

ABSTRACT

The Indonesian economy is significantly influenced by the role of the manufacturing sector, which contributes significantly to employment, economic growth, and cross-sectoral innovation. However, there are differing opinions in the literature regarding the impact of company size, debt levels, liquidity, and profitability on the value of companies in the Indonesian manufacturing sector. This research aims to fill this knowledge gap by providing in-depth insights that can guide strategic decisions within the sector.

The study employs regression analysis to explore the relationship between company size, debt levels, and liquidity with the value of companies, including the mediating role of profitability, in the Indonesian manufacturing sector. Independent variables include total assets, Debt-to-Equity Ratio (DER), and Cash Ratio, while Return on Investment (ROI) is used as the mediating variable. Price-to-Book Value (PBV) is utilized to measure the value of companies. The sample consists of 95 manufacturing companies listed on the Indonesia Stock Exchange during the period 2018-2022. Data collection is conducted through financial reports from Bloomberg. This regression analysis allows for an evaluation of how each independent variable directly and indirectly influences the value of companies.

The findings of this research provide new insights into the factors influencing the value of companies in the Indonesian manufacturing sector. The results indicate that company size does not significantly affect the value of companies, whereas debt levels and profitability have a positive and significant impact. On the other hand, liquidity, despite its negative influence, does not significantly affect the value of companies. Company size, debt levels, and liquidity each have a significant influence on the value of companies through the mediating role of profitability. These conclusions offer relevant perspectives for stakeholders in manufacturing companies to formulate policies and sustainable strategies in a dynamic business environment.

Keywords : *Company size, leverage, liquidity, profitability, firm value, manufacturing sector.*