



Analysis of Factors Affecting Company Value (Case Study on Startup Companies)

Ratna Dina^{1*}, Lidya Christine Wattileo², Samuel Anindyo Widhoyoko³,
Aurellia Orlen⁴

Universitas Agung Podomoro

Corresponding Author: Ratna Dina, ratna.dina@podomorouniversity.ac.id

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ABSTRACT

This study aims to examine the determinants of firm value among technology-based startup companies listed on the Indonesia Stock Exchange (IDX) from 2017 to 2022. The study employs a quantitative research design, utilizing secondary data obtained from financial statements and annual reports of ten eligible startup firms. The analysis is conducted using multiple linear regression via SPSS. The variables examined include Debt to Equity Ratio (DER), Return on Assets (ROA), Company Growth, and Company Size, with Tobin's Q employed as a proxy for company value. The findings reveal that DER has a statistically significant positive effect on company value ($p < 0.01$), whereas ROA, company growth, and company size do not show significant influence. The results suggest that the capital structure, particularly debt utilization, plays a critical signaling role for investors in the startup ecosystem, while profitability and firm scale are less predictive of value at this early stage.

INTRODUCTION

In recent years, startups—particularly in the technology sector—have emerged as vital drivers of innovation and economic growth in Indonesia. These early-stage enterprises emphasize agility, creativity, and digital transformation to create disruptive business models. According to the Global Startup Ecosystem Report (Startup Genome, 2022), Indonesia is among the leading startup ecosystems in Southeast Asia, with a sharp increase in digital-based entrepreneurship and venture capital funding. This rise is further supported by the high rate of internet adoption: as of 2023, 77% of Indonesia's population (or approximately 274.4 million people) are internet users, and there are more than 353 million mobile connections—figures that exceed the total population (DataReportal, 2023). The widespread digital connectivity provides fertile ground for technology-based startups to scale their business models efficiently and rapidly.

However, despite these promising conditions, startups often face structural challenges that differentiate them from mature enterprises. These include limited operational history, negative cash flows, dependency on external funding, and high business volatility (Ries, 2011; Damodaran, 2009). One of the primary strategic considerations for these companies—especially those seeking public listing—is firm valuation. Going public through an Initial Public Offering (IPO) exposes startups to increased investor scrutiny, where company value becomes a critical determinant for investor confidence, funding decisions, and strategic direction.

Startup companies possess characteristics that are fundamentally different from established enterprises, particularly in terms of organizational structure, growth strategies, and business models. Startups typically operate at an early stage of the business cycle and often lack extensive financial track records. Moreover, they function within highly uncertain environments and under market conditions that are not yet fully stable. In this context, assessing corporate value becomes crucial, as it directly influences business feasibility, investor confidence, and the determination of long-term strategic direction.

The high degree of flexibility inherent in startups—including the potential for pivoting or rapidly altering business models—further increases the complexity of accurately assessing corporate value. This condition necessitates a specialized study of corporate value that differs from the conventional approaches commonly applied to mature companies. In startups, corporate value not only reflects current financial performance but also plays a central role in funding decisions, equity negotiations, and strategies for business expansion (Gompers & Lerner, 2004). Startups also operate under a distinct set of market dynamics. They are typically characterized by high burn rates, fast-changing market conditions, and limited tangible assets—all of which complicate the assessment of intrinsic value. As a result, conventional valuation approaches used for mature firms may not be fully applicable in startup contexts (Bartlett & Partnoy, 2018). In this environment, firm value plays a central role—not only as a reflection of current performance but also as a signal of future growth, strategic potential, and business viability. Therefore, research focused on corporate value

in the context of startups is highly relevant for generating more targeted insights for investors, founders, and policymakers in the entrepreneurship ecosystem.

The value of a startup company is often the basis for determining shareholding, equity distribution, and investment decisions. "In startup financing, valuation plays a central role in negotiation between founders and investors." (Gompers & Lerner, 2004). High corporate value arises from the positive perception of investors which is shown in the increase in share participation and is evident from the increasing share value. The value of a corporate is influenced by many factors including factors within management control and other external factors (Asante-Darko et al., 2018).

Company value reflects the assets owned by the company, if a company has a high value, investors will believe in investing their funds because the rate of return on the funds they invest will be high. Conversely, if a company has a fairly low value, then investors will have less confidence in the funds they invest in the company can be returned, because the high company value then this reflects an increase in investor profits.

The maximization of corporate value is the main goal of a company because with increasing corporate value, the prosperity or wealth of investors will also increase (Sucuahi and Cambarian, 2016).

According to research titled "Factors Affecting Company value" by Sembiring & Trisnawati (2019), company value is significantly impacted by both company size and growth. Price Book worth (PBV) is used in this study to estimate the worth of manufacturing companies listed on the Indonesia Stock Exchange between 2013 and 2016.

This study estimates company value using the Price Book Value (PBV) of real estate companies listed on the Indonesia Stock Exchange between 2013 and 2016.

This study seeks to investigate how financial indicators – namely Debt to Equity Ratio (DER), Return on Assets (ROA), Company Growth, and Company Size – affect the firm value of technology-based startup companies listed on the IDX. These variables are chosen based on both theoretical relevance and mixed empirical findings in prior studies. The research aims to fill a gap in existing literature by focusing specifically on startups in an emerging market context, where valuation drivers may differ substantially from those in established or developed economies.

The following hypotheses are proposed:

- H1: Debt to Equity Ratio (DER) has a significant effect on the company value of startups.
- H2: Return on Assets (ROA) has a significant effect on the company value of startups.
- H3: Company Growth has a significant effect on the company value of startups.
- H4: Company Size has a significant effect on the company value of startups.
- H5: DER, ROA, Company Growth, and Company Size simultaneously have a significant effect on the company value of startups

Therefore, the authors are eager to investigate the elements that impact corporate value, particularly in technology-based start-ups that are listed on the

Indonesia Stock Exchange. Accordingly, the research title they have proposed is **ANALYSIS OF FACTORS AFFECTING COMPANY VALUE (Case Study on Startup Companies)**.

LITERATURE REVIEW

Startup

Startups are newly established companies characterized by innovation, rapid scalability, and uncertainty in outcomes. According to Blumenthal (as cited in Sitoresmi, 2023), startups aim to solve problems through novel solutions whose success cannot be guaranteed. Ries (2011) highlights that startups operate under extreme uncertainty and emphasize iterative product development.

The development of Startups in Indonesia is also accompanied by the growth of internet usage which continues to increase from year to year. In the Indonesian context, the growth of startups is tightly linked to rising internet penetration and mobile technology adoption (Startup Genome, 2022). In addition to the success of the Startup business in Indonesia, there are actually more failures that occur in the Startup business when compared to the level of success. However, despite promising growth, the failure rate of startups remains high due to challenges such as market misfit, lack of funding, team mismatches, and poor timing (CB Insights, 2021).

Failures occur due to several factors, such as a mismatch with consumers, difficulty finding a suitable business model, intense competition, large funding requirements, team mismatch, mismatch of business ideas, inappropriate timing, and various other factors (Shiba, 2022). The following are the characteristics of a Startup company:

- In the early stage of business development
- Operate primarily in the technology/digital space
- Offer products in the form of applications or platforms (Sitoresmi, 2023)

Company Value

Company value represents the market's perception of a firm's worth and reflects both tangible and intangible resources (Asante-Darko et al., 2018). According to Martono and Harjito (2006: 13) in Dewi, Handayani & Nuzula (2014) company value reflects the stock market value after the company goes public. Company value for non-public enterprises is determined by the sales value in the event that the business is sold.

Optimizing the company's worth is the aim of any publicly traded corporation. company value has evolved into a measure of a business's performance since the more valuable a firm is, the more prosperous its owners or shareholders will be.

The indicator to determine Corporate Value in this research is Tobin's Q which is a measure used to see market performance. In the context of publicly traded firms, valuation is often measured using Tobin's Q, which compares the market value of a firm's assets to their replacement cost (Bartlett & Partnoy, 2018). The comparison used is the market value of a company and asset replacement value (calculated by the book value of equity and its liabilities) (Siswoyo and Oetomo (2012)). Many researchers including Suhadak et al., (2019) use Tobins Q

as a symbol of company value because it is considered the best formula in determining company value because all financial elements in the form of debt, capital and all assets are available in it.

This measure is particularly relevant for startups with significant intangible assets and growth expectations. A high Tobin's Q indicates positive investor expectations and can influence decisions related to funding, acquisitions, and governance (Suhadak et al., 2019).

Factors that Affect Company Value

Startups are business entities in the early stages of development and are known for their unique characteristics, such as high levels of uncertainty, flexible organizational structures, and business models that are still in the exploratory phase. In this context, assessing a company's value is important, not only as a reflection of its current financial performance but also as an indicator of its growth potential and attractiveness to investors. Therefore, understanding the factors that influence company value in startups is relevant, particularly in the context of strategic decision-making and the effective management of limited resources.

This study uses four factors that are thought to affect company value, consisting of Debt to Equity Ratio (DER), Return on Assets (ROA), Company Growth, and Company Size.

Debt Equity Ratio

Debt to Equity Ratio (DER) is a ratio linked to the measurement of debt to equity. This ratio is helpful for determining how much money lenders have contributed in comparison to business owners or how well-positioned the company is to pay off all of its debts with all of its assets.

DER is a measure of financial leverage that compares total debt to shareholders' equity. In startups, DER plays a dual role: while high debt may signal risk due to unstable cash flows, it can also indicate investor confidence in future growth if debt is used strategically (Myers & Majluf, 1984).

One important factor that can potentially affect the value of a startup company is the Debt to Equity Ratio (DER), which reflects the company's capital structure. Startups tend to have high risk in the use of debt due to unstable cash flow, but the proper use of leverage can increase the value of the company through more aggressive business expansion.

According to Yulianto (2018), DER positively influences company value when managed efficiently. However, Nuradawiyah & Susilawati (2020) found that DER had no significant impact in certain industry contexts. These mixed findings underscore the need for context-specific investigation.

Return on Asset (ROA)

ROA measures a firm's ability to generate profit from its assets. For capital-constrained startups, ROA indicates how efficiently resources are being used to create value (Brigham & Houston, 2021).

Return on Assets (ROA) as an indicator of the efficiency of asset utilization to generate profits is important for startups that have limited assets but are required to grow rapidly. High operational efficiency in startups can strengthen the market's perception of their ability to create value.

While ROA is a conventional profitability metric, its relevance to startups is debated. Many startups operate under the “burn rate” model, prioritizing growth over short-term profits (CNBC Indonesia, 2022). Hence, ROA may not always correlate with firm value during early stages (Chaidir, 2015).

Company Growth

Company growth—often measured through revenue or net income changes—is a key consideration in startup valuation. Investors typically assess growth as a proxy for future performance, especially in high-risk environments (Damodaran, 2009).

The business's capacity to sustain its position in economic growth and in the Company growth is the term used to describe the industry in which it operates (Sembiring & Trisnawati, 2019). Both internal and external stakeholders anticipate business expansion since it can have a beneficial impact.

On the other hand, as investors anticipate a rate of return on their investment in the company, corporate expansion indicates that it has a profitable element (Syardiana, Rodoni, & Putri, 2015).

Company growth is often the main focus for startups. Investors usually evaluate startups not based on current profits, but on expectations of high long-term growth. Thus, companies that show promising growth prospects are more likely to receive higher valuations.

Nonetheless, rapid growth can also strain operational capacity and increase risk, leading to conflicting views on its effect on value. Meidiawati & Mildawati (2016) found no significant relationship between growth and firm value in certain sectors, emphasizing that growth without profitability or efficiency may be unsustainable.

Company Size

Company size, proxied by total assets or revenue, is associated with resource availability and operational stability. Larger firms may have greater access to financing and economies of scale, but in startups, size may not always translate into higher value.

The total assets of the business throughout a given time period are referred to as the company size (Sembiring & Trisnawati, 2019). As explained by Haryadi (2016) in Nuradawiyah & Susilawati (2020), company value is influenced differently by the size of the company. The management can use it more freely because the size of the company is determined by the total assets it owns, which, if sufficiently enough, can be used for the firm's operational activities. In addition to making a corporation more palatable to the public, a larger company makes it easier for it to obtain loans from outside sources in the form of debt or capital.

Company size is also an important variable in startups because it relates to resource capacity, access to financing, and operational scale. Although startups

are usually small, larger sizes are often associated with stability, operational maturity, and the ability to survive competition.

Studies have found mixed results: while larger size often supports credibility and investor appeal (Gompers & Lerner, 2004), it can also introduce inefficiencies and agency problems (Safaruddin et al., 2023; Fajartania & Utiyati, 2017).

Theories Related To Variables

Signaling Theory

Signaling theory explains how companies convey important information to the market. For startups, financial ratios such as DER and ROA serve as signals to investors regarding the firm's financial health, risk level, and potential for growth (Spence, 1973). A strong signal, such as high ROA or optimal DER, can enhance perceived company value. DER and ROA act as signals to investors about risk and profitability. Company growth and size signal scalability and market potential.

Pecking Order Theory

Pecking order theory posits that firms prioritize internal financing, followed by debt, and lastly equity. For startups, which often lack sufficient internal funds, reliance on external financing (debt/equity) affects the capital structure and, consequently, company value (Myers & Majluf, 1984). DER reflects the startup's financing decisions and cost of capital structure.

Resource-Based View (RBV) Theory

RBV shows that a company's internal resources and capabilities are key to gaining competitive advantage and creating value. Company size and asset utilization (ROA) reflect the resource base that contributes to value creation (Barney, 1991). ROA and company size are related to a company's ability to generate value from its limited resources, and this is related to the condition of start-up companies.

METHODOLOGY

This research employs a quantitative approach to examine the factors affecting firm value among technology-based startup companies listed on the Indonesia Stock Exchange (IDX) between 2017 and 2022. The data used in this study are secondary data derived from financial statements and annual reports published on the official websites of the respective companies. The data will be processed using the SPSS.

The population includes all technology sector firms listed on the IDX by 2022. A purposive sampling method was applied with the following inclusion criteria:

1. Technology sector companies listed on the IDX between 2017 and 2022
2. Companies classified as startups (based on age <10 years, innovation-oriented, and digital-based business models)

3. Companies that conducted an IPO and were not delisted within the study period
4. Companies with complete and consistent financial reports during the 2017–2022 period

Based on these criteria, a final sample of 10 startup companies was selected: BELI, GOTO, BUKA, DMMX, TFAS, HDIT, DIVA, NFCX, MCAS, and KIOS. This forms a panel dataset comprising 60 firm-year observations.

The dependent variable is Company Value, measured using Tobin's Q, while the independent variables include Debt to Equity Ratio (DER), Return on Assets (ROA), Company Growth, and Company Size. The operational definitions and formulas are as follows:

Dependent Variable

- *Company Value*

$$\text{Tobins Q} = \frac{(\text{Market Value Share} + \text{Total Debt})}{\text{Total Asset}}$$

(Bartlett dan Partnoy (2018))

Independent Variable

- *Debt To Equity Ratio (DER)*

$$\text{DER} = \frac{\text{Total Liabilities}}{\text{Shareholders' Equity}} \times 100\%$$

(Sondakh, Saerang, & Samadi, 2019)

- *Return on Assets (ROA)*

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

Husain et al., (2020)

- *Company Growth (CG)*

$$\text{CG} = \frac{\text{Net profit}_{(t)} - \text{Net profit}_{(t-1)}}{\text{Net Profit}_{(t-1)}}$$

Damodaran (2009)

- *Company Size (CSize)*

$$\text{CSize} = \text{Ln}(\text{total Aset})$$

Gompers & Lerner (2004)

The selection of Tobin's Q valuation matrix as a metric for assessing the value of a startup company is based on its more comprehensive ability to represent the comparison between the market value and economic value of a company's assets. When compared to other metrics, such as the Valuation Ratio, which compares Enterprise Value (EV) to Revenue—measuring the ratio between company value and revenue without considering profitability or asset efficiency—Tobin's Q captures the dynamics of company value more comprehensively by considering the total market value (equity and debt) relative to the book value of assets. This is important in the context of startups, which often have a high composition of intangible assets and unstable cash flows. In other words, Tobin's Q provides a more strategic perspective in assessing whether the market values a startup higher than the capabilities of its assets. While Valuation Ratios tend to be too simplistic and overlook operational efficiency or capital structure, Tobin's Q is more appropriate for evaluating the long-term growth expectations that characterize startups.

The use of DER in describing the Initial Capital Structure of a Startup is considered relevant because in the early stages of a startup, it tends to have dominant equity capital from founders and early investors (angel investors or venture capital), but as it grows, the use of debt begins to emerge as an alternative source of funding. In addition, DER reflects the level of financial risk. Startups with high DER can be perceived as more risky, which can affect the company's valuation by investors. However, an optimal DER indicates efficient capital management and can enhance investor confidence in capital structure management. Furthermore, the use of DER is relevant in the context of rapid growth because startups often require large amounts of expansion capital in a short period of time. DER helps assess whether a company is using leverage in a healthy manner to grow or whether it is causing over-leverage that could jeopardize the company's value.

Return on Assets (ROA) is a financial metric that describes a company's efficiency in using total assets to generate net income. In startup companies, the use of ROA as an indicator of company value is highly appropriate because startups typically operate with limited resources and pressure to demonstrate efficient early performance. ROA helps assess a startup's management team's ability to maximize the assets they hold, especially when those assets are predominantly digital or intangible.

Company growth is an important metric that reflects improvements in a company's performance in terms of revenue, assets, or market share over time. In startups, measuring growth is particularly relevant for assessing company value, as investors and stakeholders tend to evaluate valuations based on future expansion potential rather than just current financial performance. High growth indicates that a startup has a market-accepted product, a promising business model, and the potential to achieve greater economies of scale. Therefore, company growth metrics serve as a projection of a startup's intrinsic value moving forward, as well as the primary benchmark for investment decision-making.

Company size is a metric that describes the operational scale of a company, usually measured by total assets, revenue, or number of employees. In startups, company size measurements are closely related to company value because they reflect the capacity of resources available to generate revenue and survive market competition. Larger startups are generally considered more stable and better able to access broader funding, signaling positive prospects for business sustainability. While size is not the sole indicator of performance, in the context of a developing startup, an increase in company size can be seen as an indicator of business progress and potential valuation growth by investors.

This study adopts a **panel data regression design**, combining cross-sectional data (10 companies) and time series data (6 years), to capture both temporal and individual firm-level effects. Panel regression provides better statistical power and controls for unobservable heterogeneity (Gujarati & Porter, 2013).

The data were processed using **SPSS version 25**. After validating assumptions, a **multiple linear regression** analysis was conducted to test the effect of independent variables on firm value (Tobin's Q).

Before conducting regression analysis, the following **classical assumption tests** were applied to ensure the validity of the Ordinary Least Squares (OLS) method:

1. **Normality Test:**

The Kolmogorov–Smirnov test was used to verify whether the residuals followed a normal distribution.

2. **Multicollinearity Test:**

Variance Inflation Factor (VIF) was calculated. A VIF value below 10 indicates the absence of multicollinearity (Ghozali, 2018).

3. **Heteroskedasticity Test:**

The Glejser test was employed to detect variance inequality across residuals. Non-significant p-values ($p > 0.05$) indicate homoskedasticity.

4. **Autocorrelation Test:**

Although less common in short panel data, the Durbin–Watson statistic was included as an additional check.

5. **Linearity Test:**

A scatterplot of residuals versus predicted values was used to assess linearity and homoscedasticity visually.

RESEARCH RESULTS

The multiple linear regression model used in this study is as follows:

$$Y = 235.991 + 0.638X_1 + 0.082X_2 + 0.032X_3 - 0.103X_4$$

Where:

Y = Company Value (Tobin's Q)

X_1 = Debt to Equity Ratio (DER)

X_2 = Return on Assets (ROA)

X_3 = Company Growth

X_4 = Company Size

The following table presents the regression coefficients and significance levels:

Table 1. Hypothesis Testing Results

Variable	β	P-Value	Interpretation
DER	0,638	0,002	Significant
ROA	0,082	0,681	Not significant
CG	0,032	0,853	Not significant
CSize	-0,103	0,667	Not significant

Source: SPSS processing results (2024)

Debt to Equity Ratio (DER) on Company Value

Debt to Equity Ratio (DER) is a ratio related to the assessment of debt to equity. This ratio is useful for knowing how much funding is provided by creditors compared to company owners according to Nuradawiyah and Susilawati (2020).

The results show that **Debt to Equity Ratio (DER)** has a significant and positive effect on company value. This implies that investors in the Indonesian capital market interpret moderate debt levels as a signal of business confidence and financial discipline. This aligns with **signaling theory** (Spence, 1973), which posits that companies use financial decisions to convey positive signals to the market.

Startups with controlled leverage demonstrate strategic capital utilization for growth, especially during expansion phases. For instance, Tokopedia (before merging with GoTo) managed to secure large-scale venture funding while maintaining an optimal DER, which helped bolster market confidence and pre-IPO valuation (Gompers & Lerner, 2004).

These results are in accordance with research conducted by Yulianto (2018), as stated in Nuradawiyah and Susilawati (2020), revealing that high debt utilization is considered a positive indicator for investors.

The use of debt in the company's capital structure can increase the company's value because from an investor's perspective, the use of debt reflects the company's future business prospects. The company's success in obtaining a loan indicates that during the lending process, the lender has evaluated the company's condition to determine whether providing a loan is the right decision. If the company is deemed viable, this signifies that the company is considered capable of fulfilling those obligations in the future according to the terms set by the lender. Therefore, the company is considered to have positive business prospects if it can obtain a loan.

According to Setiana, E., & Desy R. (2012), decisions related to the right capital structure can help companies reduce the cost of capital that must be spent. One of the advantages of using debt is that the interest paid can reduce the tax burden, thus making the cost of debt lower. With good planning in determining the capital structure, the company is expected to increase the value of the company and be more competitive in facing business competition (Bukit, R., 2012).

Return on Assets (ROA) on Company value

The results of this study indicate that Return on Assets (ROA) does not have a significant effect on company value in startup companies. This can be explained because, in the early stages of growth, many startups have not yet demonstrated stable profitability and optimal asset efficiency, so ROA is not yet able to accurately reflect the intrinsic value of the company.

Bukalapak, for example, had a negative ROA during its IPO year (2021) but still attracted investor interest due to its strong user base and digital infrastructure. This supports the notion that **investors prioritize long-term growth potential and market position over short-term profitability** in startup valuations (CNBC Indonesia, 2022; Ries, 2011).

Which listed on the Indonesia Stock Exchange in 2021, Bukalapak had a negative ROA of -17.89% in its first year of listing. Nevertheless, Bukalapak's market valuation at the time of its IPO remained high and attractive to investors, reflecting that the market is more focused on long-term potential and expansion strategies than current profitability. This indicates that for startups, ROA is not yet the primary indicator in assessing company value, as investors prioritize non-financial factors such as market share, innovation, and future prospects.

Reporting from CNBC Indonesia (2022), startup companies are companies that are synonymous with the burn rate business model, this concept leads to the amount of money the company spends to run its business. Because startups are new and developing companies, they are usually still losing money. Therefore, profits and productive assets in startup companies are less appropriate to assess, rather than focusing on company profits and assets, investors in startup companies will focus more on future company performance and strategies to achieve significant market share.

Company Growth on Company Value

The regression results also show that **Company Growth** is not significantly associated with firm value. While startups are often evaluated based on growth projections, this study suggests that **growth alone is insufficient** to influence valuation unless it is accompanied by efficient cost management and profit generation.

This is illustrated by GoTo's performance post-merger. Despite impressive revenue growth (>30% in 2022), its market capitalization declined sharply, raising concerns about sustainability and efficiency. This reflects investor skepticism toward growth without profitability (Meidiawati & Mildawati, 2016). A similar situation occurred with PT Global Digital Niaga Tbk (BELI), the parent company of Blibli, which showed positive sales growth but continued to accumulate losses and face valuation pressure as its business model has not yet fully demonstrated long-term profitability. This indicates that investors in the Indonesian capital market do not yet fully view growth as a guarantee of increased company value for startups, especially when such growth is not accompanied by operational efficiency, cost management, or clear profit prospects. Therefore, in the context of startups transitioning toward profitability, company growth becomes a metric that does not directly reflect the market's perception of a company's value.

This finding is also in accordance with Dhani and Utama's research (2017), which shows that company growth does not have a significant impact on company value.

Company growth has no effect on company value because the higher the growth of a company, the greater the costs that will be incurred for operational costs. This does not rule out the possibility that the profit that should be distributed to investors will be less because it has to meet the company's operational costs (Olii, N., Zahra, E., Solikahan, & Ariawan., 2021).

Company Size on Company Value

The study also finds no significant relationship between **Company Size** and Company value. Larger asset bases do not necessarily lead to higher valuation in the context of startups, as **intangible factors** such as innovation, agility, and product scalability often matter more.

This is consistent with the Resource-Based View (RBV) theory (Barney, 1991), which emphasizes strategic capabilities over mere asset accumulation. For example, MCAS, a smaller startup than Bukalapak, achieved better valuation outcomes due to its more agile digital service model.

PT Bukalapak.com Tbk (BUKA), one of Indonesia's earliest tech unicorns to go public in 2021, possessed substantial total assets and equity at the time of its IPO. However, despite its large size, BUKA experienced a notable decline in market capitalization following its listing, indicating that size alone did not sustain investor confidence. Conversely, PT M Cash Integrasi Tbk (MCAS), which operates at a smaller scale in terms of both assets and revenue compared to BUKA, witnessed stronger market valuation growth due to its more agile business model and effective integration of digital services.

This is in accordance with Winarto's (2015) research in Sembiring and Trisnawati (2019), it is concluded that company size has no impact on company value. These results are also in line with Franita's research (2016), which states that company size has no effect on company value.

This study shows that the higher the size of the company can make the company value decrease. Too large a company size is considered to cause a lack of efficiency in supervising operational and strategic activities, so this can reduce company value. The larger the company will also lead to differences in interests between company owners and management. Shareholders want the company to develop with policies that increase the value of the company for their welfare. On the other hand, management is often more focused on personal benefits, such as bonuses or incentives, without really considering the risk of company losses. Companies with large assets are also often considered by investors to be more likely to retain profits for reinvestment rather than distribute dividends to shareholders, which can also lead to a decrease in company value in the eyes of investors (Safaruddin, Nurdin, E., & Indah, N., 2023).

The larger the company means that the company has large assets, the large assets of a company can cause the risk of misuse of assets to increase as well, if company management is unable to manage this risk properly, this can cause concern for company owners regarding the security of their assets (Fajartania, L.,

& Utiyati, S., 2017). Furthermore, a big business does not always translate into a high company value. For example, big businesses could be reluctant to make fresh expenditures for expansion before paying off debt. When investing, investors take into account a number of other elements that affect their choice to channel funds in addition to the company's size. (Khotimah, S. N., Mustikowati, R. I., & Sari, A. R., 2020).

CONCLUSION AND RECOMMENDATION

The purpose of this research is to identify the variables that influence corporate value, particularly in technology-based start-ups that are listed on the Indonesia Stock Exchange. The following conclusions can be made in light of the study's findings:

1. The findings of the study on the impact of the debt to equity ratio (DER) on business value indicate that the DER significantly affects company value. When a company especially startup companies that have succeeded in getting loans from creditors, it means that the lender has studied the business and thinks it can meet its responsibilities. In order for investors to view the startup company as having promising future business possibilities.
2. Research findings on the impact of return on assets (ROA) on company value indicate that ROA has no discernible impact on company value. Return on Assets (ROA) is inappropriate for usage in startup company since they are completely similar to the burn rate business model, which involves spending a lot of money on operating the business.
3. According to the research findings, there is no discernible relationship between company growth and company value. This occurs because it is possible to lower the amount of profit that should be distributed to investors—the higher the company grows, the more the costs that will be incurred. Furthermore, investors place more importance on a startup company's ability to sustain its market share than on revenue growth, and they prefer quality above quantity. This indicates that investors in the Indonesian capital market do not yet fully view growth as a guarantee of increased company value for startups, especially when such growth is not accompanied by operational efficiency and good cost management.
4. According to the study's findings, there is no discernible relationship between company size and company value. This occurs because a business that is too big is thought to result in ineffective oversight; also, a larger business will lead to conflicts of interest between management and business owners. Furthermore, it increases the likelihood of asset misuse. For startup companies, especially those listed on the IDX, firm value is not necessarily aligned with company size, as investors place greater emphasis on operational scalability, innovation, and future profitability rather than existing financial scale.
5. The study's findings concurrently demonstrate that company value is significantly impacted Debt to Equity Ratio (DER), Return on Assets (ROA), Company Growth, and Company Size.

ADVANCED RESEARCH

This study is limited to start-up companies listed on the Indonesia Stock Exchange that meet the sample criteria. Other start-up companies that are not listed on the IDX or more established companies may yield different conclusions.

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