The Seybold Report

ISSN 1533-9211

DOI: 10.5281/zenodo.13752794

ENHANCING FIRM VALUE THROUGH COMPANY GROWTH: QUANTITATIVE OF LEVERAGE AND PROFITABILITY

JOSUA PANAPAT SOEHADITAMA

Institut Keuangan Perbankan dan Informatika Asia Perbanas, Indonesia. Email: josua.panatap@perbanas.id

SIGIT MARETA

Universitas Dian Nusantara Jakarta, Indonesia. Email: sigit.mareta@undira.ac.id

MARIA SAFITRI

Universitas Dian Nuswantoro Semarang, Indonesia. Email: mariasafitri@dsn.dinus.ac.id

VICKY OKTAVIA

Universitas Dian Nuswantoro Semarang, Indonesia. Email: vicky.oktavia@dsn.dinus.ac.id

CAROLA BASUKI

Bina Nusantara University, Jakarta, Indonesia. Email: carola.basuki001@binus.ac.id

Abstract

This research aims to investigate the relationship between company growth, leverage, profitability, and firm value. Specifically, it seeks to quantify how changes in leverage and profitability affect firm value, providing insights for managers and investors on strategies to enhance firm value through growth. The study employs a quantitative approach, utilizing financial data from a sample of companies over a specific period. The data is analyzed using statistical methods to determine the impact of leverage and profitability on firm value, measured by market capitalization or other relevant metrics. The research findings suggest that there is a significant relationship between company growth, leverage, profitability, and firm value. Higher levels of profitability and optimal leverage ratios are associated with increased firm value. The study also identifies specific strategies that companies can adopt to enhance their firm value through growth. The research is limited by the availability and quality of financial data, as well as the specific methodology employed. The findings may also be influenced by external factors such as market conditions and industry dynamics. This research contributes to the existing literature on firm value, growth, leverage, and profitability by providing empirical evidence of their interrelationships. The findings offer practical implications for managers and investors seeking to enhance firm value through strategic growth initiatives. The study's novelty lies in its quantitative analysis of the relationship between leverage, profitability, and firm value, offering new insights and empirical evidence to support decision-making in corporate finance and investment.

Keywords: Firm Value, Company Growth, Leverage, Profitability.

BACKGROUND

In order to enhance firm value, companies must focus on strategies that promote growth and increase profitability. One strategy that has been proven effective is leveraging the firm's assets efficiently. By utilizing a combination of fixed assets and working capital effectively, large growing firms can improve revenue and ultimately enhance profitability [1]. This can be achieved by carefully managing the firm's financial leverage. Another factor that can contribute

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.13752794

to enhancing firm value is the ability to generate high sales growth [2]. Companies with high sales growth rates tend to experience higher profits, leading to a positive impact on firm value [3]. Additionally, companies that have a high level of sales growth are more likely to use debt in their capital structure [4]. Therefore, it is crucial for companies to carefully analyze their capital structure and leverage ratios in order to determine the most effective approach to enhancing firm value through company growth, leverage, and profitability [5]. By doing so, companies can attract shareholders, increase stock prices, and ultimately create a positive sentiment toward the company. Companies can also focus on improving operational efficiency and streamlining processes to drive profitability and growth [6]. By implementing cost-effective measures and optimizing resource allocation, firms can achieve higher levels of profitability while also promoting sustainable growth [7].

In addition to managing financial leverage and capital structure, companies should also consider investment in research and development to drive innovation and create a competitive edge in the market [8]. This not only contributes to revenue growth but also enhances the firm's overall value by positioning it as a market leader. Furthermore, fostering a culture of transparency and accountability within the organization can lead to better decision-making and efficient utilization of resources, ultimately contributing to enhanced profitability and firm value [9]. Strategic partnerships and mergers can also be instrumental in driving growth and profitability. Collaborating with other industry players or acquiring complementary businesses can lead to synergies that drive revenue growth and market expansion, ultimately enhancing the company's value proposition [10].

Enhancing firm value through company growth, leverage, and profitability requires a holistic approach that encompasses operational efficiency, innovation, strategic partnerships, and sound financial management [11]. By leveraging these strategies effectively, companies can position themselves for sustainable growth and value creation in the long term.

THEORITICAL FOUNDATIONS

Leverage and Company Growth

The correlation between leverage and company expansion is explored within the framework of sustainability report disclosure and firm valuation. In the research of revealed that leverage affects the extent of sustainability report disclosure. Specifically, the presence of [12] more members on the board of directors is shown to mitigate the link between leverage and sustainability report disclosure levels. This indicates that heightened leverage might not invariably result in heightened sustainability report disclosure, potentially due to the board's composition influencing the company's governance and reporting procedures.

Regarding firm valuation, the examination of leverage is also conducted in the study conducted by [13] found leverage has positive contribution on company growth. The findings indicate a significant positive correlation between leverage and firm valuation, suggesting that companies with greater leverage typically exhibit higher firm values [14]. This implies that companies proficient in utilizing debt financing can enhance their worth by leveraging their assets and

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.13752794

investments. Thus, the association between leverage and company growth is intricate and subject to various influences. While heightened leverage may not invariably lead to increased sustainability report disclosure, it can positively impact firm valuation if managed adeptly.

Hypothesis (H_1): *Leverage has positive and significant effect on Company Growth*

Profitability and Company Growth

The correlation between profitability and company expansion is examined in several studies. In the study was performed by [15] found a notable and positive correlation is identified between growth and profitability. This suggests that as a company expands, its profitability typically increases. This association holds significance across all five ASEAN countries investigated, implying a prevailing trend of economies of scale superseding diseconomies of scale over time.

Conversely, the study of [16], does not ascertain a significant correlation between profitability and company expansion. This discrepancy might stem from the study's specific focus on company value and the inclusion of other variables such as capital structure, company size, and liquidity in the analysis [17]. Thus, the relationship between profitability and company growth is typically positive and significant, indicating that expansion tends to enhance profitability. However, this correlation may not always hold true and could be influenced by other factors such as capital structure, company size, and liquidity [18].

Hypothesis (H_2): *Profitability has positive contribution on Company Growth*

Leverage and Firm Value

One study in Pakistan found that as leverage increases, firm value tends to decrease, showing an inverse relationship [19]. In contrast, another study on firms in Nigeria showed that higher leverage can lead to higher firm value, suggesting a positive correlation [20]. These findings indicate that factors like the country's economic conditions, corporate governance practices, and transparency levels can affect how leverage impacts firm value. For instance, a study on Indonesian firms found that profitability influences the relationship between working capital management and firm performance but not between leverage and firm performance [21].

The Nigerian study also suggests that firms can increase their firm value by taking on high-quality projects and using more debt for funding [20]. Another study from Indonesia supports the idea that a company's funding structure can influence its firm value, backing the optimal capital structure theory. This highlights the importance of managing leverage well to achieve the best firm value. Additionally, a study on the effect of profitability, leverage, and firm size on firm value found that while profitability and firm size are positively correlated with firm value, leverage has a negative but not significant impact [22]. This means that firms with higher profitability and larger size usually have higher firm values, but leverage doesn't play a substantial role in this context.

Overall, the relationship between leverage and firm value are complex and impacted by various factors. Some studies show a negative correlation, while others show a positive one. These

ISSN 1533-9211

DOI: 10.5281/zenodo.13752794

findings emphasize the need to consider different factors and manage leverage effectively to optimize firm value.

Hypothesis (H_3): *Positively and Significantly Leverage impact on Firm Value*

Profitability and Firm Value

The study of [23] discovered a direct relationship between profitability and firm value, suggesting that as profitability rises, firm value also tends to increase. Another study, was conducted by [24], found that profitability affects how intellectual capital influences firm value, indicating its significant role in this relationship. Moreover, the study of [25] revealed that the link between environmental disclosure and firm value depends on profitability levels. It found that when profits are high, environmental disclosure positively impacts firm value, but when profits are low, it has a negative effect.

Conversely, [2] discovered an inverse correlation between profitability and firm value, indicating that as profitability rises, firm value tends to decline. These results emphasize that variables such as industry type, company size, and capital structure can impact the connection between profitability and firm value. For instance, [26] observed that profitability and company size play a role in moderating the relationship between financial leverage and firm value. In essence, the relationship between profitability and firm value is complex and can be influenced by various factors. Some studies demonstrate a positive correlation, while others suggest a negative or conditional one. These findings underscore the importance of considering contextual variables and how profitability can moderate the relationship between profitability and firm value.

Hypothesis (H_4): *Profitability has positive and significant impact on Firm Value*

Company Growth and Firm Value

The studies examined offer varying perspectives on the relationship between company growth and firm value. [23] Found a positive correlation, indicating that increased growth tends to raise firm value. Conversely, [27]showed that while company growth positively affects firm value, this relationship is influenced by leverage. Leverage strengthens the connection between asset growth and firm value but weakens the link between revenue growth and firm value. Another study by [16] observed a positive impact of company growth on company value, although it did not directly investigate the relationship between company growth and firm value These findings suggest that factors like industry type, company size, and capital structure can impact how company growth affects firm value. For instance, [21] discovered that profitability moderates the relationship between working capital management and firm performance, though not for leverage and firm performance.

Essentially, the relationship between company growth and firm value is complex and influenced by various factors. While some studies show a positive correlation, others suggest a conditional or minimal effect. These results highlight the importance of considering contextual factors and the moderating impact of leverage when examining the relationship between company growth and firm value.

ISSN 1533-9211
DOI: 10.5281/zenodo.13752794

Hypothesis (H_5): *Company Growth positively and significantly effect on Firm Value*

CONCEPTUAL FRAMEWORK

The conceptual framework for enhancing firm value through company growth, focusing on the quantitative aspects of leverage and profitability, can be structured as follows; Relationship between Company Growth and Firm Value and Mediating Role of Leverage and Profitability which consists of the variabels Firm Value (Y), Company Growth (Z), Leverage (X1), Profitability (X2). The framework model of this research will be in figure 1 bellow:

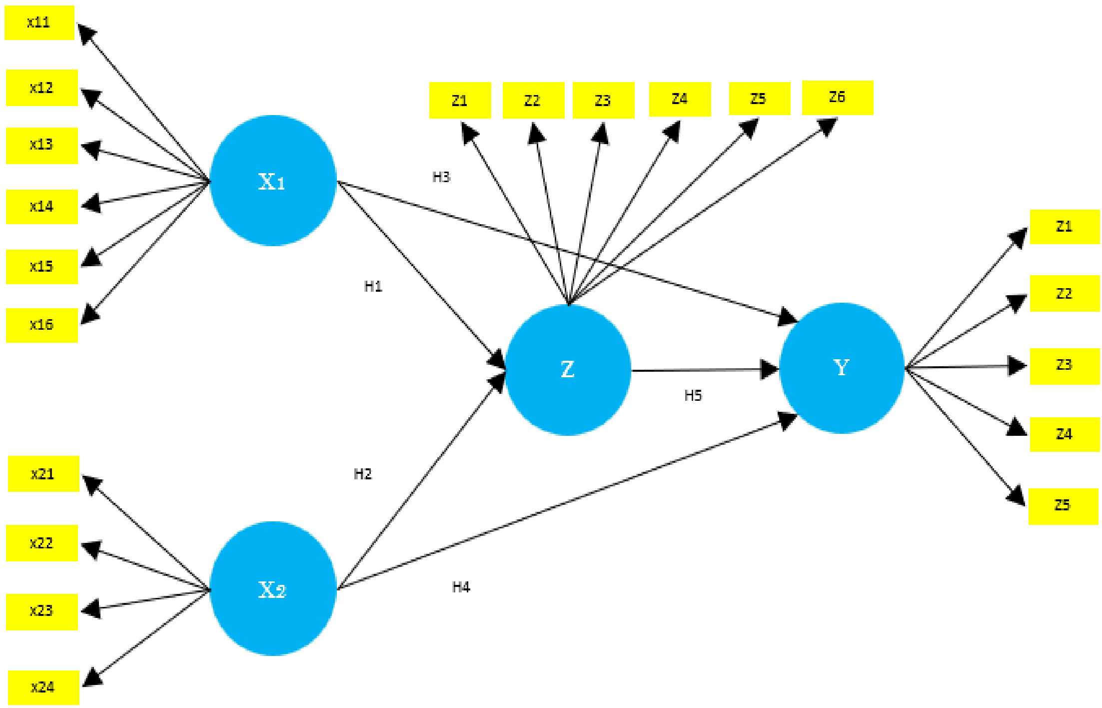

Figure 1: Conceptual Framework

RESEARCH METHOD

The study adopts a quantitative approach, utilizing financial data from a sample of companies within a specified timeframe. Statistical methods are employed to analyze the data and evaluate the impact of leverage and profitability on firm value, which is measured using market capitalization or other pertinent metrics. Data collection entails sourcing information from financial statements, annual reports, and relevant documents, supplemented by databases, academic literature, and reports on company growth, leverage, profitability, and firm value. The research will concentrate on companies within specific industries to ensure data relevance and comparability, with sample size determined using statistical techniques to ensure reliability and validity. Statistical analysis methods, such as Smart PLS, will be employed to explore the relationships between company growth, leverage, profitability, and firm value.

The Seybold REPORT
ISSN 1533-9211
DOI: 10.5281/zenodo.13752794

Control variables, such as industry classification, company size, and market conditions, may be integrated to isolate the effects of independent variables. Hypotheses will be formulated based on anticipated relationships and subjected to significance and validity testing through appropriate statistical methods. Limitations of the study encompass potential constraints related to data availability and quality, as well as the extent to which findings can be generalized across other industries or contexts. External factors, including economic conditions and market trends, may also influence the study's outcomes.

RESEARCH RESULTS AND DISCUSSIONS

Result

Table 1: CFA results for the measurement model

Variable and Indicators	Loading Factors	P-Value
Leverage (LV)		
- *Debt-to-Equity Ratio (DER)*	0.658	0.000
- *Debt-to-Asset Ratio (DAR)*	0.788	0.020
- *Interest Coverage Ratio (ICR)*	0.664	0.000
- *Fixed Charge Coverage Ratio (FCCR)*	0.697	0.000
- *Long-Term Debt to Capitalization Ratio*	0.681	0.000
- *Debt Service Coverage Ratio (DSCR)*	0.769	0.000
Profitability (PR)		
- *Net Profit Margin (NPM)*	0.679	0.010
- *Return on Assets (ROA)*	0.608	0.000
- *Return on Equity (ROE)*	0.778	0.000
- *Return on Investment (ROI)*	0.735	0.000
Company Growth (CG)		
- *Revenue*	0.798	0.000
- *Net Income*	0.659	0.000
- *Asset Growth*	0.694	0.021
- *Market Growth*	0.786	0.000
- *Revenue per Share*	0.769	0.000
- *Net Income per Share*	0.696	0.000
Firm Value (FV)		
- *Market Capitalization*	0.786	0.010
- *Enterprise Value*	0.791	0.000
- *Net Asset Value*	0.798	0.000
- *Free Cash Flow*	0.728	0.000
- *Dividend Yield*	0.767	0.000

Table 1 illustrates that all indicators display a loading factor value surpassing 0.6 and a p-value under 0.05, affirming their validity. Table 2 showcases the reliability of all assessed variables, with each indicator demonstrating internal consistency. The outcomes of the reliability examination unveil a CR value surpassing 0.6 and Variance Extracted (VE) surpassing 0.5. Leverage, Profitability, Company Growth, and Firm Value variables manifest a CR value surpassing 0.7 and AVE surpassing 0.5, indicating their reliability.

ISSN 1533-9211

DOI: 10.5281/zenodo.13752794

Table 2: Construct Reliabilities, AVE and Correlations

Variable	1	2	3	4
Leverage (LV)	0.855			
Profitability (PR)	0.976	0.951		
Company Growth (CG)	0.466	0.434	0.882	
Firm Value (FV)	0.476	0.457	0.433	0.886
Average Variance Extracted (AVE)	0.826	0.772	0.897	0.731

Performing hypothesis testing using Structural Equation Modeling (SEM) involves examining the relationships among variables outlined in the proposed model. Employ SEM software to estimate the parameters of the model, which includes calculating the path coefficients (effect sizes) connecting variables and assessing how well the model fits the data. Then, interpret the results and draw conclusions about the associations between variables based on the statistical significance of the path coefficients and the overall fit of the model. The constructed model is suitable for exploring the connection between the research variables, as evidenced by Table 3.

Table 3: Hypothesis Testing

Relationship among variables	Std β	Unstd β	SE	CR	Result
LV → CG	0.269	0.240	0.072	3,295*	H1 is accepted
PR → CG	0.392	0.289	0.093	3,793*	H2 is accepted
LV → FV	0.252	0.295	0.094	3,198*	H3 is accepted
PR → FV	0.236	0.278	0.085	2,778*	H4 is accepted
CG → FV	0.222	0.276	0.099	2,708*	H5 is accepted

Note: *p <0.01

Table 3 indicates that all relationships between variables are positively and significantly correlated, with p-values <0.01. All hypotheses in the study are accepted, indicating that Firm Value is positively and significantly impacted by Company Growth as a moderating variable. Company Growth (CG) is significantly influenced by both Leverage (LV) and Profitability (PR). Similarly, the hypothesis testing revealed that the Firm Value (FV) variable is directly influenced by Leverage (LV) and Profitability (PR).

Discussion

The influence of leverage on company growth is significant. Leverage, which refers to the use of borrowed funds to finance investments, can amplify returns when investments perform well [28]. However, it also increases financial risk, as companies must repay debt regardless of performance [29]. High leverage can lead to financial distress if earnings fall short of expectations or if interest rates rise [30]. Thus, the impact of leverage on company growth depends on how effectively it is managed. When used judiciously, leverage can accelerate growth by enabling companies to undertake larger investments than would be possible with equity alone [31]. Conversely, excessive leverage can hinder growth by constraining financial flexibility and increasing the cost of capital [32]. Therefore, companies must carefully assess their risk tolerance and financial position when considering the use of leverage to support growth initiatives.

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.13752794

The impact of profitability on company growth is profound. Profitability, which signifies the ability to generate earnings, is a key determinant of a company's growth prospects [33]. High profitability provides companies with the resources needed to reinvest in their operations, pursue expansion opportunities, and withstand economic downturns [34]. It also enhances a company's attractiveness to investors and creditors, enabling it to access capital at favorable terms [35]. Conversely, low profitability can constrain growth by limiting reinvestment capabilities and reducing financial flexibility [36]. Therefore, maintaining and improving profitability is essential for sustaining long-term growth and competitiveness.

The impact of leverage on firm value is significant. Leverage, which entails utilizing borrowed capital to support operations, can have various effects on firm worth. On one hand, it can enhance shareholder returns if the company's investments yield higher profits than the borrowing costs, a concept known as financial leverage [23]. Conversely, it heightens financial risk since the company must repay debts irrespective of performance. Elevated leverage levels can precipitate financial difficulties if debt obligations cannot be met, thereby adversely affecting firm value. Moreover, as the company's leverage ratio rises, the cost of debt may escalate, further diminishing firm worth. Thus, the impact of leverage on firm value hinges on its management effectiveness. Companies must weigh the advantages of financial leverage against the perils of heightened financial distress to optimize firm value.

Profitability significantly impacts firm value. It represents a company's capacity to earn from its activities and is a fundamental factor influencing firm value. Strong profitability suggests effective management and market strength, drawing investors and elevating the company's valuation [37]. It also furnishes the company with the means to expand and explore new ventures, thus augmenting its overall value [38]. Conversely, poor profitability can indicate operational or market challenges, resulting in a lower valuation. In essence, profitability is pivotal in firm valuation, typically correlating with higher firm worth.

The relationship between company growth and firm value is a pivotal subject of examination in the fields of finance and business. Studies have indicated various ways in which company growth can positively impact firm value. For example, research focusing on Indonesian infrastructure firms revealed that both profitability and company size contribute positively to firm value, suggesting that growth achieved through these avenues can elevate a company's overall worth. Similarly, investigations into manufacturing companies in Indonesia have shown that company growth, particularly through expansions in operations or product lines, can bolster firm value [39]. Nonetheless, not all research findings demonstrate a direct link between company growth and firm value [40]. For instance, a study analyzing property real estate and construction firms in Indonesia indicated that company growth does not exert a significant influence on firm value. Instead, factors such as institutional ownership, capital structure, and dividend policies may play more substantial roles in determining firm value. Moreover, another study observed that the impact of company growth on firm value is moderated by effective corporate governance practices. This implies that mechanisms such as board affiliation and board size can shape how company growth translates into firm value [41].

The Seybold Report
ISSN 1533-9211
DOI: 10.5281/zenodo.13752794

CONCLUSION

This study has provided valuable insights into how leverage and profitability affect firm value. The research showed that increasing leverage usually leads to a decrease in firm value, highlighting the importance of managing debt levels carefully. Conversely, higher profitability was linked to higher firm value, indicating that companies with stronger profitability tend to be more valuable. These findings emphasize the importance of strategic financial management in increasing firm value. By focusing on improving profitability and maintaining an optimal level of leverage, companies can enhance their overall value and competitiveness. External factors like economic conditions, industry dynamics, and market trends can also impact these relationships. Therefore, further research is needed to understand these connections in different contexts and industries. Overall, this study contributes valuable insights to our understanding of firm value. It underscores the importance of a balanced approach to financial management and strategic decision-making in enhancing firm value through company growth, offering valuable guidance for practitioners and policymakers.

References

1) M. M. Ali, N. Hussin, and E. K. Ghani, "Liquidity, growth and profitability of non-financial public listed Malaysia: A Malaysian evidence," *Int. J. Financ. Res.*, vol. 10, no. 3, pp. 194–202, 2019.

2) I. V. Panjaitan and D. Supriyati, "The Effect of Profitability and Leverage on Firm Value with Firm Size as a Moderating Variable," *Res. Financ. Bank.*, vol. 1, no. 1, pp. 34–46, 2023.

3) S. Murniati, "Profitability Ratio Analysis and its Effectâ€™ s to Firm Value in the Food and Beverage Industry in Indonesian Stock Exchange," *Inf. Manag. Bus. Rev.*, vol. 9, no. 4, pp. 12–17, 2017.

4) T. Triyono, A. Kusumastuti, and I. D. Palupi, "The influence of profitability, assets structure, firm size, business risk, sales growth, and dividend policy on capital structure," *Ris. Akunt. Dan Keuang. Indones.*, vol. 4, no. 3, pp. 101–111, 2019.

5) K. Natsir and Y. Yusbardini, "The effect of capital structure and firm size on firm value through profitability as intervening variable," in *8th International Conference of Entrepreneurship and Business Management Untar (ICEBM 2019)*, 2020, pp. 218–224.

6) D. Tarmidi, P. N. Sari, and F. Sormin, "Corporate Value: Impact of Sales Growth, Leverage, and Investment Opportunity Set," 2020.

7) D. Bello, "Cost reduction and sustainable business practices; A conceptual approach," *J. Econ. Adm. Sci.*, vol. 26, no. 118, pp. 78–87, 2020.

8) K.-Y. Shen, M.-R. Yan, and G.-H. Tzeng, "Exploring R&D influences on financial performance for business sustainability considering dual profitability objectives," *Sustainability*, vol. 9, no. 11, p. 1964, 2017.

9) T. M. AlMOMANI, M. I. S. Obeidat, M. A. Almomani, and N. Darkal, "Capital structure and firm value relationship: The moderating role of profitability and firm size: Evidence from Amman stock exchange," *WSEAS Trans. Environ. Dev.*, vol. 18, no. 1, pp. 1073–1084, 2022.

10) W. S. Li and W. S. Li, "Creating Value Through Strategic Alliances," *Strateg. Manag. Account. A Pract. Guideb. with Case Stud.*, pp. 193–216, 2018.

11) G. P. A. J. Susila, K. K. Heryanda, and K. E. S. Putra, "The Effect of Company Size and Capital Structure on Company Value," in *5th International Conference on Tourism, Economics, Accounting, Management and Social Science (TEAMS 2020)*, 2020, pp. 1–5.

ISSN 1533-9211

DOI: 10.5281/zenodo.13752794

12) M. Sari, S. Raharja, S. Widya, and M. Fitriani, "The Determinant of Sustainability Report Disclosure with GCG as a Moderating Variable (Asian Companies Participating in ASRA 2017-2018)," 2022.

13) A. Sianipar and R. Prijadi, "Effect of working capital and financial aspects to firm value: An empirical study on Indonesian listed firms," in *Asia Pacific Business and Economics Conference (APBEC 2018)*, 2019, pp. 388–393.

14) A. Nurwulandari, "Intellectual Capital, the Capital Market, and Their Effect on the Value of Indonesian Manufacturing Firms Listed on the Indonesian Stock Exchange (IDX) from 2017 to 2020," in *2nd Annual Conference on blended learning, educational technology and Innovation (ACBLETI 2020)*, 2021, pp. 162–165.

15) D. Santoso and H. Hersugondo, "Company Size and Growth on Profitability: A Comparative Study in 5 ASEAN Countries," *J. Account. Res. Organ. Econ.*, vol. 6, no. 2, pp. 213–228, 2023.

16) A. N. Rohmah, I. Y. Rahmawati, N. Tubastuvi, and A. Alfalisyado, "The Influence of Company Growth, Capital Structure, Company Size, Profitability and Liquidity on Company Value," *J. Financ. Bus. Digit.*, vol. 3, no. 1, 2024.

17) N. Baroroh, L. Farkhani, M. Khafid, and M. I. Amal, "The Influence of Company Growth, Profitability, and Free Cash Flow on Company Value with Dividend Policy as Moderating Variable (An Empirical Study on Manufacturing Companies Listed on the Indonesia Stock Exchange from 2018-2020)," *KnE Soc. Sci.*, pp. 658–667, 2023.

18) H. Tannady, N. Pahlawi, M. A. Hernawan, D. N. C. Arta, and S. D. Yusuf, "Role of Stock Performance as an Intervening Variable in a Relationship Between Profitability, Leverage, Growth and Company Value," *JEMSI (Jurnal Ekon. Manajemen, dan Akuntansi)*, vol. 9, no. 2, pp. 220–225, 2023.

19) M. Alamgir and M.-C. Cheng, "Effect of leverage on firm value and how the contextual variables affect this relationship: A case of Pakistan," 2021.

20) U. A. Ibrahim and A. Isiaka, "Dynamic modelling of the relationship between financial leverage and firm value of selected firms quoted on the Nigerian Stock Exchange," *Int. J. Res. Bus. Soc. Sci.*, vol. 10, no. 3, pp. 259–275, 2021.

21) R. N. Ilham, H. Irawati, N. Nurhasanah, L. Inuzula, I. Sinta, and J. Saputra, "Relationship of working capital management and leverage on firm value: An evidence from the Indonesia stock exchange," *J. Madani Soc.*, vol. 1, no. 2, pp. 64–71, 2022.

22) D. Ernawati and D. Widyawati, "Effect of profitability, leverage and firm size on firm value," *J. Account. Sci. Res.*, vol. 4, no. 4, p. 1, 2015.

23) B. Sudiyatno, E. Puspitasari, I. Nurhayati, and T. Rijanti, "The relationship between profitability and firm value: evidence from manufacturing industry in Indonesia," *Int. J. Financ. Res.*, vol. 12, no. 3, p. 466, 2021.

24) T. R. Appah, S. Yuniarti, N. Sisharini, S. Sunarjo, and N. Yahya, "Does profitability matter in the relationship between intellectual capital and firm value?," *Media Ekon. dan Manaj.*, vol. 38, no. 1, pp. 57–70, 2023.

25) G. S. Megananda and A. Prastiwi, "The Role Of Profitability In The Relationship Between Environmental Disclosure And Firm Value," *AKUMULASI Indones. J. Appl. Account. Financ.*, vol. 1, no. 1, pp. 63–74, 2022.

26) M. M. Alom, "Proactive transparency and outward accountability of frontline public bureaucracies: An integrated model," *Int. J. Product. Perform. Manag.*, vol. 67, no. 4, pp. 611–628, 2018.

ISSN 1533-9211

DOI: 10.5281/zenodo.13752794

27) M. S. Syahrial, Y. Yuliansyah, and S. Sudrajat, "The Effect of Company Growth on Firm Value with Debt Policy as Moderation in Service Sector Industries," *Int. J. Innov. Educ. Res.*, vol. 8, no. 8, pp. 445–453, 2020.

28) F. A. Wahyudi and M. Sholahuddin, "The Effect of Profitability, Leverage, and Firm Size on Firm Value (Case of Registered Company In Jakarta Islamic Index 2015-2020 period)," in *International Conference on Economics and Business Studies (ICOEBS 2022)*, 2022, pp. 380–385.

29) N. Parashtiwi, "Leverage Factors that Impact on Company's Financial Performance," *Int. J. Soc. Serv. Res.*, vol. 3, no. 3, pp. 768–774, 2023.

30) H. Chen, "The impact of financial leverage on firm performance–Based on the moderating role of operating leverage," in *Fifth International Conference on Economic and Business Management (FEBM 2020)*, 2020, pp. 464–473.

31) I. K. A. Sukadana and N. Triaryati, "Pengaruh pertumbuhan penjualan, ukuran perusahaan, dan leverage terhadap profitabilitas pada perusahaan food and beverage BEI." Udayana University, 2018.

32) M.-C. Cheng and Z.-C. Tzeng, "Effect of leverage on firm market value and how contextual variables influence this relationship," *Rev. Pacific Basin Financ. Mark. Policies*, vol. 17, no. 01, p. 1450004, 2014.

33) M. Istan, N. Husainah, M. Murniyanto, A. Suganda, I. Siswanti, and M. Fahlevi, "The effects of production and operational costs, capital structure and company growth on the profitability: Evidence from manufacturing industry," *Accounting*, vol. 7, no. 7, pp. 1725–1730, 2021.

34) M. Awaluddin, E. Elis, S. P. Awaluddin, R. S. Wardhani, and S. S. Malle, "The Effect of Company Sizes and Net Working Capital on Cash Holding With Profitability as Intervening Variables in Food and Beverage Sub Sector Companies Registered in Indonesia Stock Exchange," *J. Iqtisaduna*, pp. 110–119, 2020.

35) A. Akhmadi, D. Yunia, and R. Robiyanto, "The role of profitability in the effect of company growth on the debt policy," *Int. J. Financ. Res.*, vol. 11, no. 4, pp. 267–274, 2020.

36) Y. M. Suaidah, "Analisis financial performance dan firm value perusahaan sektor industri logam di Indonesia," *J. Ekon. Mod.*, vol. 16, no. 1, pp. 19–30, 2020.

37) S. Aryantini and S. Jumono, "Profitability and value of firm: An evidence from manufacturing industry in Indonesia," *Accounting*, vol. 7, no. 4, pp. 735–746, 2021.

38) N. Susanti and N. G. Restiana, "What's the best factor to determining firm value," *J. Keuang. dan Perbank.*, vol. 22, no. 2, pp. 301–309, 2018.

39) H. Niar, "The impact of decision investment, capital structure and growth on profitability and company value in manufacturing sector of firms in indonesia," *Int. J. Account. Financ. Asia Pasific*, vol. 2, no. 1, 2019.

40) R. M. Sari and D. Patrisia, "The effect of institutional ownership, capital structure, dividend policy, and company's growth on firm value (study of property real estate and building construction companies)," in *Third Padang International Conference On Economics Education, Economics, Business and Management, Accounting and Entrepreneurship (PICEEBA 2019)*, 2019, pp. 192–200.

41) I. Gunadi, I. Wiksuana, I. B. A. Purbawangsa, and H. Rahyuda, "Impact of structural capital and company size on the growth of firm value through financial performance with good corporate governance as a moderating variable: Property and real estate business in Indonesia," *Int. J. Econ. Bus. Adm.*, vol. 8, no. 4, pp. 332–352, 2020.