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The Determinants of Company Value and its Impact on the Jakarta Composite Index (JCI) of Energy Sector Companies Listed on the Indonesian Stock Exchange (IDX) 2017–2023

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A B S T R A C T

This research objectives to determine Intellectual Capital (VAIC), Growth Opportunity (GO) and Cash Holding (Cash) effect toward the Jakarta Composite Index (JCI) mediated by Company Value (PBV). The population are energy sector companies listed on the Indonesia Stock Exchange (IDX) during 2017-2023 period. This study used 74 energy companies but only 16 companies meet the sample criteria. The data used in this research are secondary data obtained from the Indonesian Stock Exchange (www.idx.co.id) and from the websites of each company. The analytical method used in this research is descriptive statistical analysis, path analysis and Sobel analysis. The results of this study indicate that the variables of intellectual capital, growth opportunity, cash holding, and company value have a positive and significant effect on the JCI. Meanwhile, the intellectual capital, growth opportunity and cash holding have a positive and significant effect on the company value. Company value as an intervening variable is able to mediate the influence of intellectual capital, growth opportunity and cash holding on JCI.

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INTRODUCTION

Energy sector hold significant growth potential due to rapid population growth and economic development in Indonesia, which drive increasing future energy demands. Recognizing this, the Indonesian government took a crucial role in facilitating investment and development of energy sector. The importance of the energy sector, coupled with various potential advantages and prospects, attracts investor interest in committing capital to this sector. This is proven by the condition of the energy sector on the Indonesia Stock Exchange, which is among the most active in terms of transactions, volume, and value. (Dewi & Wirasedana, 2018).

Company evaluation extends beyond managing physical assets, but also includes managing intangible assets that hold value and benefits in the future (Chayati & Lulus, 2014). Intellectual capital assessment, utilizing Human Resource Efficiency (HCE), has been proven to significantly impact return on assets and asset growth, indicating that employee capabilities have a positive and significant effect on company performance and operational growth. This aligns with the company's capital (Salim & Winanto, 2020).

The value of a company can be influenced by its potential for future growth. This growth potential determines the company's prospects, which able to enhance investor appreciation as the company's outlook and potential return on investment improve. The growth opportunities of a company ultimately increase its overall value (Indrajaya et al., 2011) (Pangulu, 2014).

Cash is the most crucial component of working capital, so it is highly important to optimize cash holding for the company's operations. The relationship between cash and company value has been studied previously with varied results. Studies by (Chandra & Feliana, 2020) and (Halim, 2022) indicate that the availability of cash has a positive influence on company value. However, (Lestari & Hanifah, 2020) found that cash holdings have no effect on company value. These differing results highlight the need for further research to confirm the interaction between cash and company value.

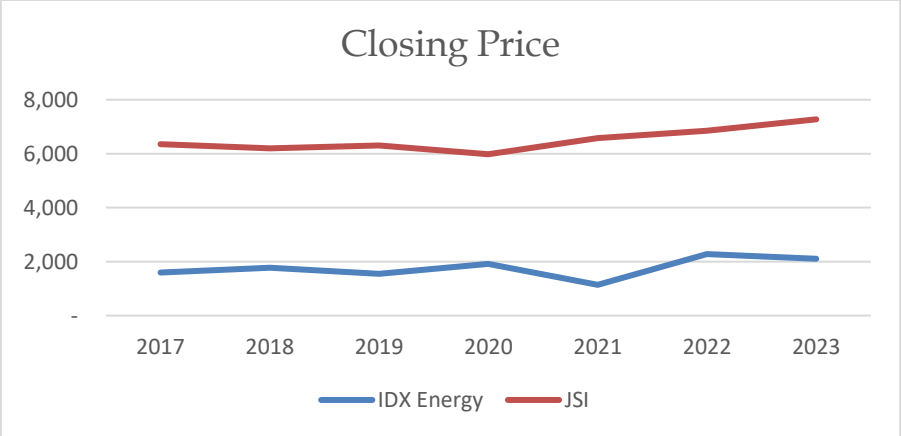

Figure 1. Closing prices of JCI and Energy Sector companies during the period 2017-2023 (www.idx.id, processed data).

The Jakarta Composite Index and closing prices of energy sector companies (IDX Energi) during the 2017-2023 period can be observed in Figure 1. In general, both IDX Energy and the Jakarta Composite Index (JCI) showed fluctuations during this period. IDX Energy saw an increase of 32%, whereas the JCI increased by 14% with varying fluctuations each year. Overall, the JCI experienced a more stable increase compared to the energy sector, which exhibited higher volatility.

THEORETICAL REVIEW

Agency Theory

This theory of corporate management is utilized to understand the relationship, particularly the interests, between the owner (principal) and the agent (manager or operational executor) within an organization or company. Shareholders are oriented towards economic interests, while agents have responsibility for the operational aspects of the company. Investors need to assess the quality of a company thoroughly before making investments (Salim & Syifa Aulia, 2021).

Signaling Theory

There are signals in the actions taken by company management. If a company avoids selling shares and does not exceed its normal debt target, this indicates that management is confident in the company's favorable prospects. Conversely, if the company tends to sell its shares, this can be interpreted as a less favorable view of the company's prospects by management (Brigham & Houston, 2019).

Jakarta Composite Index (JCI)

Jakarta Composite Index (JCI) represents stock prices on the Indonesia Stock Exchange (IDX). Investors utilize this index as a decision-making indicator when investing in the Indonesian stock market. The JCI fluctuates daily due to market price movements and the creation of additional shares. An increase in the JCI signifies a bullish market, indicating optimism, whereas a decrease indicates a bearish market sentiment. The movement of this indicator is crucial for investors in making informed decisions (Samsul, 2006).

The influence of intellectual capital on the Jakarta Composite Index

Signal theory and legitimacy theory predict that intellectual capital will have a positive impact. Demonstrates that intellectual capital indeed has a positive influence on stock prices (Lukman, 2011). This study examines the impact of intellectual capital on stock prices using the methodology developed by (Tsai & Hua, 2006). The aim of this research is to test this theory using the VAIC method developed by (Pulic, 1998).

H1: Intellectual capital is found to have a significant positive impact on the Jakarta Composite Index.

The influence of growth opportunity on the Jakarta Composite Index

It is hypothesized that growth opportunity has a significant positive impact on the Jakarta Composite Index. This hypothesis stems from the belief that a company's growth opportunity positively influences its stock price. High growth opportunity is expected to be accompanied by high profitability. Research by (Tamara & Suaryana, 2020)on the impact of growth opportunities and leverage on stock price changes supports the notion that growth opportunities have a positive effect on stock price movements.

H2: Growth opportunity is found to have a significant positive impact on the Jakarta Composite Index.

The influence of Cash Holding on the Jakarta Composite Index

Liquid stocks indicate successful management in achieving maximum returns with minimal risk, while maintaining stability and forecasting a bright future for the company. Given the abundance of investment opportunities available, the company hopes to have sufficient cash to capitalize on these opportunities. Research conducted by (Bates, 2009), (Simutin, 2016), and (Palazzo, 2012) shown that stocks with large cash holdings exhibit speculative characteristics that attract investors.

H3: Cash holding is found to have a significant positive impact on the Jakarta Composite Index.

The influence company value on the Jakarta Composite Index

Enhancing a company's value can increase its profitability and prosperity for both the company and its shareholders (Brigham & Houston, 2006); (Hartono, 2017). When external parties provide favourable assessments of a company, it sends a positive signal to investors and can result in an increase in stock price (Shittu et al., 2016); (Jatmika & Andarwati, 2019); (Hanifah, 2019).

H4: Company value is hypothesized to have a significant positive impact on the Jakarta Composite Index.

The influence of intellectual capital on company value

The process of value creation involves generating additional value and establishing competitive advantages for the company. As an asset or resource of the company, intellectual capital has the ability to enhance competitiveness and sustain business operations. Companies that effectively utilize their intellectual capital can increase their market value.

H5: Intellectual capital is hypothesized to have a significant positive impact on the company value.

The influence of growth opportunity on company value

When assessing a company's growth opportunity, it is reflected through the evaluation of its stock price, which comprises the anticipated future benefits

for market participants (shareholders/investors) (Tandelilin, 2018). Companies tend to receive more positive feedback from investors due to higher profit expectations, thereby enhancing the company's profitability response rate. According to signal theory, companies experiencing high growth send positive signals to stakeholders, making it easier to attract capital, especially from investors. Research by (Harianto & Fidiana, 2016) supports this theory, indicating that growth opportunity has a positive influence.

H6: Growth opportunity is hypothesized to have a significant positive impact on the company value.

Influence cash holdings on company value

Maintaining cash reserves is crucial for sustaining company operations. Cash refers to the funds a company holds for precautionary, transactional, and speculative purposes. Companies that anticipate future financial difficulties tend to be more conservative in preserving current cash reserves to minimize negative impacts in the future (Kim et al., 2011). Cash holdings significantly impact the company's value(Bayu & Septiani, 2015); Firmansyah, 2020 ; (Kalcheva & Lins, 2007); (Mikkelson & Partch, 2003); (Sitanggang et al., 2021).

H7: Cash holdings is hypothesized to have a significant positive impact on the company value.

The Influence of Intellectual Capital on the Jakarta Composite Index Mediated by Company Value

Intellectual capital is believed to have a significant positive influence on stock prices through its impact on company value. Strong intellectual capital enhances company value, attracts investors, and increases investor confidence in the company. Prospects and expectations enhance investor confidence, thereby increasing demand for stocks and resulting in higher stock prices. A study by (Chen et al., 2005) found a relationship between corporate value creation and market value, as detailed in their book values.

H8: Intellectual capital is hypothesized to have a significant positive impact on the Jakarta Composite Index mediated by company value.

The Influence of growth opportunity on the Jakarta Composite Index Mediated by Company Value

Growth opportunities enhance company value by demonstrating potential for expansion and revenue growth. Consequently, a high company valuation attracts investors and boosts the Jakarta Composite Index. In other words, company value serves as a proxy explaining how growth opportunities can influence stock prices. Research indicates that growth opportunities increase company value and impact stock investment sentiment (Ovtchinnikov et al., 2009).

H9: Growth opportunity is hypothesized to have a significant positive impact on the Jakarta Composite Index mediated by company value.

The Influence of cash holding on the Jakarta Composite Index Mediated by Company Value

Having cash reserves provides financial stability and increases company value by investing in profitable projects. A high company valuation attracts investors and drives up stock prices. This is supported by (Yudhyani et al., 2022), who demonstrates that company value mediates the relationship between cash holdings and stock prices.

H10: Cash holding is hypothesized to have a significant positive impact on the Jakarta Composite Index mediated by company value.

This research requires a conceptual framework to explain the interactions among variables. In Figure 2, the independent variables are intellectual capital, growth opportunity, and cash holding. The dependent variable is the Jakarta Composite Index (JCI). Meanwhile, the intervening variable that mediates the influence of the independent variables is company value.

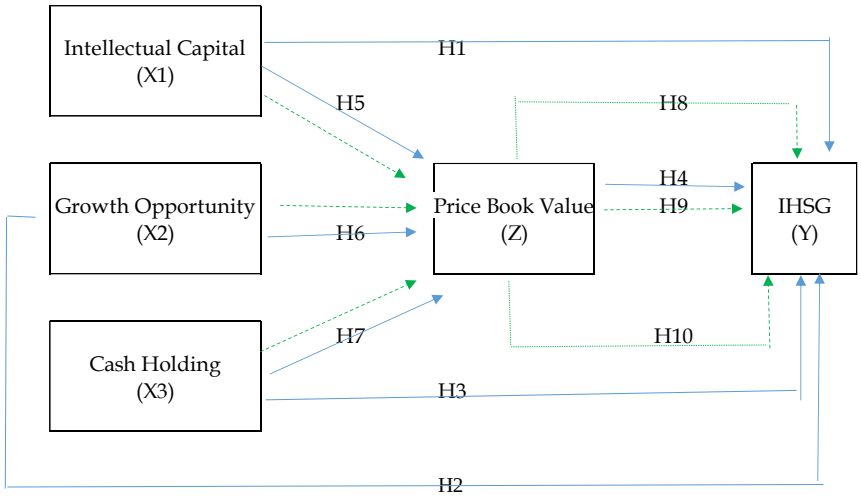

Figure 2. Conceptual Framework

Annotation:

= Direct influence

= Indirect influence

METHODOLOGY

Research design

This research conducted using a quantitative research design based on a case study approach. The dependent variable is the Jakarta Composite Index. Intellectual capital is measured using the Value Added Intellectual Coefficient

(VAIC), while the mediating variable, company value, is represented by Price to Book Value (PBV).

Population and Sample

The population of this research includes all energy companies listed on the Indonesia Stock Exchange from 2017 to 2023, totaling 74 companies. Purposive sampling was used for the period 2017-2023 with the following criteria: (1) energy sector companies listed on the Indonesia Stock Exchange, (2) companies that did not incur losses, (3) companies that regularly publish financial reports on the www.idx.co.id website, (4) companies that did not undergo stock splits, and (5) companies that did not change their reporting currency. Based on these criteria, a total of 16 companies were selected as samples. Over the seven-year research period from 2017 to 2023, therefore in total there is 112 sample were obtained.

Type and Source of Data

Secondary data from documents and publications were used for the research. Financial report data for energy sector companies from 2017 to 2023 were obtained from the Indonesia Stock Exchange website (www.idx.co.id), the websites of each company, and stock price index data from (yahoo.finance). Online media information and other publications such as company financial reports and annual reports published on company websites were also used as data sources. The Jakarta Composite Index data were retrieved from yahoo.finance using closing stock prices.

Data Analysis Method

Data collected were measured with operational variables (Table 1). Data processing was conducted using Eviews 13 (2024) software for cross-sectional and time-series data. The model used was causal, employing Structural Equation Modeling (SEM) with Partial Least Squares (PLS) analysis. Descriptive statistical analysis, panel data regression analysis, feasibility testing, and hypothesis testing were conducted using path analysis and Sobel test.

This detailed methodology ensures a robust analysis of the relationship between intellectual capital, company value, and the Jakarta Composite Index among energy sector companies listed on the Indonesia Stock Exchange over the specified period.

Table. 1 Operational Table

Variable	Indicator	Measurement
Indonesia Composire Indeks/ICI (Y)	$ICI = \frac{\text{Total market capitalization}}{\text{Total market value at the base date}}$	Ratio
Intellectual Capital (X1)	$VAIC = VACA + VAHU + STVA$	Ratio
Growth Opportunity (X2)	$GO = \frac{\text{Total assets(t) - Total assets(t-1)}}{\text{Total assets(t-1)}}$	Ratio
Cash Holding (X3)	$Cash = \frac{\text{Cash and cash equivalents}}{\text{Total assets}}$	Ratio
Price Book Value/PBV (Z)	$PBV = \frac{\text{Market price per share}}{\text{Book value per share.}}$	Ratio

RESULTS

Descriptive Analysis Results

Table. 2 Descriptive Analysis Test Results

	X1_VAIC	X2_GO	X3_*Cash*	Y_IHSG	Z_PBV
Mean	0.012	0.102	0.156	1.171	11,736.461
Maximum	0.108	1.109	0.600	2.578	27,998.300
Minimum	0.000	-0.529	0.005	0.503	1,088.868
Std. Dev.	0.022	0.268	0.139	0.533	6,925.291
Observations	112	112	112	112	112

Source : Eviews 13 (2024)

Several tests were conducted such as the Chow test, Hausman test, and Lagrange Multiplier test to determine the best estimation model among the Common Effect Model, Fixed Effect Model, and Random Effect Model.

Chow Test

Based from the analysis result, Jakarta Composite Index variable obtained probability value of 0.086 and cross-sectional chi-square of 0.037. The company value obtained probability value of 0.000 and cross-sectional chi-square of 0.000. The fixed effect model was chosen because both the cross-sectional chi square values of the variables were less than the significance level of 0.05.

Hausman test

The Hausman analysis showed probability of for the Jakarta Composite Index variable is 0.389 and probability of cross-section random for the company value variable is 0.335. The random effect model was chosen because both cross-section random values for the variables were greater than 0.05.

Lagrange Multiplier test

The analysis results showed a cross-section value of -0.367 for the Jakarta Composite Index variable and a cross-section value of -0.000 for the company value variable. The random effect model was chosen because both cross-section values for the variables were less than the significance level of 0.05.

Based on the test results, it is concluded that the random effect model is the most appropriate model for this study.

Path Analysis

In this study, profitability is considered as a mediating variable between the independent and dependent variables. Based on this interpretation, a two-equation model was constructed for path analysis.

Table. 3 Regression Equation Path Analysis Test Results Model 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.690	0.086	8.051	0.000
X1_VAIC	5.060	2.084	2.428	0.017
X2_GO	0.416	0.163	2.565	0.012
X3_Cash	0.773	0.313	2.467	0.015
Z_PBV	0.000	0.000	3.280	0.001

Source : Eviews 13 (2024)

Based on the results of the regression equations and analysis from Eviews 13, as shown in the tables 3, we can interpret the model 1 as follows:

$$\mathbf{Y_{JCI}=0.690+5.060X1_{VAIC}+0.416X2_{GO}+0.773X3_{Cash}+0.000Z_{PBV}\ldots(1)}$$

Equation 1 indicates a constant value of 0.690 for Jakarta Composite Index (JCI) when the independent variables (VAIC, GO, Cash, PBV) are held constant. The coefficient values for intellectual capital, growth opportunity, cash holdings, and company value are positive. Thus, an increase in intellectual capital, growth opportunity, cash holdings, and company value can enhance "JCI".

Table. 4 Regression Equation Path Analysis Test Results Model 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8,994.815	1,323.175	6.798	0.000
X1_VAIC	65,890.111	25,235.461	2.612	0.010
X2_GO	6,136.271	1,912.478	3.209	0.002
X3_Cash	8,683.258	3,924.437	2.213	0.029

Source : Eviews 13 (2024)

Based on the results of the regression equations and analysis from Eviews 13, as shown in the tables 4, we can interpret the model 2 as follows:

$$\mathbf{Z_{PBV}=8,994.815+65,890.111X1_{VAIC}+6,136.271X2_{GO}+8,683.258X3_{Cash}...(2)}$$

Equation 2 shows a constant value of 8,994.815, meaning when the independent variables (VAIC, GO, Cash) are zero, PBV equals 8,994.815. The coefficients for intellectual capital, growth opportunity, and cash holdings are positive. Therefore, an increase in intellectual capital, growth opportunity, and cash holdings can increase PBV.

Model feasibility test

Based on the results, R-squared is 0.380 for the first model and 0.226 for the second model. This indicates that intellectual capital, growth opportunity, cash holdings, and company value collectively contribute to explaining 38% of the variance in "JCI" in the first model and 23% in the second model. The F-statistic yielded a value of 0.000 for both models, indicating that intellectual capital, growth opportunity, and cash holdings collectively and significantly influence the company value variable.

Hypothesis test

The T-statistic test was carried out on both regression equation models to determine their direct effects.

Table. 5. T Statistical Test Result Model 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.690	0.086	8.051	0.000
X1_VAIC	5.060	2.084	2.428	0.017
X2_GO	0.416	0.162	2.565	0.012
X3_Cash	0.773	0.313	2.467	0.015
Z_PBV	0.000	0.000	3.280	0.001

Source : Eviews 13 (2024)

Based on the t-statistics results from Model 1 (Table 5), it is shown that Intellectual Capital (X1_VAIC), Growth Opportunity (X2_GO), Cash Holding (X3_Cash), and Company Value (Z_PBV) have significant positive effects on the Jakarta Composite Index (Y_JCI). The partial effect calculations indicate that Intellectual Capital's impact on JCI is significant at 0.017 (p-value < 0.05) with a regression coefficient of 5.060, demonstrating a significant positive influence on JCI. Similarly, Growth Opportunity's partial effect on JCI is significant at 0.0117 (p-value < 0.05) with a regression coefficient of 0.416, indicating a significant positive impact on JCI. Cash Holding's partial effect on JCI is significant at 0.0152 (p-value < 0.05) with a regression coefficient of 0.773, showing a significant positive influence on the JCI variable. Finally, Company Value's partial effect on JCI is significant at 0.000 (p-value < 0.05) with a regression coefficient of 0.000, indicating a significant positive impact on JCI.

Table. 6 T Statistical Test Result Model 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	8,994.815	1,323.175	6.798	0.000
X1_VAIC	65,890.111	25,235.462	2.611	0.010
X2_GO	6,136.271	1,912.478	3.209	0.002
X3_Cash	8,683.258	3,924.437	2.213	0.029

Source : Eviews 13 (2024)

Variables and their effects on company value Intellectual Capital (X1_VAIC), Growth Opportunity (X2_GO), and Cash Holding (X3_Cash) exhibit significant positive effects on Company Value (Z_PBV). The partial estimation results indicate that Intellectual Capital significantly influences company value positively with a regression coefficient of 0.0103 and a p-value less than 0.05. The regression coefficient of 65,890.11 signifies the magnitude of this variable's impact. Growth Opportunity shows a positive and significant effect on company value with a regression coefficient of 0.0018 and a p-value less than 0.05. The regression coefficient of 6,136,271 indicates the significance of this variable. Cash Holding also demonstrates a positive and significant influence on company value with a regression coefficient of 0.029 and a p-value less than 0.05. The regression coefficient of 8,683,258 indicates the significant impact of this variable.

Test sobel

The Sobel test was conducted to examine the significance of the mediating effects in the regression model.

Figure 3 Sobel Test Results for *Intellectual Capital Variables*

Input:			Test statistic:	Std. Error:	*p*-value:
a	65890.11	Sobel test:	2.38867769	1.1585425	0.01690913
b	4.20E-05	Aroian test:	2.36061454	1.17231533	0.01824468
s_a	25235.46	Goodman test:	2.4177661	1.14460395	0.01561611
s_b	7.10E-06	Reset all	Calculate		

Based on Figure 3, Intellectual Capital on the Jakarta Composite Index through the company value variable is 0.0170 (p-value < 0.05), indicating that Intellectual Capital significantly influences the Jakarta Composite Index through the company value.

Figure 4 Sobel Test Results *Growth Opportunities*

Input:			Test statistic:	Std. Error:	*p*-value:
a	6136.271	Sobel test:	2.82038463	0.09137881	0.00479661
b	4.20E-05	Aroian test:	2.78975254	0.09238217	0.00527483
s_a	1912.478	Goodman test:	2.85204843	0.09036431	0.00434385
s_b	7.10E-06	Reset all	Calculate		

According to Figure 4, Growth Opportunity on variable Y through the company value variable is 0.005 (p-value < 0.05) as calculated by the Sobel test, suggesting a significant effect of Growth Opportunity on the Jakarta Composite Index through the company value.

Figure 5 Sobel Test Results for *Cash Holding* Variables

Input:			Test statistic:	Std. Error:	*p*-value:
a	8683.258	Sobel test:	2.07238904	0.17597894	0.03822917
b	4.20E-05	Aroian test:	2.04689034	0.17817116	0.04066885
s_a	3924.437	Goodman test:	2.09886504	0.17375907	0.0358288
s_b	7.10E-06	Reset all	Calculate		

Based on Figure 5, Sobel's calculations show that the influence of *cash holding* on the stock price index through the company value variable has a value of 0.038 (p- *value* <0.05), so there is a significant influence between *cash holding* on the Jakarta Composite Index through the company value variable. Based on Figure 5, the Sobel calculation shows that Cash Holding's effect on the Jakarta Composite Index through the company value variable is 0.038 (p-value < 0.05), indicating a significant influence of Cash Holding on the Jakarta Composite Index through the company value variable.

DISCUSSION

The influence of intellectual capital on the Jakarta Composite Index

Based on signaling theory and legitimacy theory, intellectual capital is assumed to have a positive influence on stock prices. The market or investors assign higher value to companies with high intellectual capital. This finding is consistent with previous research conducted by (Ayun et al., 2022), which found that intellectual capital significantly and positively affects the JCI (Lukman, 2011).

The influence of growth opportunity on the Jakarta Composite Index

Growth opportunity has a significant positive impact on the JCI of energy sector companies during 2017-2023. Companies that grow rapidly and steadily send positive signals to investors. Growth opportunity has a positive and significant effect on the JCI (Tamara & Suaryana, 2020).

The influence of cash holding on the Jakarta Composite Index

The availability of cash liquidity in energy sector companies has a significant positive impact on the JCI during 2017-2023. This result is consistent with studies conducted by (Bates, 2009), (Simutin, 2016), and (Palazzo, 2012), (Ang et al., 2019)which found that cash availability positively and significantly influences the JCI.

The influence company value on the Jakarta Composite Index

Company value has a significant positive influence on the JCI of energy sector companies during the years 2017 to 2023. A high company valuation indicates promising growth opportunity that can attract investors and drive stock prices higher. This finding aligns with research by (Shittu et al., 2016), (Jatmika & Andarwati, 2019), and (Hanifah, 2019), which found that company value has a positive and significant impact on the JCI.

The influence of intellectual capital on company value

Intellectual capital has a significant positive impact on increasing company value in the energy sector during 2017-2023. High intellectual capital indicates effective management and utilization, directly influencing company value. (Chen et al., 2005) found that intellectual capital has a positive impact on company value.

The influence of growth opportunity on company value

Companies with high growth potential have high company value. Investors and stakeholders tend to view companies with high growth opportunity as more profitable and valuable investments. (Harianto & Fidiana, 2016) (Hartono, 2017)found that growth opportunity has a positive and significant influence on company value.

The influence of cash holding on company value

The study shows that cash availability in the energy sector has a significant positive impact on company value between 2017 and 2023. Because cash is an essential resource to meet operational and investment needs, companies with more cash have higher valuations. This result is consistent with (Bayu & Septiani, 2015), Firmansyah (2020), (Kalcheva & Lins, 2007), (Mikkelson & Partch, 2003).

The Influence of Intellectual Capital on the Jakarta Composite Index Mediated by Company Value

This research shows that company value mediates the influence of intellectual capital on the JCI during 2017-2023. Intellectual capital enhances the quality and efficiency of human resources in responding to market changes, thereby increasing company value.

The Influence of Growth Opportunity on the Jakarta Composite Index Mediated by Company Value

Company value mediates the impact of growth opportunity on the JCI in the energy sector from 2017 to 2023. Leveraging growth opportunity will increase company value, which in turn affects stock performance in the stock market. (Ovtchinnikov et al., 2009) showed that increased investment opportunities enhance company value and influence investment sentiment in stock prices.

The Influence of Cash Holding on the Jakarta Composite Index Mediated by Company Value

Company value mediates the impact of cash holdings on the JCI in the energy sector during 2017-2023. Sufficient cash flow is a critical factor in the fundamental analysis of company value. (Yudhyani et al., 2022) stated that company value mediates the relationship between cash and stock prices.

CONCLUSIONS

The conclusions that can be drawn from this research are as follow:

1. Intellectual capital positive and significant affects Jakarta Composite Index
2. Growth opportunity positive and significant affects Jakarta Composite Index
3. Cash holding positive and significant affects Jakarta Composite Index
4. Company value positive and significant affects Jakarta Composite Index
5. Intellectual capital positive and significant affects company value
6. Growth opportunity positive and significant affects company value
7. Cash holding positive and significant affects company value
8. Company value mediate the intellectual capital to the Jakarta Composite Index
9. Company value mediate the growth opportunity to the Jakarta Composite Index
10. Company value mediate the cash holding to the Jakarta Composite Index

RECOMENDATION

Stock market investors, particularly those focusing on companies in the energy sector, need to pay attention to the influence of intellectual capital, growth opportunity, and cash holding on company value, which is as significant as their impact on the Jakarta Composite Index (JCI).

FURTHER STUDY

For future research, it is necessary to expand the scope beyond the energy sector to include other industries such as manufacturing, banking, and other sectors. Additionally, extending the observation period by using more recent financial reports is advisable, as this study only covered a 7-year period from 2017 to 2023. Therefore, further testing is needed for future periods.

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