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The Effect of Current Ratio, Debt to Equity Ratio, and Return on Assets on Company Value in the Transportation and Logistics Sector Listed on the Indonesia Stock Exchange

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Abstract: This study aims to analyse the impact of the current ratio, debt to equity ratio, and return on assets on firm value in transportation and logistics sector companies listed on the Indonesia Stock Exchange for the period 2020–2024. This research employs a quantitative approach with secondary data in the form of company financial statements. The sampling technique was carried out using purposive sampling, resulting in 28 companies being selected as the research sample. The data analysis method used is multiple linear regression with panel data, processed using the EViews application. The results of the study indicate that the current ratio has a positive but not significant effect on firm value, the debt-to-equity ratio has a positive and significant effect on firm value, and the return on assets has a positive but not significant effect on firm value. Simultaneously, the current ratio, debt to equity ratio, and return on assets have a significant effect on firm value.

Keyword: Current Ratio, Debt to Equity Ratio, Return on Assets, Company Value.

INTRODUCTION

The transportation and logistics sector plays a strategic role in supporting national economic growth as it serves as a primary driver for the distribution of goods and services. In Indonesia, the geographical characteristics consisting of thousands of islands make an efficient transportation and logistics system a critically important necessity. According to the (Kementerian Perhubungan, 2017), this sector makes a significant contribution to improving public services and promoting the development of other economic sectors.

The COVID-19 pandemic, which began to affect Indonesia in early 2020, had a significant impact on the national economy. Restrictions on public activities through PSBB and PPKM policies led to a decrease in the mobility of people and goods, causing considerable disruptions in the transportation and logistics sector. Data from the Central Statistics Agency (BPS) recorded that in the second quarter of 2020, Indonesia's economy contracted by -5.32%, while the transportation and logistics sector became the most affected sector with a decline of up to -30.84% (BPS, 2020). On the other hand, changes in public consumption patterns during the pandemic drove the growth of e-commerce activities, which positively impacted the demand for logistics services, particularly courier and household distribution services. This situation

requires companies in the transportation and logistics sector to innovate, improve efficiency, and adopt technology to ensure business continuity. Post-pandemic, this sector began to show signs of recovery, particularly during the 2022–2024 period, marked by improvements in financial performance and the acceleration of digitalization, such as the implementation of the last-mile delivery concept (Arfiana et al., 2023). Therefore, the 2022–2024 period becomes a crucial phase in reassessing the resilience and competitiveness of the transportation and logistics sector in Indonesia.

Company value is the primary objective of a company because it reflects the prosperity level of shareholders and investors' perceptions of the company's prospects. According to (Jemani et al., 2020), company value not only reflects current performance but also indicates expectations regarding the company's ability to increase wealth in the future. In this study, company value is measured using the Price to Book Value (PBV). (Tambun et al., 2022) state that a PBV above one indicates the company is in an overvalued condition and has good value, whereas a PBV below one indicates an undervalued condition.

Based on the average data of the Current Ratio (CR), Debt to Equity Ratio (DER), Return on Assets (ROA), and PBV of transportation and logistics sector companies for the period 2020–2024, it is observed that company value experienced considerable fluctuations. Although financial ratios such as CR, DER, and ROA remained relatively stable, company value (PBV) shows high dynamics. This condition indicates that the company's value is influenced not only by internal financial performance but also by external factors such as investor confidence and macroeconomic conditions. Liquidity, measured by the Current Ratio, indicates the company's ability to meet its short-term obligations. According to (Kasmir, 2014) A high liquidity ratio reflects a healthy financial condition, whereas a low ratio can negatively impact the company's image and investor interest. Capital structure, measured through the Debt-to-Equity Ratio, also affects the company's valueAccording to several empirical studies, a high debt-to-equity ratio (DER) reflects greater reliance on debt financing and increases perceived financial risk, which can lower investor confidence and interest in investing in the company. According to (Kasmir, 2014), has a positive effect on investor interest. (Kasmir, 2014) has a positive effect on investor interest and the enhancement of company value. Previous research has shown differences in findings (research gaps) regarding the influence of CR, DER, and ROA on company value. research gaps) Regarding the influence of CR, DER, and ROA on company value. Some studies found a significant impact, while others reported insignificant or even negative effects. These differences indicate that there are still research gaps that need further investigation, especially concerning companies in the transportation and logistics sector listed on the Indonesian Stock Exchange.

Based on this background, this study aims to analyze the effect of Current Ratio, Debt to Equity Ratio, and Return on Assets on the value of companies in the transportation and logistics sector. This research is expected to provide theoretical contributions to the development of financial science as well as practical benefits for companies and investors as a basis for evaluation and making more appropriate investments.

METHOD

This research uses a quantitative approach, which is a research method based on the philosophy of positivism and is used to study a specific population or sample by collecting data through research instruments and statistical analysis to test previously established hypotheses (Sugiyono, 2022:7). This approach was chosen because it can explain relationships between variables objectively and measurably.

The nature of the research used is associative, which is research aimed at determining the relationship between two or more variables. According to (Sugiyono, 2022:36), associative research is used in quantitative research to examine the interconnection between variables. This study analyses the relationship between the Current Ratio, Debt to Equity Ratio, and Return on

Assets, and the Company Value in transportation and logistics sector companies listed on the Indonesia Stock Exchange.

The data sources used in this study are secondary data, obtained from the financial statements of transportation and logistics companies listed on the Indonesia Stock Exchange for the period 2020–2024, as well as from previous research literature and other scientific sources. All data were obtained through the official website of the Indonesian Stock Exchange, www.idx.co.id. The research focuses on transportation and logistics companies listed on the IDX during this period. The study was conducted from September to November 2025.

The population in this study includes all transportation and logistics sector companies listed on the Indonesia Stock Exchange during the period 2020–2024, totaling 39 companies. The sampling technique used is purposive sampling, a sample selection technique based on predetermined criteria. From the total population, 28 companies met the criteria and were selected as the research sample.

The variables in this study consist of independent and dependent variables. The independent variables include the Current Ratio (X_1), the Debt-to-Equity Ratio (X_2), and the Return on Assets (X_3). The independent variables are variables that influence or cause changes in the dependent variable (Ridha, 2017). The dependent variable in this study is Firm Value (Y), which is the variable affected by the presence of the independent variables. The data analysis in this study employed multiple linear regression analysis with panel data, including model selection. Classical assumption tests and hypothesis testing were conducted to examine the relationships between variables. The data processing was carried out with the assistance of Microsoft Excel and EViews 12 applications

RESULTS AND DISCUSSION

Descriptive Analysis

Table 1. Descriptive Analysis Result

	PBV	CR	DER	ROA
Mean	2.602814	2.119193	-0.258186	0.041350
Median	0.509500	1.221500	-0.520500	0.017500
Maximum	15.43900	60.85800	8.530000	2.071000
Minimum	-6.908000	0.025000	-2.937000	-0.580000
Std. Dev.	5.102232	5.246301	1.569410	0.230529
Skewness	0.965979	10.16316	1.573886	4.919210
Kurtosis	3.205563	113.9104	9.091832	45.53676
Jarque-Bera	22.01918	74166.59	274.2769	11119.33
Probability	0.000017	0.000000	0.000000	0.000000
Sum	364.3940	296.6870	-36.14600	5.789000
Sum Sq. Dev.	3618.556	3825.790	342.3637	7.386986
Observations	140	140	140	140

Source: Output Eviews 13 (processed)

Based on Table 1, the results of the descriptive statistical test show that the PBV variable has a minimum value of –6.908000 and a maximum value of 15.439000, with a mean value of 2.602814, a median of 0.509500, and a standard deviation of 5.102232. The Current Ratio (CR) variable has a minimum value of –0.025000 and a maximum value of 60.85800, with a mean of 2.119193, a median of 1.221500, and a standard deviation of 5.246301. The Debt-to-Equity Ratio (DER) variable shows a minimum value of –2.937000 and a maximum value of 8.530000, with a mean of –0.258186, a median of –0.520500, and a standard deviation of 1.569410. Meanwhile, the Return on Assets (ROA) variable has a minimum value of –0.580000 and a

maximum of 2.071000, with a mean of 0.041350, a median of 0.017500, and a standard deviation of 0.230529.

Regression Model Selection

Table 2. Regression Model Selection Result

No	Metode	Chi-Sq.d.f.	Prob.	Kesimpulan
1.	Uji Chow	*Common Effects vs Fixed Effects*	0.0000	FEM
2.	Uji Hausman	*Fixed Effects vs Random Effects*	0.0742	REM
3.	Uji Lagrange Multiplier	*Random Effects vs Common Effects*	0.0000	REM

Source: Output Eviews 13 (processed)

The determination of the regression model is carried out using the Chow test to identify the Common Effect or Fixed Effect model, the Hausman test to determine the Random Effect or Fixed Effect model, and the Lagrange Multiplier test to compare the Common Effect or Random Effect model at a significance level ($\alpha = 0.05$). Based on Table 2, it shows that the most appropriate model to be used in this study is the Random Effect Model.

Multiple Linear Regression Analysis

Table 3. Multiple Linear Regression Analysis Result

Variable	Coefficient	Prob.
C	2.447482	0.0000
CR	0.124886	0.1394
DER	0.866943	0.0024
ROA	2.769197	0.1310

Source: Output Eviews 13 (processed)

Based on Table 3. the results of data processing using EViews 13 software can be used to obtain the following regression equation:

$$\mathbf{Y = \alpha + \beta_1 X_1 + \beta_2 X2 + \beta_3 X_3 + \varepsilon}$$

$$Y = 2.447482 + X_1\ 0.124886 + X_2\ 0.866943 + X_3\ 2.769197 + \varepsilon$$

The regression equation can be explained as follows:

The constant value of 2.447482 indicates that when all independent variables (X) are assumed to be zero, the firm value (Y) remains positive at 2.447482. Furthermore, the regression coefficient of the current ratio is 0.124886, indicating that a 1% increase in the current ratio will result in a 0.124886-unit increase in firm value, assuming all other variables remain constant.

Partial Test (t)

Table 4. T-test Result

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.447482	0.455261	5.375993	0.0000
CR	0.124886	0.084001	1.486728	0.1394
DER	0.866943	0.280194	3.094083	0.0024
ROA	2.769197	1.822660	1.519316	0.1310

Source: Output Eviews 13 (processed)

The t-test is used to determine the effect of each independent variable on the dependent variable partially, assuming other variables are constant. Based on the t-test results in Table 4, it is known that the Current Ratio has a significance value of 0.1394 (>0.05), indicating that it does not have a significant effect on Firm Value. The Debt-to-Equity Ratio has a significance value of 0.0024 (<0.05), indicating a significant effect on Firm Value. Meanwhile, Return on Assets has a significance value of 0.1310 (>0.05), indicating that it does not have a significant effect on Firm Value.

Simultaneous Test (F)

Table 5. F-test Result

Variable	Coefficient
C	2.723371
CR	-0.001996
DER	0.352711
ROA	-0.610941
R-squared	0.898587
Adjusted R-squared	0.870675
S.E. of regression	1.834856
Sum squared resid	366.9698
Log likelihood	-266.1060
F-statistic	32.19365
Prob(F-statistic)	0.000000

Source: Output Eviews 13 (processed)

The F-test is used to determine the simultaneous effect of the variables Current Ratio, Debt to Equity Ratio, and Return on Assets on Company Value at a significance level of 0.05. Based on the data analysis using EViews 13, the F-statistical probability value obtained is 0.000000 (<0.05), so it can be concluded that the independent variables together have a significant effect on the dependent variable. This indicates that the regression model used is suitable for further analysis.

Determinasi Coefficient (R^2)

Table 7. Determinasi Coefficient Result

R-squared	0.898587
Adjusted R-squared	0.870675
S.E. of regression	1.834856
Sum squared resid	366.9698
Log likelihood	-266.1060
F-statistic	32.19365
Prob(F-statistic)	0.000000

Source: Output Eviews 13 (processed)

The R-Squared value obtained, which is 0.8985, indicates that the independent variables (X_1, X_2, and X_3) collectively can explain 89.85% of the variation in the dependent variable (Y). The remaining 10.15% is influenced by other factors not included in the study, such as stock prices and company size.

The influence of Current ratio on Company Value

Current Ratio has a positive coefficient of 0.124886 on Firm Value; however, the probability value of 0.1394 (>0.05) indicates that this effect is not significant. Thus, the first hypothesis (H1) is rejected. This finding is in line with the research by (Amrullah, 2022), which states that the current ratio has a positive but not significant effect on firm value, but differs from the findings of (Salainti, 2019), which found a negative and insignificant effect. This condition indicates that the current ratio has not yet become a primary factor in determining firm value, as a high liquidity ratio may reflect funds that have not been optimally utilized and are not a major consideration for investors.

The Influence of Debt-to-Equity Ratio on Company Value

The Debt-to-Equity Ratio shows a positive coefficient of 0.866943 with a probability value of 0.00024 (<0.05), thus the second hypothesis is accepted. This indicates that the debt-to-equity ratio has a positive and significant effect on Firm Value. These findings are in line with the research of (Amrullah, 2022; Salainti, 2019; Tsaniatuzaima, 2022), but differ from (Djulhijar, 2021), who reported a significant negative effect. This result suggests that the increased use of debt in transportation and logistics sector companies is perceived by investors as an effort for business expansion and development, which has the potential to enhance company performance and value.

The Influence of Return on Assets on Company Value

Return on Assets has a positive coefficient of 2.769197 on Firm Value, but with a probability value of 0.1310 (>0.05), indicating that its effect is not significant, and the third hypothesis is rejected. These results are consistent with the research of (Djulhijar, 2021), which stated that ROA has a positive but not significant effect, but differ from (Tsaniatuzaima, 2022), who found an insignificant negative effect. This finding indicates that the level of profitability has not yet fully become a primary consideration for investors in determining a company's value, as investment decisions are also influenced by factors beyond profitability ratios.

CONCLUSION

This study aims to analyze the effect of the Current Ratio, Debt to Equity Ratio, and Return on Assets on the firm value of companies in the transportation and logistics sector. The results indicate that the Current Ratio has a positive but not significant effect on firm value, the Debt-to-Equity Ratio has a positive and significant effect on firm value and Return on Assets has a positive but not significant effect on firm value. These findings suggest that the company's funding structure, particularly the effective use of debt, plays an important role in enhancing firm value, while liquidity and profitability have not yet emerged as primary determinants of firm value.

The results of this study have implications for companies to pay greater attention to managing their capital structure to optimally enhance corporate value. For investors, these findings can serve as a consideration in making investment decisions by considering the financial ratios of companies in the transportation and logistics sector. This study has limitations due to the relatively short observation period, the use of limited research variables, and the focus on a single industry sector. Therefore, it is recommended that future research extend the observation period, use other indicators to measure corporate value, such as Tobin’s Q or the Price-to-Earnings Ratio (PER), and include additional variables such as dividend policy, intellectual capital, and sales growth to obtain more comprehensive research results.

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