) to test and analyze the effect of company size on company value, (5) to test and analyze the effect of capital structure, profitability, liquidity, and company size on company value.

2. Literature Review

Signaling Theory

According to Brigham and Hauston (2010) in Sofiatin (2020) signaling theory explains that a company's financial decisions and behavior provide investors with signals about the company's future situation and expectations. Data presented in financial reports serves as a reference for investors to evaluate management's beliefs about the company's potential to generate profits and survive competition. Financial ratios such as capital structure, profitability, liquidity, and company size serve as indicators for assessing a company's performance and value on the stock market.

Company Value

According to Saddam et al. (2021) company value indicates a company's ability to create added value by generating profits and future company performance. Company value is proxied using Price to Book Value (PBV), which compares a company's stock price to its book value. The PBV formula used is as follows:

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

Capital Structure

According to Arianti & Yatiningrum (2022) capital structure is the combination of equity and debt used to fund a company's operations. According to signaling theory, optimal debt use is a positive signal because it demonstrates management's confidence in the company's ability to meet future obligations. Research conducted by Fitriana & Gresya (2021) found that capital structure, which is proxied using DER, has an effect on company value. The debt-to-equity ratio (DER) is used to measure the level of financial risk and a company's capacity to

meet long-term commitments and is used to evaluate capital structure. The Debt-to-Equity Ratio (DER) is calculated using the following formula:

$$DER = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Profitability

According to Jaya (2020), profitability indicates a company's ability to generate profits from its resources. In signaling theory, high profitability is considered a positive signal for investors because it indicates good growth potential and effective asset management. Profitability can be measured using various financial ratios, one of which is Return on Assets (ROA), which illustrates the extent to which a company utilizes all of its assets to generate net profit. Previous research conducted by Lisda & Kusmayanti (2021) showed that profitability, proxied using ROA, has an effect on company value. The calculation of Return on Assets (ROA) uses the following formula:

$$ROA = \frac{\text{Net profit}}{\text{Total Assets}}$$

Liquidity

According to Tandanu & Suryadi (2020), liquidity is often considered a signal of financial stability and indicates a company's ability to meet its short-term obligations with available assets. However, in the technology sector, excessive liquidity can indicate unproductive assets. Businesses with strong liquidity are considered to have a lower risk of default and a more competitive position in the market. Liquidity also serves as an indicator of trust for creditors, investors, and business partners. Research conducted by Bita et al. (2021) shows that liquidity, which is proxied using the current ratio (CR), has an effect on company value. The Current Ratio (CR) is an indicator used to measure liquidity. The calculation of the Current Ratio (CR) uses the following formula:

$$CR = \frac{\text{Current assets}}{\text{Current Liabilities}}$$

Company Size

According to Fajriah et al. (2022), company size provides insight into an entity's ability to conduct business activities and manage existing resources. Larger companies generally have broader access to funding and are better able to withstand economic pressures and market competition, thus being considered more stable and having good growth prospects. In this study, total assets are used to measure a company's scale and operational capacity. Research conducted by Hidayat & Khotimah (2022) found that company size, which is proxied using natural log (total assets), has an effect on company value. The formula used is as follows:

$$SIZE = LN(\text{Total Assets})$$

Research Framework

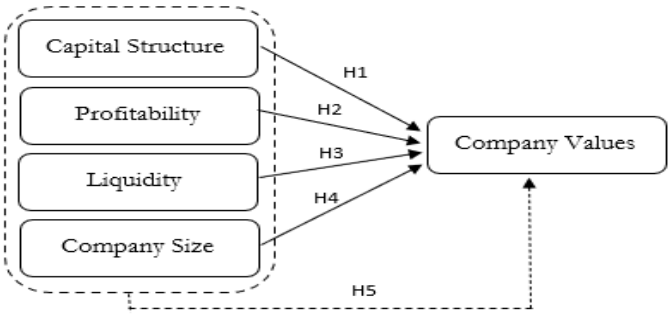

Figure 2. Research Framework.

Based on the theoretical review and research framework, the hypothesis proposed in this study is as follows**:**

H_1: It is estimated that capital structure has an effect on company value

H_2: It is estimated that profitability has an impact on company value

H_3: It is estimated that liquidity has an impact on company value

H_4: It is estimated that company size has an effect on company value.

H_5: It is estimated that capital structure, profitability, liquidity and company size simultaneously influence company value

3. Research Methodology

Type of Research

This study applies an explanatory quantitative approach with the aim of determining the causal relationship between independent and dependent variables through hypothesis testing. The choice to use a quantitative approach is based on the need to measure variables numerically and conduct statistical analysis to assess the impact of capital structure (X1), profitability (X2), liquidity (X3), and company size (X4) on company value in issuers operating in the technology sector listed on the Indonesia Stock Exchange. The data used are secondary data obtained from the company's annual financial reports throughout the observation period. The analytical method used is panel data regression to obtain more accurate results and to capture the characteristics of differences between companies and various time periods.

Types and Sources of Data

The data sources for this study come from audited annual financial reports of technology sector companies listed on the Indonesia Stock Exchange (IDX). Data collection was conducted through literature review and related document searches.

Population and Sampel

The population in this study consisted of 47 technology companies listed on the Indonesia Stock Exchange (IDX). After going through a selection process based on certain criteria, 22 companies were selected as samples using a census method, where all selected companies were used as research objects.

Table 1. Sample selection.

No	criteria	Number of Companies
1	Technology Companies Listed on the IDX	47
2	Companies Listed on the Special Monitoring Board	(6)
3	Technology Companies Consistently Unlisted from 2021-2024	(16)
4	Companies That Did Not Publish Financial Reports for 2021-2024	(2)
5	Financial Reports Not Presented in Rupiah	(1)
	Number of Companies	22
	Total Research Sample 2021-2024	88

Source: data processed by the author, 2025

Data Analysis Techniques

The analysis in this study includes the use of descriptive statistics to identify data characteristics, measuring the suitability of the panel model using the Chow, Hausman, and Lagrange Multiplier (LM), and classical assumption tests including normality, multicollinearity, heteroscedasticity, and autocorrelation. Furthermore, multiple linear regression was conducted, supplemented by the coefficient of determination (R^2) test, the F test for simultaneous effects, and the t test for the partial effect of independent variables on firm value.

4. Results and Discussion

Descriptive Statistical Test

Table 2. Descriptive Statistics Test Results.

	DER	ROA	CR	SIZE	PBV
Mean	1.726932	-0.016591	5.938182	27.450682	7.317614
Median	0.385000	0.040000	2.955000	27.67500	2.435000
Maximum	54.98000	0.540000	43.03000	31.46000	86.28000
Minimum	0.020000	-1.260000	0.640000	22.34000	0.290000
Std. Dev.	6.499369	0.244145	8.8588681	2.0291235	14.51114
Skewness	6.949815	-2.889205	2.6297877	-0.072451	3.271226
Kurtosis	54.44071	13.65916	9.253660	2.6300627	14.30349
Jarque-Bera	10410.93	539.0286	244.82846	0.578785	625.4326
Probability	0.000000	0.000000	0.000000	0.7487183	0.000000
Sum	151.9700	-1.460000	522.5600	2415.660	643.9500
Sum Sq. Dev.	3675.037	5.185777	6827.720	358.20876	18319.88
Observations	88	88	88	88	88

Source: Author's processing (2025) with Eviews 13.0

a. The average company value is 7.32, with a median of 2.44, a maximum of 86.28, a minimum of 0.29, and a standard deviation of 14.51. This data shows a wide and

asymmetric distribution, as the median is much lower than the mean, indicating some extreme values at the top.

b. The debt-to-equity ratio (DER) has a mean of 1.73, a median of 0.385, a maximum of 54.98, a minimum of 0.02, and a standard deviation of 6.50. Most companies exhibit a low DER, but there are some very high extreme values, skewing the data distribution.
c. Profitability, as measured by Return on Assets (ROA), shows a mean of -0.0166, a median of 0.04, a maximum of 0.54, a minimum of -1.26, and a standard deviation of 0.244. ROA data shows significant variation, with some companies experiencing losses while most are profitable, indicating high fluctuations.
d. The current ratio (CR) recorded an average of 5.94, a median of 2.955, a maximum of 43.03, a minimum of 0.64, and a standard deviation of 8.86. The data distribution is broad and uneven, as some companies have very high liquidity at the extremes, while the majority are below the average.
e. Firm size (SIZE) shows an average of 27.45, a median of 27.68, a maximum of 31.46, a minimum of 22.34, and a standard deviation of 2.03. This data distribution is relatively even and symmetrical, indicating that company size is quite consistent without any significant extremes.

Model Fit Test

Uji Chow

The Chow Test is a statistical method in panel data analysis that functions to determine the most appropriate estimation model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM). If the probability value is less than the 0.05 significance value, then the selected model is the Fixed Effect Model (FEM), and then the Hausman Test can proceed. Conversely, if the probability value is greater than the 0.05 significance value, the Lagrange Multiplier Test (LM Test) can proceed. The following are the results of the Chow test:

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	6.727022	(21,62)	0.0000
Cross-section Chi-square	104.490166	21	0.0000

Figure 3. Chow Test Results.

Source: Author's processing (2025) with Eviews 13.0

Based on the Chow test results listed in the table, the recorded probability value of 0.0000 is lower than the significance value of 0.05. Therefore, the selected model is the Fixed Effects Model (FEM), which allows for the Hausman test.

Uji Hausman

The Hausman test is a statistical technique used to determine which model is more appropriate between the Fixed Effects Model or the Random Effects Model in panel data analysis. In this test, there are two hypotheses: H0, which states that the most appropriate model is the Random Effects Model, and H1, which indicates that the Fixed Effects

Model is the correct choice. If the probability value obtained exceeds the 0.05 significance level, then H0 is accepted, which means the recommended model is the Random Effects Model (REM). Conversely, if the probability value is less than 0.05, H0 will be rejected and the Fixed Effects Model (FEM) will be chosen as the more appropriate option. The following are the results of the Hausman test:

Correlated Random Effects - Hausman Test
Equation: Untitled
Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	0.892834	4	0.9256

Figure 4. Hausman Test Results.

Source: Author's processing (2025) with Eviews 13.0

Based on the research results shown in the table, the probability value is 0.9256. This figure exceeds the 0.05 significance limit, so it can be concluded that the selected model is the Random Effects Model (REM), and the Lagrange Multiplier (LM) test can then be performed.

Uji Lagrange Multiplier (LM)

The Lagrange Multiplier (LM) test is a technique used to determine which model is more appropriate in panel data analysis, whether the Random Effects Model or the Common Effects Model (OLS). This process is carried out after the Chow Test indicates that the Common Effects Model can be selected, but the results of the Hausman Test indicate the possibility of using the Random Effects Model. The LM test acts as an important step in confirming which model should be applied in this study, whether the Common Effects Model or the Random Effects Model. The results of the Lagrange Multiplier Test in this study are as follows:

Lagrange Multiplier Tests for Random Effects
Null hypotheses: No effects
Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	44.53459 (0.0000)	0.141864 (0.7064)	44.67645 (0.0000)
Honda	6.673424 (0.0000)	-0.376648 (0.6468)	4.452493 (0.0000)
King-Wu	6.673424 (0.0000)	-0.376648 (0.6468)	2.007090 (0.0224)
Standardized Honda	7.464471 (0.0000)	-0.011190 (0.5045)	1.490678 (0.0680)
Standardized King-Wu	7.464471 (0.0000)	-0.011190 (0.5045)	-0.242905 (0.5960)
Gourieroux, et al.	--	--	44.53459 (0.0000)

Figure 5. Lagrange Multiplier Test Results.

Source: Author's processing (2025) with Eviews 13.0

Based on the previous analysis, the Chow Test indicates that the appropriate model is the Fixed Effect Model, while the Hausman Test indicates the use of the Random Effect Model. In the LM Test, decisions are made based on probability values; if the probability exceeds 0.05, then H0 is accepted and the most appropriate model is the Fixed

Effect Model. Conversely, if the probability value is less than 0.05, then H0 is rejected, which means the most appropriate estimation method is the Random Effect Model. The results of the LM Test show that the probability value in the Breusch-Pagan Cross Section is 0.0000, which is smaller than 0.05, so it can be concluded that the Random Effect Model is the appropriate model to be applied.

Classical Assumption Test

Normality Test

The normality test is a statistical analysis that aims to determine whether the residual data in a regression model follows a normal distribution pattern. One method often used to test normality in EViews is the Jarque-Bera test, where the Jarque-Bera probability value serves as a reference in decision-making. If the Jarque-Bera probability value exceeds 0.05, it can be concluded that the data follows a normal distribution or the assumption of normality is met. Conversely, if the Jarque-Bera probability value is less than 0.05, this indicates that the data is not normally distributed. The normality assumption is very important because it affects the accuracy of regression coefficient estimates and the validity of other statistical tests such as the t-test and F-test. With a normal data distribution, prediction errors are expected to be random and undirected, so the regression model can be used as a guide for inferential analysis. If the data does not meet the normality standard, transformation methods, such as logarithms or square roots, can be used to normalize the residual distribution before proceeding to the next analysis.

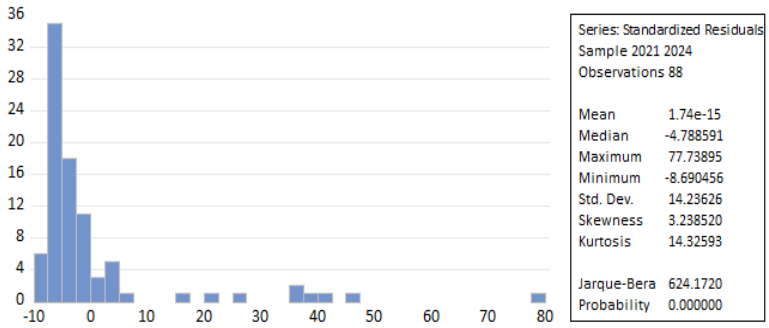

Figure 6. Normality Test Results.

Source: Author's processing (2025) with Eviews 13.0

Based on the results of the normality test in the figure, the Jarque-Bera probability value is 0.0000, which is less than 0.05. Therefore, it can be concluded that the data is not normally distributed. Therefore, a data transformation method using the LOG transformation must be performed.

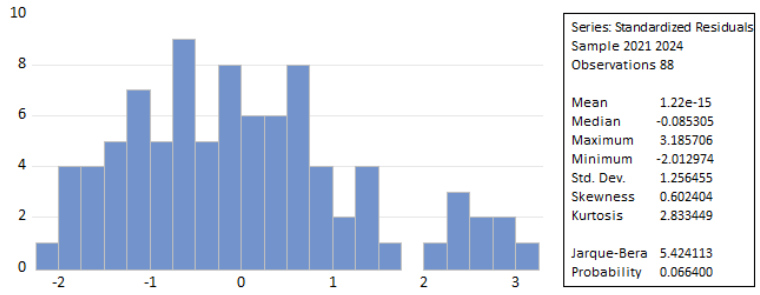

Figure 7. Normality Test Results After Transformation.
Source: Author's processing (2025) with Eviews 13.0

To address this issue, data adjustment was performed using logarithmic (LOG) transformation for each variable. After adjustment, the results of the normality test showed that the Jarque-Bera probability value was 0.066400, exceeding the 0.05 significance level. Therefore, it can be concluded that the data are normally distributed and the assumptions for the normality test are met.

Multicollinearity Test

A multicollinearity test is performed to determine whether there is a significant relationship between the independent variables in a regression model. The presence of multicollinearity can cause instability in the regression coefficients and reduce the reliability of the research analysis. This test is performed by examining the Centered Variance Inflation Factor (VIF) value for each independent variable. If the centered VIF value is <10, it can be concluded that the model does not experience multicollinearity.

Variance Inflation Factors
Included observations: 88

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	52.13112	2772.327	
DER	0.033525	5.247397	3.77433
ROA	1.287555	14.04766	1.23102
CR	0.069629	8.6907099...	3.821267
SIZE	4.447707	2592.199	1.300021

Figure 8. Multicollinearity Test Results.
Source: Author's processing (2025) with Eviews 13.0

Based on the findings of the multicollinearity test shown in the Variance Inflation Factor (VIF) table, all independent variables showed VIF values centered below 10. DER was recorded at 3.7743, ROA reached 1.2310, CR showed 3.8213, and SIZE was 1.3000. These values indicate that there is no significant relationship between the independent variables in this model. Therefore, it can be concluded that the regression model is not affected by multicollinearity and all variables can be used for further analysis.

Heteroscedasticity Test

Heteroscedasticity tests are conducted to determine differences in residual variance from a regression model. One approach used is the White test, which aims to assess whether the residual variance is constant. The basis for decision-making is the Chi-Square Probability value. If the Chi-Square Probability value exceeds 0.05, it can be concluded that heteroscedasticity does not exist, thus the assumption of homoscedasticity can be considered fulfilled.

Heteroskedasticity Test: White Null hypothesis: Homoskedasticity			
F-statistic	1.281932	Prob. F(14,73)	0.2396
Obs*R-squared	17.36549	Prob. Chi-Square(14)	0.2372
Scaled explained SS	14.16175	Prob. Chi-Square(14)	0.4377

Figure 9. Hasil Uji Heterokedastisitas.

Source: Author's processing (2025) with Eviews 13.0

Based on the results of the heteroscedasticity test conducted using the White test, the Chi-Square Probability value for the Obs*R-squared section was found to be 0.2372, which is higher than the 0.05 significance level. This indicates that the regression model does not experience heteroscedasticity problems.

Autocorrelation Test

Dependent Variable: PBV
Method: Least Squares
Included observations: 88

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	10.68244	7.220189	1.479524	0.1428
DER	0.218602	0.183099	1.193905	0.2359
ROA	-1.257057	1.134705	-1.107827	0.2711
CR	-0.054298	0.263873	-0.205773	0.8375
SIZE	-2.695232	2.108959	-1.277992	0.2048

R-squared	0.089571	Mean dependent var	0.95731
Adjusted R-squared	0.045695	S.D. dependent var	1.316813
S.E. of regression	1.286375	Akaike info criterion	3.396674
Sum squared resid	137.3452	Schwarz criterion	3.537432
Log likelihood	-144.4537	Hannan-Quinn criter.	3.453382
F-statistic	2.041444	Durbin-Watson stat	1.00883
Prob(F-statistic)	0.096029		

Figure 10. Autocorrelation Test Results.

Source: Author's processing (2025) with Eviews 13.0

Based on the results of the autocorrelation test listed in the table, it is known that the Durbin-Watson (DW) value is 1.008. This value is then compared with the upper limit value of Durbin-Watson (dU) at a significance level of 5% for the number of observations n = 88 and the number of independent variables = 4, namely dU = 1.7493 and dL = 1.5597. This value is in the range dU < DW < 4 – dU (1.7493 < 1.008 < 2.2507), so it can be concluded that autocorrelation no longer occurs in the regression model.

Multiple Linear Regression Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	19.61526	10.78289	1.81911	0.0725
DER	0.520583	0.221352	2.351834	0.0211
ROA	-2.117103	0.916117	-2.310952	0.0233
CR	0.458598	0.290431	1.579023	0.1181
SIZE	-5.376595	3.208076	-1.675956	0.0975

Figure 11. Multiple Linear Regression Test Results.

Source: Author's processing (2025) with Eviews 13.0

The multiple linear regression test produced the following regression equation:

$Y = \alpha + \beta 1\ X1 + \beta 2\ X2 + \beta 3\ X3 + \beta 4\ X4 + \beta 5\ X5 + e$

Y = 19.6152623805+0.520582903746DER-2.11710307585ROA+0.458597889193CR-5.37659469973SIZE+e

a. Based on the regression analysis, the constant (a) value of 19.615 reflects the existing company's baseline value without considering the impact of capital structure (DER), profitability (ROA), liquidity (CR), and company size (SIZE). This constant value reflects the level of company value before the influence of the independent variables in the analysis model.
b. The regression coefficient for capital structure (DER) of 0.5206 indicates that a one-unit increase in DER leads to a 0.5206 increase in company value. This finding indicates a positive relationship between capital structure and company value.
c. The regression coefficient for profitability (ROA) of -2.1171 indicates that every one-unit increase in ROA leads to a 2.1171 decrease in company value. This finding indicates a negative relationship between profitability and company value.
d. The regression coefficient for liquidity (CR) of 0.4586 indicates that a one-unit increase in CR leads to a 0.4586 increase in company value. This indicates that a company's ability to meet short-term obligations is positively related to company value.
e. The regression coefficient for firm size (SIZE) of -5.3766 indicates that every one-unit increase in SIZE decreases firm value by 5.3766. This finding indicates a negative relationship between firm size and firm value.

Hypothesis Testing

t-Test (Partial)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	19.61526	10.78289	1.81911	0.0725
X1	0.520583	0.221352	2.351834	0.0211
X2	-2.117103	0.916117	-2.310952	0.0233
X3	0.458598	0.290431	1.579023	0.1181
X4	-5.376595	3.208076	-1.675956	0.0975

Figure 12. t-Test Results

Source: Author's processing (2025) with Eviews 13.0

Based on the partial t-test results shown in the table above with a significance level of 5%, it can be concluded that the capital structure variable shows a probability value of

0.0211 and the profitability variable shows a probability value of 0.0233, both less than 0.05. Therefore, it can be said that capital structure and profitability have a significant influence on firm value. On the other hand, the liquidity variable recorded a probability value of 0.1181, while firm size had a probability value of 0.0975, which is greater than 0.05. Therefore, it can be concluded that liquidity and firm size do not have a significant influence on firm value.

F Test (Simultaneous)

R-squared	0.118055	Mean dependent var	0.338275
Adjusted R-squared	0.075552	S.D. dependent var	0.852492
S.E. of regression	0.819656	Sum squared resid	55.76234
F-statistic	2.777543	Durbin-Watson stat	1.018677
Prob(F-statistic)	0.032109		

Figure 13. F Test Results

Source: Author's processing (2025) with Eviews 13.0

Based on the findings from the F test shown in the table above, the F statistic value is 2.777 and the Prob(F statistic) is 0.032, which is below the 0.05 significance level. This indicates that the independent variables simultaneously have a significant influence on the dependent variable.

Coefficient of Determination Test

R-Squared	0.118055
Adjusted R-Squared	0.075552

Figure 14. Hasil Uji Koefisien Determinasi

Source: Author's processing (2025) with Eviews 13.0

Based on the results of the coefficient of determination (R^2) analysis in the table, the R-Squared value is 0.118055 and the Adjusted R-Squared value is 0.075552. The Adjusted R-Squared value indicates that the independent variables, namely capital structure, profitability, liquidity, and company size, can explain the variation in changes in the dependent variable, company value, by 7.55%. In other words, these four variables have a relatively small influence on changes in company value. Meanwhile, the remaining 92.45% is influenced by other factors not included in this research model.

Discussion

Table 3. Hypothesis Testing Results

Hypothesis	Statement	Results
H1	Capital Structure Affects Company Value	H_0 is rejected H_1 is accepted
H2	Profitability Affects Company Value	H_0 is rejected H_2 is accepted
H3	Liquidity Does Not Affect Company Value	H_0 is accepted H_3 is rejected

Hypothesis	Statement	Results
H4	Company Size Does Not Affect Company Value	H_0 is accepted H_4 is rejected
H5	Capital Structure, Profitability, Liquidity, and Company Size Simultaneously Influence Company Value	H_0 is rejected H_5 is accepted

a. Capital Structure Affects Company Value

Based on the results of the t-analysis, it is proven that capital structure (X1) has a significant impact on firm value, as indicated by the probability value of 0.0211 which is below the significance limit of 0.05. This finding supports the signaling theory which states that corporate financing policies, especially those related to the proportion of debt and equity, serve as signals for investors in assessing the level of risk and prospects of the company. Good capital structure management illustrates management's ability to control financial risks, thereby increasing investor confidence and encouraging increased firm value. On the other hand, suboptimal capital structure management can create a negative view in the market, which in turn can reduce investor interest and firm value. The findings of this study are in line with the results obtained by Amro & Asyik (2021), Putri & Handayani (2022), and Erdi (2024) which state that capital structure has a significant influence on firm value.

b. Profitability Affects Company Value

Based on the t-test analysis, it appears that profitability (X2) does have a significant impact on firm value with a probability of 0.0233, which is lower than the 0.05 significance level, although this impact is negative. This result indicates that profitability remains an important aspect considered by investors, but the increase in profitability in this study received a negative reaction from the market. In the context of signaling theory, profitability functions as information conveyed by management to investors about the company's condition and performance. However, the resulting signal is not always received positively. Under certain conditions, particularly in sectors with high volatility, an increase in profitability can be seen as the result of a short-term strategy or the existence of limitations on future growth opportunities, which then sends a signal that is less in line with investor expectations and causes a decrease in company value. This research finding is in line with the results of research by Herawan & Dewi (2021), Aulia et al. (2020), Clarinda et al. (2023) which stated that profitability has a significant effect on firm value.

c. Liquidity Does Not Affect Company Value

Based on the results of the t-test analysis, liquidity (X3) does not show a significant impact on company value, as evidenced by the probability value of 0.1181, which is higher than the significance level of 0.05, although the regression coefficient value indicates a positive relationship. This finding indicates that an increase in a company's ability to meet short-term obligations tends to receive a positive response from the market, but its influence is not yet strong enough to have a significant impact on company value. In the context of signaling theory, liquidity provides an indication of short-term financial stability, but this indication is weak because it does

not directly reflect the company's operational performance, ability to generate profits, or growth prospects. Therefore, although liquidity is considered positive, investors do not use it as a primary reference in determining company value, so its impact is statistically insignificant. The findings of this study align with those of Santoso & Junaeni (2022), Yudha et al. (2022), and Bintari et al. (2024) which stated that liquidity does not significantly influence firm value.

d. Company Size Does Not Affect Company Value

Based on the t-test analysis, company size (X4) does not significantly affect company value, as reflected by the probability value of 0.0975, which is higher than the 0.05 significance level. This result indicates that company asset size is not a primary factor considered by investors when evaluating company value. In the context of signaling theory, company size does not always provide clear information regarding operational performance, profit-generating capacity, or future growth projections. Although larger companies generally have better operational stability, this is not always perceived as a positive signal by the market if it is not accompanied by satisfactory financial performance. Therefore, investors usually respond more to signals from other fundamental indicators such as profitability and growth potential rather than relying solely on company size. This study's findings are in line with the results obtained by Apriantini et al. (2022), Anisa et al. (2022), and Siagian et al. (2022) which stated that company size does not significantly affect company value.

e. Capital Structure, Profitability, Liquidity, and Company Size Simultaneously Influence Company Value

The F-test results show that the research model has an F-statistic of 2.777 with a probability (F-statistic) of 0.032. This probability value is below the 0.05 significance level. It can be concluded that capital structure, profitability, liquidity, and company size simultaneously have a significant influence on company value. Company value is often considered a measure of how the market assesses the quality and prospects of an entity. This assessment is reflected in stock prices. When stock prices reach a high level, it reflects investor confidence in the company's ability to deliver good performance, both now and in the future. Increasing company value is the primary goal of every company, because a high value reflects increased shareholder welfare. However, if company value decreases, it is often seen as a sign of unsatisfactory company performance. This situation can lead to reduced investor interest because the company is considered not to offer attractive prospects. The results of this study are in line with research conducted by Saputra & Kusuma (2025), Wijaya & Fitriati (2022), and Mahanani & Kartika (2022) which found that capital structure, profitability, liquidity, and company size simultaneously affect company value.

5. Conclusion

This study was conducted to analyze and test the influence of capital structure, profitability, liquidity, and firm size on firm value in technology sector companies listed on the Indonesia Stock Exchange from 2021 to 2024. After conducting the analysis and testing, the following results were obtained:

a. Capital structure and profitability significantly influence firm value.
b. Liquidity and firm size do not influence firm value.
c. Capital structure, profitability, liquidity, and firm size simultaneously influence firm value.
d. The independent variables only explain 7.55% of the variation in the dependent variable, while 92.45% is influenced by factors outside the model.

6. Limitations

This study has several limitations in conducting data analysis tests that should be considered, as follows:

a. This study is limited to technology sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period, so the results cannot necessarily be generalized to other sectors or periods.
b. The variables used only include capital structure, profitability, liquidity, and company size, without considering macroeconomic or non-financial factors.
c. The study uses secondary financial report data, so it does not directly represent investor perceptions (primary data).

7. Limitations

This study has several limitations in conducting data analysis tests that should be considered, as follows:

a. This study is limited to technology sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021–2024 period, so the results cannot necessarily be generalized to other sectors or periods.
b. The variables used only include capital structure, profitability, liquidity, and company size, without considering macroeconomic or non-financial factors.
c. The study uses secondary financial report data, so it does not directly represent investor perceptions (primary data).

8. Suggestion

Based on the research findings, the authors offer the following recommendations:

a. Add elements beyond internal fundamental factors, such as macroeconomic factors, market conditions, or other non-financial indicators, to improve the model's ability to explain variations in company value.
b. Expand the scope and duration of the research, involving different industrial sectors and using a longer time period, so that the results can be more generalizable.
c. Using various research techniques, such as applying dynamic panel regression models, by combining secondary data from financial reports and primary data obtained through surveys or questionnaires to investors, to gain a more comprehensive understanding of the factors that influence company value.

References

Amro, P. Z. N., & Asyik, N. F. (2021). Pengaruh profitabilitas, ukuran perusahaan, dan struktur modal terhadap nilai perusahaan. *https://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/4099*

Anisa, N., Hermuningsih, S., & Maulida, A. (2022). Pengaruh ukuran perusahaan, leverage, kebijakan dividen dan profitabilitas terhadap nilai perusahaan: Studi pada perusahaan manufaktur sektor food and beverages. *4*(2), 321–335. https://doi.org/10.47467/reslaj.v4i2.707

Apriantini, N. M., Widhiastuti, N. L. P., & Novitasari, N. L. G. (2022). Pengaruh profitabilitas, leverage, likuiditas, kepemilikan manajerial dan ukuran perusahaan terhadap nilai perusahaan. *Jurnal Kharisma, 4*(2), 190–201. https://e-journal.unmas.ac.id/index.php/kharisma/article/view/4859

Arianti, B. F., & Yatiningrum, R. (2022). Pengaruh struktur modal, pertumbuhan penjualan dan keputusan investasi terhadap nilai perusahaan. *Gorontalo Accounting Journal, 5*(1), 1. https://doi.org/10.32662/gaj.v5i1.1845

Aulia, A. N., Mustikawati, R. I., & Hariyanto, S. (2020). Profitabilitas, ukuran perusahaan dan intellectual capital terhadap nilai perusahaan. *Jurnal Riset Mahasiswa Manajemen, 6*(1). https://doi.org/10.21067/jrmm.v6i1.4463

Bintari, A., Lestari, I. R., & Ekawanti, W. (2024). Pengaruh profitabilitas, likuiditas, kebijakan hutang dan ukuran perusahaan terhadap nilai perusahaan. *Journal of Management and Innovation Entrepreneurship (JMIE), 1*(2), 43–53. https://doi.org/10.59407/jmie.v1i2.300

Bita, F. Y., Hermuningsih, S., & Maulida, A. (2021). Pengaruh profitabilitas, likuiditas dan ukuran perusahaan terhadap nilai perusahaan. *Jurnal Syntax Transformation, 2*(03), 298–306. https://doi.org/10.46799/jst.v2i3.233

Clarinda, L., Susanto, L., & Dewi, S. (2023). Pengaruh profitabilitas, struktur modal, pertumbuhan perusahaan, dan ukuran perusahaan terhadap nilai perusahaan. *2*(4), 31–41. https://doi.org/10.24912/jpa.v5i1.22173

Erdi, T. W. (2024). Pengaruh struktur modal, pertumbuhan perusahaan, dan profitabilitas terhadap nilai perusahaan. *http://jurnal.stie-aas.ac.id/index.php/jap*

Fitriana, A., & Gresya, H. (2021). Analisis pengaruh struktur modal, kebijakan dividen, dan ratio terhadap nilai perusahaan. *Perwira Journal of Economic and Business (PJEB).*

Hardini, A. R., & Mildawati, T. (2021). Pengaruh likuiditas, profitabilitas, dan struktur modal terhadap harga saham pada perusahaan yang tergabung dalam indeks LQ45 yang terdaftar di Bursa Efek Indonesia tahun 2017-2019. *Jurnal Ilmu dan Riset Akuntansi, 10*(2), 1–17. https://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/3810

Herawan, F., & Dewi, S. P. (2021). Pengaruh profitabilitas, leverage, likuiditas, dan. *Jurnal Multiparadigma Akutansi, III*(No.1), 137–145. https://doi.org/10.24912/jpa.v2i1.7165

Hidayat, I., & Khotimah, K. (2022). Pengaruh profitabilitas dan ukuran perusahaan terhadap nilai perusahaan sub sektor kimia. *Jurnal Ilmiah Akuntansi Kesatuan, 10*(1), 1–8. https://doi.org/10.37641/jiakes.v10i1.1175

Lisda, R., & Kusmayanti, E. (2021). Pengaruh struktur modal dan profitabilitas terhadap nilai perusahaan. *LAND JOURNAL, 2*(1), 87–94. https://doi.org/10.47491/landjournal.v2i1.1102

Mahanani, H. T., & Kartika, A. (2022). Pengaruh struktur modal, likuiditas, ukuran perusahaan, dan profitabilitas terhadap nilai perusahaan. *Fair Value: Jurnal Ilmiah Akuntansi dan Keuangan, 5*(1), 360–372. https://doi.org/10.32670/fairvalue.v5i1.2280

Movizar, R. (2024). Penilaian kinerja saham menggunakan pendekatan price earning ratio dan price book value. *4*(2), 63–84. https://doi.org/10.56127/jaman.v4i2.1600

Nabila, D. T., & Rahmawati, M. I. (2023). Pengaruh profitabilitas, struktur aktiva, dan ukuran perusahaan terhadap struktur modal. *Jurnal Ilmu dan Riset Akuntansie, 12*, 1–15.

Nityakanti, P. (2024). Turun 30% sejak awal tahun, ini prospek saham-saham indeks sektor teknologi. *Kontan.co.id*. https://investasi.kontan.co.id/news/turun-30-sejak-awal-tahun-ini-prospek-saham-saham-indeks-sektor-teknologi

Nurkhasanah, D., & Nur, D. I. (2022). Analisis struktur modal pada perusahaan food and beverage yang terdaftar di Bursa Efek Indonesia. *Derivatif: Jurnal Manajemen, 16*(1). https://fe.ummetro.ac.id/ejournal/index.php/JM/article/view/752

OJK. (2022). *Laporan statistik semester I 2022*.

OJK. (2023). *Laporan statistik pasar modal semester I/2023*.

OJK. (2024). *Capital market, financial derivative, and carbon exchange fact book 2024*.

Putri, P. F. T. A., & Handayani, N. (2022). Pengaruh struktur modal dan ukuran perusahaan terhadap nilai perusahaan. *Jurnal Ilmu dan Riset Akuntansi.*

Rolando, B., & Mulyono, H. (2025). Analisis tantangan dan solusi industri layanan teknologi di Indonesia: Studi kualitatif. *Journal of Trends Economics and Accounting Research, 5*(3), 302–317. https://doi.org/10.47065/jtear.v5i3.1851

Saddam, M., Ali, O., & Ali, J. (2021). Pengaruh profitabilitas terhadap nilai perusahaan (Studi empiris pada perusahaan sektor industri barang konsumsi di Bursa Efek Indonesia tahun 2017-2019). *Jurnal Neraca Peradaban, 1*(2), 128–135. https://journal-stiehidayatullah.ac.id/index.php/neraca/article/view/36

Santoso, B. A., & Junaeni, I. (2022). Pengaruh profitabilitas, leverage, ukuran perusahaan, likuiditas, dan pertumbuhan perusahaan terhadap nilai perusahaan. *Owner, 6*(2), 1597–1609. https://doi.org/10.33395/owner.v6i2.795

Saputra, I. G. A. A., & Kusuma, P. S. A. J. (2025). The effect of profitability and leverage on firm value with firm size as a moderating variable. *American Journal of Economic and Management Business, 4*(1). https://doi.org/10.58631/ajemb.v4i1.158

Siagian, A. O., Asrini, & Wijoyo, H. (2022). Pengaruh ukuran perusahaan, akuntansi lingkungan, profitabilitas, leverage, kebijakan dividen, dan likuiditas terhadap nilai perusahaan. *https://journals.upi-yai.ac.id/index.php/IKRAITH-EKONOMIKA/article/view/1316*

Sofiatin, D. A. (2020). Pengaruh profitabilitas, leverage, likuiditas, ukuran perusahaan, kebijakan deviden terhadap nilai perusahaan. *Prisma (Platform Riset Mahasiswa Akuntansi), 1*(1), 47–57. https://ojs.stiesa.ac.id/index.php/prisma/article/view/366/124

Wenda, A., & Ditilebit, N. (2021). Analisis likuiditas dan profitabilitas untuk menilai kinerja keuangan pada PT. Telekomunikasi Indonesia, Tbk. *Jurnal Ekonomi dan Bisnis, 11*(2), 33–42. https://doi.org/10.55049/jeb.v11i2.79

Wijaya, N. S., & Fitriati, I. R. (2022). Pengaruh likuiditas, ukuran perusahaan, profitabilitas, dan struktur modal terhadap nilai perusahaan. *Fair Value: Jurnal Ilmiah Akuntansi dan Keuangan, 4*(12), 5606–5616. https://doi.org/10.32670/fairvalue.v4i12.1870

Yudha, A. M., Putra, R. B., & Fitri, H. (2022). Analisis pengaruh likuiditas, pertumbuhan perusahaan, ukuran perusahaan terhadap nilai perusahaan dengan profitabilitas sebagai variabel intervening. *Journal of Innovation Research and Knowledge.* https://doi.org/10.53625/jirk.v1i12.2118