The Effect of Profitability, Firm Size, and Leverage on Firm Value (Study on Banking Companies Listed on the Indonesia Stock Exchange in 2018-2023)

Miftakhul Fadhilah[1], Tituk Diah Widajantie[2*]
Universitas Pembangunan Nasional "Veteran" Jawa Timur
Corresponding Author: Tituk Diah Widajantie tituk.widajantie.ak@upnjatim.ac.id

A R T I C L E I N F O	A B S T R A C T
  	This research aims to find out the effect of profitability, firm size, and leverage on firm value. This researh employs quantitative research methodology. The population used in this research is a banking company registered with the IDX for the period 2018-2023. The sampling technique used purposive sampling method. Based on the sample selection criteria, there were 13 companies and 78 samples. The data analysis technique used is multiple linear regression analysis. The SPSS version 25 tool was used to process data in the analysis of this study. The results of this research show that profitability and firm size has a positive effect on firm value in banking companies listed on the IDX in 2018-2023, while leverage has no effect on firm value in banking companies listed on the IDX in 2018-2023. Further research could develop this research using other variables that in theory have an effect on a firm value, such as dividend policies, capital stucture, free cash flow, and others.

INTRODUCTION

The Indonesian banking industry acts as an institution that collects and distributes public funds. A bank is an institution that acts as an intermediary to fundraiser from the community and return them to the community in the form of credit or loans. Banking is classified as one of the institutions that is deemed to be crucial to a nation's economy, and the growth of this sector can serve as a benchmark of the country's progress. The important role of banking in improving a country's economy can be realized by maximizing its intermediation function, namely increasing the amount of loans disbursed in the form of credit to small, medium and large industries (Apriantini et al., 2022). Based on this, banking is one of the sectors that has quite bright prospects in the future, because people cannot be separated from banking services. However, seeing these prospects not only shows positive things but also shows an increasingly fierce competition.

Firm value is the main focus of firm proprietors since the firm value can describe future prospects that are reflected in company performance. Because investors will take the firm's high value into account when making investment decisions, a corporation should maximize its firm value. The welfare of the shareholders can be ensured by a high firm value, as investors will receive substantial returns. Stock price is one of the elements that can be utilized to define the firm value. The stock exchange can be used to see the stock market rates that is utilized as a benchmark for the firm's performance because a higher stock price corresponds to better performance. To estimate the value of a company, you can use an approach called PBV or Price to Book Value. One example is the banking sector, where low stock rates can influence the firm value.

There are several phenomena that have occurred in Indonesia lately, namely banking companies that experience fluctuations every year. Starting from 2019, there was a downturn in stock prices and a downturn in firm value. This is the impact of the Covid-19 pandemic and has an effects on the existence of banking companies as a institutions that has a important role and is a strategy in the national economy. Throughout 2022, there were several bank stocks that experienced significant increases, but there were also stocks that fell dramatically. Quoted from databoks.katadata.co.id, during 2022, BMRI's stock price soared 41.13% ytd. Then BBNI's stock price rose 38.29% ytd, followed by BBCA which rose 17.41%, and BBRI rose 16.51%. On the other hand, the share prices of BBTN and BRIS fell by around 21% and 28%. Meanwhile, ARTO's shares fell dramatically to 79.34% in the same period.

Quoted from market.bisnis.com, at the beginning of 2023, not a few issuers whose stock prices have decreased, the most plummeting position is occupied by BTPS. Bank BTPN Syariah's share price is now at Rp 1,645 per share, down by 41.04% since the early of the year until the close of trading. Then there is BABP with accumulated price weakening ytd 38.61%. Meanwhile, MAYA experienced a decline of 21.31%. In the case of BTPS, Mirae Asset Sekuritas Indonesia's Head of Investment Information Martha Christina said that the issuer's share price performance fell dramatically in line with the

decline in financial performance. BTPS recorded a weak business performance. At least until the third quarter of 2023, where the current year's profit has shrunk from IDR 1.32 trillion to only IDR 1 trillion. Meanwhile, regarding BABP, the financial performance was quite flat where the decline in share price was due to the corporate action plan merger with Bank Nobu which has not been completed.

The share prices of digital banks also underperformed. The share price of PT Bank Neo Commerce Tbk. (BBYB) decreased to Rp 462 which eroded by around 28.37%. Then PT Allo Bank Indonesia Tbk. (BBHI) recorded a 27.2% ytd decline in stock price to a level of Rp 1,285. Meanwhile, the share price of PT Bank Aladin Syariah (BANK) fell 25.09% ytd to Rp 1,060. It is said that less attractive valuations are the reason for the drop in stock price. Of these phenomena, a company ought to make an effort to preserve its worth, as demonstrated by the share price it commands on the stock exchange. Several elements, such as leverage, firm size, and profitability can impact a firm value.

The ability of a business to turn a profit from a variety of sources, such as sales, assets, and specific share capital, is known as profitability. ROA or Return on Assets serves as a proxy for profitability. A profitability measure called ROA is utilized to assess how well a business uses all of its resources to make a profit. If the ratio between net profit to total assets is high enough, then the company can be considered good (Hasanah & Enggariyanto, 2018). ROA to total assets utilized for business operations is a measure of how well a company has performed financially. The firm value ultimately rises because to the higher ROA, better performance, and more effective and efficient utilization of the company's assets (Hendrich, 2021).

Firm size can be a signal to attract investors and affect the firm value. The firm size is scale utilized to define small or large of a firm. According to Dewi & Ekadjaja (2020), a large company will appear to have a higher certainty of continuing as a going concern than a small one, and it will also be easier to obtain external financing. The firm size can reflect how large the company based from the firm size, the total of assets it owns, the frequency of sales, market share, and other factors. Firm size generally influence the assessment of investors in making investment decisions. According to Hidayat & Khotimah (2022), the magnitude of the business can have an impact on its value since it makes it easier for it to find internal and external funding sources the bigger the business is.

Leverage is assessed using the Debt to Equity Ratio (DER). The ratio known as leverage illustrates the connection between a company's capital and debt (Kasmir, 2019:113). According to Wulandari & Wiksuana (2017), increasing leverage can give both good and poor news signals. Increased leverage is good news if management's capacity to enhance value is reflected in the growth in leverage. On the contrary, it is a bad sign if managers raise leverage out of coercion rather than productivity. To put it another way, leverage affects the company in both positive and negative ways. The researcher reexamined the

variables influencing the firm value remember aforementioned issue and the inconsistent research findings.

LITERATURE REVIEW
Signaling Theory

In economics and finance, signaling theory was created to explain why employees in company typically have faster and better information regarding the firm's current conditions and prospects, in comparison with outside investors. Brigham & Houston (2019:500) states that signaling theory is the action or activity of the management of a firm in providing indications or signals to investors to assess future prospects regarding how the company is managed. This signal may take the shape of details regarding the actions taken by management to fulfill the desires of the owner (investor). Financial reports are data provided by the company that can be used as an indicator for investors. Financial statements are a crucial component of a company's fundamental research and are utilized by investors to make choices (Dewi & Soedaryono, 2023). As the company's manager, management has a duty to inform the proprietor about the company's state and to send forth signals regarding it. Therefore, the company seeks to give a good signal to attract investors, namely through the firm value which is reflected in the Price to Book Value (PBV) level.

Agency Theory

Agency theory serves as the underlying theory of company management and applies when there is a divide between the company's shareholders (principal) and management (agent) of the company (Rahardjo, 2018:73). Agency theory focuses on the connection between two opposing economic actors being shareholders or principals and managers or agents. Conflicts of interest in companies among shareholders and managers called agency conflicts are caused by information asymmetry. According to agency theory, everyone acts in their own best interests. Shareholders as principals are assumed to want the maximum and fastest return on the investment they invest. While, the agent craves to be accommodated by receiving satisfaction in the form of adequate compensation/incentives and as much as possible for the performance that has been done.

Profitability

The ability of a business to turn a profit on its entire revenue, assets, and share capital is known as profitability (Nur Aulia et al., 2020). Dianti et al., (2022) argue that the company's high profitability will reflect an improvement in its efficiency, providing investors with the opportunity to participate in the growing demand for stocks and highlight the company's strong performance. Therefore, profitability is essential for all aspects of business because it demonstrates effectiveness and reflects the performance of the company. Investors are greatly impacted by profitability analysis since the company uses the earnings it targets to enhance shareholder prosperity. The profitability ratio reflects the net outcome of all of the company's funding choices and operational

choices (Brigham & Houston, 2019:118). This research uses ROA serves as a proxy for profitability. ROA is formulated by net profit after tax on total assets (Wahyuni et al., 2021). The larger the ratio, the better it will be and this allows the asset to spin faster and make a profit.

Firm Size

Santoso & Junaeni (2022) define firm size as a scale that can be categorized as large or small based on a number of factors, such as total assets, sales, stock market value, and log size. Meanwhile, according to Pratama & Wiksuana (2016), there are two sorts of companies based on their size: small-scale and large-scale. The size of the firm reflects all of its assets. A large company with substantial total assets can demonstrate strong operational success, which is an indication of maturity in the company's wealth management and positive long-term outlook. According to (Rajagukguk et al., 2019) the capacity of the company to withstand the dangers that could result from the many circumstances it faces will depend on its size. Generally speaking, large companies are more stable and profitable. This research uses natural logarithms that serve as a proxy for firm size. When used to define total assets data, natural logarithms should be able to lessen the disparity in total assets across companies that is too great.

Leverage

The definition of leverage according to Kolamban et al., (2020) is a a metric used to assess how much a business is financed with debt and to display the amount of collateral that is available to creditors in financial statement analysis. Meanwhile, according to Rolanta et al., (2020) leverage is an analysis used to calculate how much funds are spent by creditors. The ratio compares total assets with the company's total debt. Effective management of leverage is crucial since choices about using large amounts of debt have the potential to raise a company's value. The leverage calculation using the DER formula serves as a proxied for leverage. A company's ability to manage its assets is assessed by DER and is often used in its published financial statements.

Firm Value

According to Mardiana & Wuryani (2019), the investor assesses the firm value based on their perception of the company's success rate relative to the share price. The success of its owners will be reflected in the firm value, a company with a high value shows a high level of prosperity for shareholders (Suryandari et al., 2021). The firm value will be increased by a high share price, which will boost investor confidence in its future potential and current performance. In this research, to gauge the firm value using Price to Book Value (PBV). According to Brigham & Houston (2019:122), PBV is a ratio that shows how much a stock's or company's book value is appreciated by the market. The market is more optimistic about the firm's prospects for the future when this ratio is greater.

The Effect of Profitability on Firm Value

A firm's ability to make large profits for its shareholders is reflected in its high profitability. The capacity to turn a profit can be evaluated using either the company's own capital or all of the money invested in it. A company's worth improves when its profit margin increases since investors anticipate a higher return on their investment. Good profitability can be a signal for investors to consider when making judgments about their investments, as the signal theory describes. The results of study by Widiyati (2020) and Thamrin & Jasriana (2022) stated that profitability has a positive and significant effect on firm value. The first hypothesis in this study is based on the theory and findings of earlier research, and is:

H1 : Profitability has a positive effect on firm value

The Effect of Firm Size on Firm Value

Firm size reflects the size of a firm as seen in the total value of its assets. According to Himawan (2020), the larger firm size, so the firm tends to attract the attention of more investors. This is because larger company typically have more stable environments. This stability would attract the attention or interest of investors in buying shares of the company. Signaling theory has a connection with firm size, where management must provide the same information about firm size through assets or total sales belong by the company to shareholders. So that shareholders can find out how big the firm size they invest in, and so that investors can be informed about the future prospects of the company in good or bad conditions. The connection between firm size and agency theory is that companies with large sizes have greater agency costs because the larger firm size raises concerns by shareholders (principals). The results of study by Hidayat & Khotimah (2022) and Dewi & Ekadjaja (2020) stated that firm size has a positive effect on firm value. The second hypothesis in this research is based on the theory and findings of earlier research and is:

H2 : Firm size has a positive effect on firm value

The Effect of Leverage on Firm Value

A ratio called leverage demonstrates how well a business can control its debt to generate profits while also making debt repayments (Kurnia, 2017). The relationship of signal theory with leverage is to provide an overview or information about leverage as a signal that compares debt conditions to company equity. Good signals mean high leverage level where the firm can be used to grow and the debt is utilized as capital to run the firm's operational activities, so as to enhance profits and increase the firm value. If the higher the leverage value, the greater the prosperity that the principal will get, which can cause conflicts of interest between management and shareholders, explained through agency theory. So by reviewing the data supplied by the business, an investor will be motivated to pay attention to how a firm can control and

manage its debts. The results of study by Putra et al., (2021) and Dewi & Soedaryono (2023) stated that leverage has a positive and significant effect on firm value. According to the theory and findings of previous research, the third hypothesis in this research is:
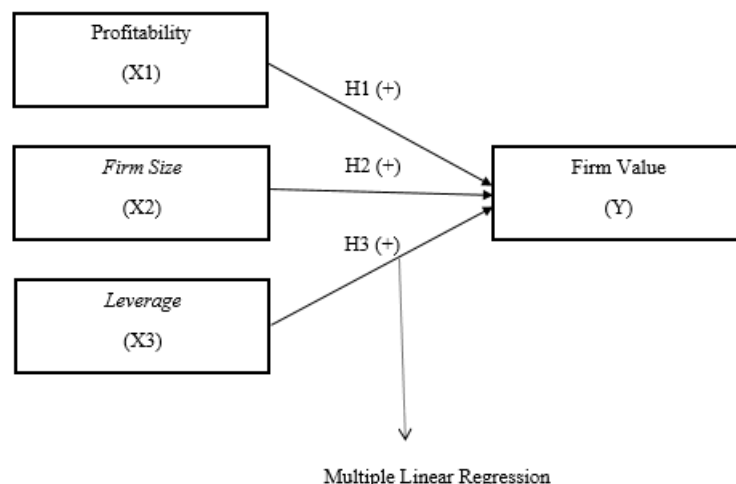
H3 : Leverage has a positive effect on firm value

Multiple Linear Regression
Figure 1. Conceptual Framework
Source: Researcher (2024)

METHODOLOGY

This research is a quantitative research that uses data analysis with statistical characteristics. This research was conducted on banking companies listed on the Indonesia Stock Exchange for the period 2018-2023 by accessing the official website on www.idx.co.id. The source of data in this study is secondary data in the form of annual financial statement documentation from the IDX website (www.idx.co.id). All banks registered with the IDX in 2018-2023 are the population in this research. In this study there were 78 samples and the sampling technique in this study was using the purposive sampling method. The analytical tool of multiple linear regression analysis is used to evaluate the hypotheses. This test determines whether the firm value which is a dependent variable is affected by independent factors namely profitability, firm size, and leverage. With regression models:

$$\gamma = a + \beta 1X1 + \beta 2X2 + \beta 3X3 + e$$

……………………………………………..(1)

Description:
β1…..β3 = Regression coefficient
X1 = Profitability
X2 = Firm Size
X3 = Leverage
Y = Firm Value
α = Constant
e = Error coefficient

Variable Calculation Formula

Profitability

One profitability indicator that can be used to measure a company's capacity to produce a profit from its assets is Return on Assets (ROA). Based on the explanation from Wahyuni et al., (2021) the profitability can be formulated as follows.

$$\text{ROA} = \frac{\text{Net Profit After Tax}}{\text{Total Assets}} \text{ x } 100 \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots(2)$$

Firm Size

The firm size can be assessed based on the total value of its assets. The size of a firm can be assessed by using the natural log of total assets to measure the firm's assets. According to Jogiyanto (2016:685), the firm size formula is:

$$\text{Size : Ln Total Assets} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots.(3)$$

Leverage

Rolanta et al., (2020) suggest that leverage is an analysis used to calculate how much funds are spent by creditors, a ratio that compares total debt to total company assets. leverage can be calculated using the Debt to Equity Ratio or DER, which is formulated by:

$$\text{DER} = \frac{\text{Total Debt}}{\text{Total Equity}} \dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots\dots..\dots.\dots.\dots.(4)$$

Firm Value

In this research, the firm value is assessed using the price to book value (PBV) ratio. PBV indicates the extent to which the market values a stock's or company's book value (Brigham & Houston, 2019:122) with the formula:

$$Price\ to\ Book\ Value = \frac{\text{Price per Share}}{\text{Book Value per Share}} \dots\dots\dots\dots\dots..\dots\dots....(5)$$

RESEARCH RESULT

Statistic Descriptive

Table 1. Statistic Descriptive

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
Profitability (X1)	78	.07	3.46	1.6365	.77957
Firm Size (X2)	78	17.95	21.86	19.6662	1.01056
Leverage (X3)	78	2.97	16.08	5.8081	2.50923
Firm V (Y)	78	.09	4.78	1.4353	1.14315
Valid N (listwise)	78				

Source: Processed Researcher from SPSS, 2024

Normality Test

Based on the results of the normal probability plot test, the data is distributed around the diagonal line and follows its direction. Thus, it is possible to conclude that the data from this research are evenly distributed

because the regression model meets the assumption of normality. On the other hand, if the data extends outward from the diagonal line and does not follow its direction, the regression model does not match the assumption of normality. The One-Sample Kolmogorov-Smirnov Test findings revealed a significance value (Asymp. Sig 2-tailed) of 0.070; as the significance value > 0.05, it can be concluded that the distribution of the residual value is normal.

Classical Assumption Test
Multicollinearity Test

It can be concluded that the regression model based on the results of the multicollinearity test does not show any multicollinearity among the variables of profitability, firm size, and leverage. This is utilized to calculate the tolerance value, and the observation that any independent variable is greater than 0.10 and that all variable VIF values are less than 10.

Heteroscedasticity Test

Heteroscedasticity is a test that verifies the inequality of variance between one residue and the other. If variance from fixed residuals is found, it is called homokedasticity and if differences are found it is called heteroscedasticity. Homoscedasticity is considered a satisfactory or good regression model and no heteroscedasticity occurs. This can be seen in scatterplot graph, which is a graph that have a random distribution of points above or below the amount 0 on the Y axis point and do not create any particular pattern. Therefore, it may be said not to be heteroscedasticity in the study's dependent variable data. Each independent variable has a significance value of > 0.05 according to the glacier heteroscedasticity test results, indicating that the regression model does not have a heteroscedasticity issue.

Autocorrelation Test

Testing the autocorrelation assumption, which seeks to determine whether the perturbing variable in a given period and the preceding variable are correlated. The DW value of 1.751 is more than the value (du) of 1.7129, which indicates that there is no autocorrelation issue in the study data, according to the autocorrelation test using statistics.

Multiple Linear Regression Test

The use of multiple linear regression analysis makes it possible to assess the impact of profitability, firm size, and leverage called independent variables on firm value which is a dependent variable.

Table 2. Regression Model Analysis Results

No.	Research Variables	Regression Coefficient
1.	Constant	-11.715
2.	Profitability (X1)	.458
3.	Firm Size (X2)	3.760
4.	Leverage (X3)	.274

Source: Processed Researcher from SPSS, 2024

From Table 2 mentioned earlier, it can be deduced that the regression equation is as follows:

Y = -11,715 + 0,458 X1 + 3,760 X2 + 0,274 X3 ………………………………………..(6)

Model Fit Test

The F test is intended to define whether the regression model equation can be used to observe the impact of independent variables on dependent variables, which is to assess the viability of the research model. Regression analysis can be performed if the value is significant (Sig ≤ 0.05). (Ghozali, 2021:148)

Table 3. Model Fit Test Results

Model	F	Sig.	Conclusion
Regression	8.775	.001[b]	Significant
Residual			
Total			

Source: Processed Researcher from SPSS, 2024

According to the results of the model conformance test in table 3 above, a significance level of < 0.05 is obtained, which means that independent variables have a significant influence simultaneously on the dependent variable and opposite. Where α = 0.05 is the significance level. Given the significant value of 0.001 < 0.05, it may be inferred that the firm's value is concurrently influenced by profitability, firm size, and leverage, among other independent factors.

Variable Significance Test (T-test)

To demonstrate the impact of each independent variable separately on the dependent variable, the t-test is utilized to partially test the significance of the coefficients. The independent variable affects the dependent variable if the significance level (Sig ≤ 0.05) is met (Ghozali, 2021:148). The table below shows the findings from the hypothesis test of this study:

Table 4. T-test Results

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	-11.715	4.319		-2.712	.008
Profitability	.458	.127	.401	3.609	.001
Firm Size	3.760	1.473	.266	2.553	.013
Leverage	.274	.227	.132	1.206	.232

Source: Processed Researcher from SPSS, 2024

The results of the t-test show that the profitability variable as determined by ROA has a significant value that is 0.001 less than the α of 0.05 with a coefficient grades of 0.458. This demonstrates that the firm value of banking companies registered with the IDX is positively and significantly

impacted by profitability. Next, with a coefficient value of 3.760, the firm size variable as determined by Ln total assets had a significant value that was 0.013 higher than the α of 0.05. This demonstrates that the firm value of Banking Companies registered with the IDX in 2018-2023 is positively and significantly impacted by firm size. Meanwhile, variable leverage measured by ROE obtained a significant value of 0.232 higher than α of 0.05 with a coefficient value of 0.274. This shows that leverage has no impact on firm value of banking companies registered with the IDX in 2018-2023.

Coefficient of Determination Test (R²)

The coefficient of determination (R²) is utilized to assess how much the independent variable is able to describes the variation of the dependent variable (Ghozali, 2021:147). The table below displays the findings of this study's coefficient of determination test (R²):

Table 5. Coefficient of Determination Test Results

Model	*R*	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.512	.262	.232	.63045

Source: Processed Researcher from SPSS, 2024

The Adjusted R Square value is 0.232 according to Table 5. According to this, 23.2% of the value of banking companies registered with the IDX in 2018-2023 is due to profitability, firm size, and leverage. Meanwhile, the remaining 76.8% of the firm value is caused by other variables that were not researched in the study.

DISCUSSION

The Effect of Profitability on Firm Value

The results of the t-test show that the firm value is positively affected by profitability, so H1 is accepted. A firm's profitability shows its capacity to obtain profits from the resources it uses. The more profitable a company is, the more effectively its assets are used to generate net profit, which increases the firm value. The growth of ROA offers a good signal to the market that the firm can guarantee the well-being of investors through investments with a high rate of return. High profitability also gives a convincing signal to shareholders that the firm is in a profitable state. The firm's shares will grow in response to an enhancement in investor trust, this causes a raise in the stock rates and will also improve the firm's worth.

According to the agency theory, investors will be able to measure how well the company can generate profits through sales and investments if the company good performs. A satisfactory performance of the company would enhance its value. Companies that manage to book profits that continue to increase and have high profitability will demonstrate that their company is in good health, which will elicit a positive reaction from shareholders and boost the company's share price. It can be concluded that profitability is in line with

signal theory and agency theory. This research produces a positive influence and the findings of this study corroborate previous research by Widiyati (2020), Nurfaradila & Muslimin (2023), and Rajagukguk et al., (2019) showing how profitability affects firm value.

The Effect of Firm Size on Firm Value

The results of hypothesis testing show that firm size has a positive effect on firm value, so H2 is accepted. This demonstrates that the firm size can be a valuable indicator to demonstrate its financial strength. According to signal theory, larger companies will have more stable conditions, which will attract investors to buy company shares and increase the firm value. At the same time, according to the agency theory, large companies also have higher agency fees because the larger firm size raises concerns among shareholders (principal). A large firm size can represents a firm that large growth will certainly make it easier for companies to get funds from the capital market. The greater the firm size, the more investors will trust it to deliver high returns. The increasing demand for company shares boosted stock prices in the capital market. This increase shows that the company is valued higher. Thus, the firm size corresponds to the signal theory and the agency theory. This research produces a positive influence and supports the research conducted by Hidayat & Khotimah (2022), Dewi & Ekadjaja (2020), and Kurniawan & Ardiansyah (2020) whose results show that firm size affects the firm value.

The Effect of Leverage on Firm Value

The results of the hypothesis test show that leverage does not have a significant effect on firm value, so H3 is rejected. This can be seen from the p-value of 0.232 greater than 0.05. This means that if the leverage is higher, the firm value will not necessarily be high. This indicates that increasing or decreasing its funding sources will not influence the firm value as a whole. Investors do not take into consideration the company's debt because they see how the company's management uses its resources wisely and efficiently in order to enhance the value of the firm. If a firm has a high level of leverage, this means that the financing of its assets is mostly provided by external loans. In contrast, companies with low leverage use more of their own funds to finance their assets. However, this is not one of the aspects that investors consider when allocating their funds to companies. Investors typically look at the return on their investment rather than the total amount of the firm's debt because they expect to get a return on the capital that has been invested. Leverage has no effect on investors' desire to invest because the company will continue to operate and make profits as long as debt is utilized to expand assets and production capacity. This study obtained the result that leverage has no effect on firm value and supports the research conducted by Apriantini et al., (2022), Winiadi et al., (2023), and Santoso & Junaeni (2022) which obtained the result that leverage does not have a significant effect on firm value.

CONCLUSIONS AND RECOMMENDATIONS

Based on the findings of this study, the following conclusions can be drawn:

1. Profitability has a positive and significant effect on firm value
2. Firm size has a positive and significant effect on firm value
3. Leverage does not have a significant effect on firm value

Following are some recommendations for pertinent parties according to the findings and conclusion of the analysis:

1. Recommendations for advanced research can use or add variables outside this model so that independent variables can be known that have a greater influence on the dependent variable, developing research objects in other sector companies.
2. For potential investors who want to invest in stocks, you should consider profitability and firm size factors because these factors have a significant influence on firm value in banking companies listed on the Indonesia Stock Exchange in 2018-2023.

ADVANCED RESEARCH

The limitation of this research is that the companies sampled in the study are only limited to banking companies so that they are less representative of all industrial sectors on the IDX and the variables used in this research are only part of the factors that are predicted to affect firm value, namely only profitability, firm size, and leverage. There are still other factors that can influence the firm value.

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