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Determinants of Financial Performance and Their Implications for Corporate Values

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Abstract: The company has a goal of improving the welfare of shareholders by obtaining high company value which is measured through various aspects including the company's stock price which can reflect the overall investor assessment of each equity owned. If the stock price increases, the company's value will also increase. This study aims to determine the effect of capital structure, company size, managerial ownership and institutional ownership on company value which is proxied by price to book value (PBV) with financial performance on profitability which is proxied by return on assets (ROA) as an intervening variable. This study was conducted to analyze the determinants of Financial Performance and Company Value, namely Capital Structure, Company Size, Managerial Ownership and Institutional Ownership. The sample selection method uses the purposive sampling method, with the number of companies used as samples in this study as many as 12 companies, namely automotive and component sub-sector companies with an observation period of five years, so that the total observation data is 60. The research method used is a mixed research method between quantitative and qualitative. The regression results show that for 2019-2023, capital structure (-2.745), company size (-0.151), managerial ownership (-0.325), institutional ownership (0.564) have a significant effect on Financial Performance. Capital Structure (0.787), Managerial Ownership (-0;364) and Institutional Ownership (0.461) and Financial Performance (0.995) have a significant effect while Company Size (0.015) does not have a significant effect on Company Value.

Keyword: Corporatey Value, Financial Performance, Capital Structure, Size Company, Managerial Ownership, Institutional Ownership.

INTRODUCTION

In the current era of globalization, almost all countries pay great attention to the capital market because it has a strategic role in strengthening the economic resilience of a country. The capital market has an important role for a country's economy because the capital market it self has an important function, namely as a means of business funding or as a means for companies to obtain funds from investors.

The capital market in general is a place where sellers and buyers meet to make transactions in order to obtain capital. The capital market can be defined as a market for trading securities that generally have a period of more than one year, such as stocks and bonds. Stocks are traded through capital market facilities in Indonesia known as the Stock Exchange. On the Indonesia Stock Exchange (IDX), there are many choices for investing, one of which is the various manufacturing industry sectors of the automotive and component sub-sector. Automotive and component companies are one of the industry categories on the Indonesia Stock Exchange that have the opportunity to grow and develop. The automotive and component industry has had quite amazing developments, because the purchasing power of the Indonesian people for automotive is very high, this encourages automotive sub-sector companies listed on the Indonesia Stock Exchange to provide the best quality to attract many parties, one of which is investors.

The company value stated in the stock price will be able to increase investor confidence, to invest their funds to increase their prosperity through the sale of company shares. Maximizing the company value is considered more appropriate as a company's goal, because maximizing the company's value means maximizing the present value of all profits that will be received by shareholders in the future.(Henriansyah & Dharmayuni, 2017).

There are several factors or research variables, namely capital structure, company size, managerial ownership, institutional ownership and financial performance, which are then analyzed in more depth and prioritized for development because the automotive and component industries play a major role in national economic growth. Indonesia is still the main destination country for investment in the automotive industry sector. The development and progress of the Indonesian automotive industry in the next few years will be the largest in Southeast Asia. With a fairly large domestic automotive market, it will add more attraction for investors to invest in Indonesia. With the large amount of investment from the world's automotive industry, it will provide a positive contribution to the national economy and the absorption of professional workers in Indonesia as well as increasing the competitiveness of Indonesian automotive products.

METHOD

This study uses a combination method, which combines quantitative and qualitative approaches used together in a research activity so that more comprehensive, valid, reliable, and objective data are obtained. The data is more valid because the data whose truth cannot be validated by quantitative methods will be validated by

qualitative methods or vice versa. The combination research method used is a sequential explanatory model, namely a sequential method, namely the first quantitative and the second qualitative sequence. The role of the quantitative method is to obtain measurable quantitative data that is descriptive, comparative and associative while the qualitative method proves, deepens, expands, weakens and invalidates quantitative data that has been obtained in the initial stage.

Method of collecting data

The determination of the method and technique of data collection is using the interview method, observation and documentation, namely techniques carried out by collecting, recording, and reviewing secondary data in the form of financial reports of automotive companies listed on the Indonesia Stock Exchange (Indonesian Stock Exchange) through IDX and from various supporting books, research journals and other sources related to finance in automotive companies. Researchers use secondary data, namely the financial reports of Automotive and Component companies for 2019-

2023 listed on the Indonesia Stock Exchange to be processed and analyzed using ratio analysis on a number of main variables, namely company value measured by PBV, financial

performance measured by ROA proxy, as well as capital structure proxied by DER, Company size with Ln Logarithm of Total Assets, institutional ownership and managerial ownership with the ratio of share ownership by institutions and Managers, Directors and Commissioners.

Secondary data is data that is not obtained directly from the source, namely from the official website of the Indonesian Stock Exchange (www.idx.co.id),

includes capital structure, company size, institutional ownership, managerial ownership, financial performance and value of companies listed on the Indonesia Stock Exchange.

The selection of the period 2019 to 2023 as the research period was based on two considerations, namely:

1). That the period presents data published bywww.idx.co.id
on the Indonesian Capital Market Directory (ICMD).

2). That period experienced an economic crisis during the Covid-19 pandemic, until the economic recovery entered the new normal.

Data source

The data sources needed in this study are secondary data, which are obtained from published financial reports published by the Indonesia Stock Exchange (IDX) through IDX. The data periodization uses audited Publication Financial Report data for the period 2019-2023. This period is considered sufficient to follow stock price developments and covers the latest period of published financial reports published by the company concerned, consisting of;

a. Primary data in this study were obtained through a series of discussions and interviews with experts in the field of financial management representing the academic, government, banking and practitioner sectors.
b. This study uses panel data from companies that are manufacturing companies in the automotive and component sectors listed on the Indonesia Stock Exchange during the period 2019–2023.

Population

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2016:80; Suryani et al., 2020). The population of this study is automotive and component companies listed on the Indonesia Stock Exchange
(IDX) for the 2019-2023 period, namely 13 companies.

Table 1. List of Automotive and Component Companies

No.	Company name	Code Share
1.	PT. Astra International Tbk (code: ASII)	(ASII)
2.	PT. Astra Otoparts Tbk (AUTO)	AUTO
3.	PT. Indomobil Sukses International Tbk (IMAS)	IMAS
4.	PT. Gajah Tunggal Tbk (GJTL)	GJTL
5.	PT. Multistrada Ara Sarana Tbk (MASA)	TIME
6.	PT. Goodyear Indonesia Tbk (GDTR)	GDTR
7.	PT. Indospring Tbk (INDS)	INDS
8.	PT. Indo Kordsa Tbk (BRAM)	BRAM
9.	PT. Garuda Metalindo Tbk (BOLT)	BOLT

10.	PT. Nipress Tbk (NIPS)	NIPS
11.	PT. Selamat Sempurna Tbk (SMSM)	SMS
12.	PT. Multi Prima Sejahtera Tbk	LPIN
13.	PT. Prima Alloy Steel Universal Tbk	PRAS

Source :www.idx.co.id (2024)

Sample

A sample is part of the number and characteristics possessed by the population (Sugiyono, 2016:81; Suryani et al., 2020). The determination of the sample in this study was by using the purposive sampling technique, namely a sample selection method based on certain criteria according to the research objectives, where the sample is used if it meets the criteria,which aims to ensure that the data obtained will be more representative. The criteria that will be used are as follows;

1. Companies in the automotive & components sub-sector
manufacturing industry group listed on the Indonesia Stock Exchange during 2019 – 2023.
2. Companies that routinely present and publish financial reports consecutively during 2019 - 2023,
3. Companies that are consistently not included in the Indonesian
Stock Exchange blacklist during the research period,
4. Companies whose shares were actively traded on the Indonesia Stock
Exchange during the research period.
5. Having a positive financial ratio during the 2019-2023 period. Based on the above criteria, the number of companies that are

The sample is 12 which meet the above criteria as follows;

Table 2. List of Automotive and Component Companies

No.	Company name	Stock
1.	PT. Astra International Tbk (code: ASII)	(ASII)
2.	PT. Astra Otoparts Tbk (AUTO)	AUTO
3.	PT. Indomobil Sukses International Tbk (IMAS)	IMAS
4.	PT. Gajah Tunggal Tbk (GJTL)	GJTL
5.	PT. Multistrada Ara Sarana Tbk (MASA)	TIME
6.	PT. Goodyear Indonesia Tbk (GDTR)	GDTR
7.	PT. Indospring Tbk (INDS)	INDS
8.	PT. Indo Kordsa Tbk (BRAM)	BRAM
9.	PT. Garuda Metalindo Tbk (BOLT)	BOLT
10.	PT. Nipress Tbk (NIPS)	NIPS
11.	PT. Selamat Sempurna Tbk (SMSM)	SMS
12.	PT. Multi Prima Sejahtera Tbk	LPIN

Source :www.idx.co.id (2024)

Based on the above criteria, of the 12 financial reports of manufacturing companies in the automotive sector that were used as samples, only 12 company financial reports met the criteria so that the number of samples in this study was 12 x 5 = 60 company financial reports.

Data analysis

The data analysis methods used are descriptive statistical analysis, panel data regression analysis and Sobel test.

RESULTS AND DISCUSSION

This study uses data from various automotive and component sub-sector industry companies listed on the IDX for 5 years, namely from 2019 to 2023. Sample selection in this study used the purposive sampling method.

Table 3. Sample Selection Procedure

No	Sample Criteria	Amount
1	Companies in the automotive & components manufacturing industry group listed on the Indonesia Stock Exchange during 2019 – 2023	13
2	Companies with Initial Public Offering (IPO) after 2015	(1)
3	Companies that routinely present and publish financial reports	12
4	Companies that are consistently not included in the Indonesian Stock	12
5	Companies whose shares were actively traded on the Indonesia Stock	12
6	Have a positive financial ratio during the 2019-2023 period	12
Number of Company Samples		12
Data Amount (12 x 5 years)		60

Source: Data Processing Results (2024)

Descriptive Statistical Analysis

Descriptive statistical analysis is used to describe or provide an overview of data on the variables used. The measurements used in descriptive statistical analysis in this study use minimum, maximum, average mean, and standard deviation values.

By performing descriptive statistical calculations, we can obtain a picture of the Company Value data through the Price to Book Value (PBV) proxy as the dependent variable and independent variables in the form of Capital Structure (DER), Company Size (UP) with the logarithm of the company's total assets, Managerial Ownership (KM), and Institutional Ownership (KI). A picture of the data can be seen in the following descriptive statistical table:

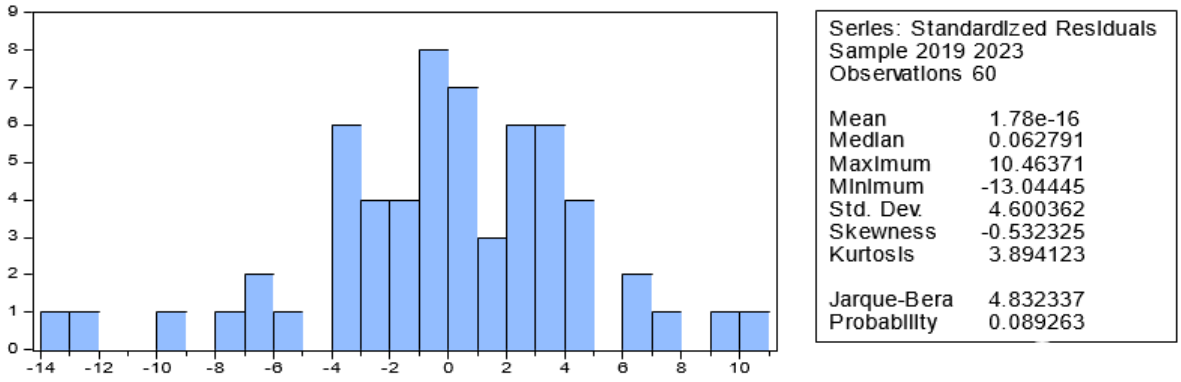
Table 4. Descriptive Statistics of Research Variables

Descriptive							
Research Variables	**N**	**Minimu**	**Maximu**	**Sum**	**Mea**	**Std.**	**Varian**
Capital Structure	1	.	3.11	12.2	1.021	.95215	.907
Company Size	1	.	8.77	33.4	2.790	2.40205	5,77
Managerial Ownership	1	.	29.12	71.2	5.935	10.77890	116,1
Institutional Ownership	1	.	24.33	60.7	5.059	8.75721	76,68
Financial performance	1	-3.24	18.03	53.0	4.421	5.34292	28,54
Company Values	1	.	6.22	19.3	1.615	1.66716	2,77
Valid N (listwise)	1						

Source: SPSS 26 Data Processing Results (2024)

Normality Test

Table 5. Normality Test Results



Source: Eviews 9.0 panel data output results

Based on the normality test table, it appears that the research variables PBV, SM, UP KM,KI and KK follow a normal distribution with a probability value of 0.089263 > 0.05 (Ghozali, 2007).

Multicollinearity Test

Table 6. Multicollinearity Test Results

	X1_SM	X2_UP	X3_KM	X4_KI	Y_KK
X1_SM	1,000,000	-0.084172	-0.364536	-0.364227	-0.532719
X2_UP	-0.084172	1,000,000	0.061225	0.097722	0.024409
X3_KM	-0.364536	0.061225	1,000,000	0.892446	0.559171
X4_KI	-0.364227	0.097722	0.892446	1,000,000	0.574183
Y_KK	-0.532719	0.024409	0.559171	0.574183	1,000,000

Source: Eviews 9.0 panel data output results

From the output results above, it can be seen that the correlation coefficient between independent variables (SM, UP, KM, KI) is <0.90. This means that the selected regression model (Fixed Effect Model) does not have multicollinearity.

Autocorrelation Test

Table 7. Autocorrelation Test Results

R-squared	0.783416	Mean dependent variable	1.616167
Adjusted R-squared	0.702827	SD dependent var	1.983157
SE of regression	1.081090	Akaike information criterion	3.227339
Sum squared residual	50.25650	Black criterion	3.820737
Log likelihood	-79.82017	Hannan-Quinn critter.	3.459450
F-statistic	9.721091	Durbin-Watson stat	**0.934492**
Prob(F-statistic)	0.000000		

Source: Eviews 9 panel data output results

Based on the output data results above, the Durbin-Watson(d) value is shown as0.934492, while the dl value according to the DW Table is0.934492and the 4-dl value is 3.621. in accordance with the autocorrelation test criteria that 0.379<0.934492<3.621 (dl<d<4–dl) indicates that there is no autocorrelation in the selected regression model.

Heteroscedasticity Test

In this study, no Heteroscedasticity test was conducted because the selected model in this study was the Fixed Effect Model which already used the Generalized Least Square (GLS) Weights method which is one of the regression healing techniques to avoid Heteroscedasticity. Greene (2003) stated that if there is a violation of this assumption, namely the possibility of the variance being unequal (heteroscedasticity), then the method that can be used to estimate the regression coefficient is the Generalized Least Square (GLS) method.

Panel Data Regression

This study uses multiple linear regression analysis method because this method is suitable for determining the influence of several independent variables on the dependent variable.

Table 8. Regression TestRandom Effect Model

Dependent Variable: Y_FINANCIAL PERFORMANCE Method: Panel EGLS (Cross-section random effects)
Date: 08/28/24 Time: 12:47
Sample: 2019 2023
Periods included: 5
Cross-sections included: 12
Total panel (balanced) observations: 60
Swamy and Arora estimator of component variances

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.141664	1.811050	3.391218	0.0013
X1_CAPITAL STRUCTURE	-2.744813	1.099683	-2.496005	0.0156
X2_COMPANY SIZE	-0.151389	0.122535	-1.235475	0.2219
X3_MANAGEMENT OWNERSHIP	-0.324975	0.445813	-0.728948	0.4691
X4_OWNERSHIPINST	0.563974	0.435168	1.295991	0.2004

Effects Specification	SD	Rho
Random cross section	3.157606	0.3938
Idiosyncratic random	3.917800	0.6062

Weighted Statistics			
R-squared	0.267709	Mean dependent variable	2.145275
Adjusted R-squared	**0.214452**	SD dependent var	4.343395
SE of regression	3.849602	Sum squared residual	815.0689
F-statistic	5.026693	Durbin-Watson stat	1.646030
Prob(F-statistic)	0.001589		

Unweighted Statistics			
R-squared	0.460287	Mean dependent variable	4.421500
Sum squared residual	1248.637	Durbin-Watson stat	1.074474

Source: Eviews 9 Output Results (2024)

The form of structural equation 1 is described as follows.

KKit= 6.1417 - 2.7448*SMit - 0.1514UPit - 0.3250KMit + 0.5640KIit

P	(0.0156)	(0.2219)	(0.4691)	(0.2004)
Tstat	(-2.4960)	(-1.2354)	(-0.7289)	(1.2959)

From the equation above it can be stated as follows,

1. Based on the results of the t-test, the t-count value is -2.496005 < t-table 2.383, so H0 is accepted and H1 is rejected, and has a probability value of 0.0156 < 0.05. So it can be concluded that the Capital Structure (SM) variable partially has a negative and insignificant effect on Financial Performance (ROA).
2. Based on the results of the t-test, the t-count value is -1.235475 < ttable 2.383, so H0 is accepted and H2 is rejected, and has a probability value of 0.2219 > 0.05. So it can be concluded that the Company Size variable partially has a negative and insignificant effect on Financial Performance (ROA).
3. Based on the results of the t-test, the calculated t value was -

0.728948<table2.383 then H0 is accepted and H3 is rejected, and has a probability value of 0.4691 > 0.05. So it can be concluded that the Managerial Ownership variable partially has a negative and significant effect on Financial Performance (ROA).

4. Based on the results of the t-test, the calculated t value was 1.295991 < ttable2.383 then H0 is accepted and H4 is rejected, and has a probability value of0.0211 <0.05. So it can be concluded that the Institutional Ownership variable partially has a positive and insignificant effect on Financial Performance (ROA).

In this study, the results of the adjusted R-squared determination coefficient (R2) are 0.214452 or 21.44%. The value of the determination coefficient (R2) reflects how much variation in the dependent variable Y can be explained by the independent variable.

X. If the coefficient of determination value is equal to 0 (R2=0), it means that the variation of Y cannot be explained by X at all. Whereas if R2=1, it means that the variation of Y as a whole can be explained by X. With a coefficient of determination (R2) value of 0.214452 or 21.44%, it can be stated that the financial performance of can be explained by the variables of Capital Structure, Company Size, Managerial Ownership, and Institutional Ownership of 21.44%. While the remaining 79.56% is explained by other variables outside this study.

Table 9. Fixed Effect Model Regression Test

Dependent Variable: Z_PERFORMANCE VALUE

Method: Panel Least Squares

Date: 08/28/24 Time: 12:49
Sample: 2019 2023
Periods included: 5
Cross-sections included: 12
Total panel (balanced) observations: 60

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.234780	0.962014	-0.244051	0.8084
X1_CAPITAL STRUCTURE	0.786925	0.703548	1.118510	0.2696
X2_COMPANY SIZE	-0.015438	0.035519	-0.434632	0.6660
X3_MANAGERIAL OWNERSHIP	-0.364155	0.158230	-2.301431	0.0263
X4_OWNERSHIPINST	0.461298	0.124032	3.719174	0.0006
Y_FINANCIAL PERFORMANCE	0.099553	0.041600	2.393112	0.0211

Source: Eviews 9 data output results (2024)

The form of structural equation 2 is described as follows.

NPit= - 0.2347 + 0.7869*SMit - 0.0154UPit – 0.3641KMit + 0.4612KIit +0.0995KKit

P (0.2696) (0.6660) (0.0263) (0.0006) (0.0211)

Tstat (1.1185) (-0.4346) (-2.3014) (3.7191) (2.3931)

Hypothesis Testing

Partial t-Test

The hypothesis used is:

- The calculated t value > t table means H0 is rejected or H1 is accepted.
- If the calculated t value < t table then H0 is accepted or H1 is rejected.

F table value of numerator (df-1) and denominator (df-2) at α : 5% obtained as follows:
F-table = {α ;Df-1, Df-2 }
= 5% ; (n-1; nT-k-1)
= 5% ; (6-1,(12.5-4-1)
= 5% ; (5.55)➔See Table F Statistics (Significance 0.05)
= 2,383

Table 10. Results of t-test

(partial) Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.234780	0.962014	-0.244051	0.8084
X1_CAPITAL STRUCTURE	0.786925	0.703548	1.118510	0.2696
X2_COMPANY SIZE	-0.015438	0.035519	-0.434632	0.6660
X3_MANAGERIAL OWNERSHIP	-0.364155	0.158230	-2.301431	0.0263
X4_OWNERSHIPINST	0.461298	0.124032	3.719174	0.0006
Y_FINANCIAL PERFORMANCE	0.099553	0.041600	2.393112	0.0211

Source: Eviews 9 panel data output results

Based on the results of the t-test, the calculated t-value was obtained.1.118510< ttable 2.383 then H0 is accepted and H5 rejected, and has a probability value0.2696>0.05 So it can be concluded that the Capital Structure (SM) variable partially has a positive and insignificant effect on Company Value (PBV).

1. Based on the results of the t-test, the calculated t-value was obtained-0.434632< ttable 2.383 then H0 is accepted and H6 is rejected, and has a probability value of0.6660> 0.05. So it can be concluded that the Company Size variable partially has a negative and insignificant effect on Company Value (PBV).
2. Based on the results of the t-test, the calculated t-value was obtained-2.301431 <table2.383 then H0 is accepted and H7 is rejected, and has a probability value of0.0263 <0.05. So it can be concluded that the Managerial Ownership variable partially has a negative and significant effect on Company Value (PBV).
3. Based on the results of the t-test, the calculated t-value was obtained2.393112>table2.383 then H0 is rejected and H8 is accepted, and has a probability value of0.0211<0.05. So it can be concluded that the Financial Performance variable partially has a positive and significant effect on Company Value (PBV).
4. Based on the results of the t-test, the calculated t-value was obtained2.393112 >table2.383 then H0 is rejected and H9 is accepted, and has a probability value of0.0211 <0.05. So it can be concluded that the Institutional Ownership variable partially has a positive and significant effect on Company Value (PBV).
5. Based on the results of the t-test, the calculated t value was obtained2.393112 >table2.383 then H0 is rejected and H9 is accepted, and has a probability value of0.0211 <0.05. So it can be concluded that the Institutional Ownership variable partially has a positive and significant effect on Company Value (PBV).

Table 11.Sobe Online Test

Indirect Influence	T Count	T Table	Conclusion	P-value	Hypothes is Answer
T Calculate Indirect Influence X1 Against Z Through Y	-2,077	2.001	-2.077 > 2.001	0.037 < 0.05	Accept H1 or Significant
T Calculate Indirect Influence X2 Against Z Through Y	-0.669	2.001	-0.669 < 2.001	0.503 > 0.05	Accept H0 or Not Significant
T Calculate Indirect Influence X3 Against Z Through Y	1,051	2.001	1,051 < 2,001	0.293 > 0.05	Accept H0 or Not Significant
T Calculate Indirect Influence X4 To Z Through Y	0.836	2.001	0.836 < 2.001	0.403 > 0.05	Accept H0 or Not Significant

Source: Sobel Test Results (2024)

Based on the results of the Sobel test, it can be explained as follows;

1. Based on the results of the Sobel Test, it shows that Capital Structure (SM) affectsCompany Value (PBV) through Financial Performance. -2.077> 2.001 or a P value of0.037 <0.05, then Ho is rejected and H10 is accepted, which means that Capital Structure has a significant influence on the Company Value listed on the IDX.
2. Based on the results of the Sobel Test, it shows that Company Size (UP) affects Company Value (PBV) through Financial Performance. Because the t-value is -0.669<2.001 or the P-value is 0.503> 0.05, then Ho is accepted and H11 is rejected, which means that Company Size does not have a significant effect on the Company Value listed on the IDX.
3. Based on the results of the Sobel Test, it shows that Managerial Ownership (KM) affects Company Value (PBV) through Financial Performance. Because the t-value is 1.051<2.001 or the P-value is 0.293> 0.05, then Ho is accepted and H12 is rejected, which means that Managerial Ownership has a significant influence on the Company Value listed on the IDX.
4. Based on the results of the Sobel Test, it shows that Institutional Ownership (KI) affects Company Value (PBV) through Financial Performance. Because the t-value is 0.836<2.001 or the P-value is 0.403> 0.05, then Ho is accepted and H13 is rejected, which means that Institutional Ownership does not have a significant influence on the Company Value listed on the IDX.

Adjusted R2 Test (Coefficient of Determination)

Table 12. R2 Test Results (Coefficient of Determination)

R-squared	0.708080	Mean dependent variable	4.421500
Adjusted R-squared	**0.608562**	SD dependent var	6.261965
SE of regression	3.917800	Akaike information criterion	5.792116
Sum squared residual	675.3628	Black criterion	6.350608
Log likelihood	-157.7635	Hannan-Quinn critter.	6.010573
F-statistic	7.115082	Durbin-Watson stat	2.026403
Prob(F-statistic)	0.000000		

Source: Eviews 9 panel data output results (2024)

From the table above, it can be seen that the adjusted R-Squared value is0.608562or 60.85%. this means that 60.85% of the dependent variable of firm value (PBV) has a very strong correlation with the independent variables. While the remaining 39.15% is explained by other variables outside the regression model in this study.

Table 13. Direct and Indirect Influence Data

Variables	Influence Direct	Influence No Direct	Conclusion
Capital Structure	0.792 = 0.62	0.25 x 0.09=0.022	L > TL
Company Size	-0.012= 0.000	0.02 x 0.09=0.002	L < TL
Managerial Ownership	-0.362 = 12.96	0.21 x 0.09=0.02	L > TL
Institutional Ownership	0.46^2= 0.21	0.01 x 0.09=0.009	L > TL

Source: Data processing results (2024)

CONCLUSION

Conclusion

Based on the research results, it can be concluded that:

1. Based on the results of the t-test, it can be concluded that the Capital Structure (SM) variable has a partial negative and insignificant effect on Financial Performance (ROA).
2. Based on the results of the t-test, it can be concluded that the Company Size variable has a partial negative and insignificant effect on Financial Performance (ROA).
3. Based on the results of the t-test,It can be concluded that the Managerial Ownership variable has a partial negative and significant effect on Financial Performance (ROA).
4. Based on the results of the t-test,It can be concluded that the Institutional Ownership variable has a partial positive and insignificant effect on Financial Performance (ROA).
5. Based on the results of the panel data regression test, it shows that Capital Structure (SM) has a positive and significant effect on Company Value as measured by Price to Book Value (PBV).
6. Based on the results of the panel data regression test, it shows that the influence of Company Size has a negative and insignificant effect on Company Value as measured by Price to Book Value (PBV).
7. Based on the results of the panel data regression test, it shows that the influence of Managerial Ownership has a negative and insignificant effect on Company Value as measured by Price to Book Value (PBV).
8. Based on the results of the panel data regression test, it shows that Institutional Ownership has a positive and significant effect on Company Value as measured by Price to Book Value (PBV).

9. Based on the results of the panel data regression test, it shows that Financial Performance has a positive and significant effect on Company Value as measured by Price to Book Value (PBV).
10. Based on the results of the Sobel Test, it shows that Capital Structure (SM) affects Company Value (PBV) through Financial Performance, having a significant influence on the Value of Companies listed on the IDX.
11. Based on the results of the Sobel Test, it shows that Company Size (UP) affects Company Value (PBV) through Financial Performance, and does not have a significant influence on the Company Value listed on the IDX.
12. Based on the results of the Sobel Test, it shows that Managerial Ownership (KM) affects Company Value (PBV) through Financial Performance, has a significant influence on the Value of Companies listed on the IDX.
13. Based on the results of the Sobel Test, it shows that Institutional Ownership (KI) affects Company Value (PBV) through Financial Performance, and does not have a significant influence on the Value of Companies listed on the IDX.

Suggestion

Based on the conclusions above, the author makes several suggestions as follows:

1. The research is limited to manufacturing companies, automotive and component sectors with a research period of 5 consecutive years, namely from 2019 to 2023 so that the research results cannot be generalized to companies in other sectors. For this reason, further researchers need to expand in determining the object of research, can use objects of manufacturing companies, trading companies, or service companies and should also extend the research period and increase the number of samples used.
2. Company managers need to pay attention to the level of debt usage and calculate short- term and long-term interest expenses in order to better manage financial performance. Thus, it is necessary to study the right amount or combination for the company in obtaining loans so that on the one hand the company can increase income without having to become a burden on the company, let alone reduce financial performance.
3. Managers should not only be fixated on existing systems but must be creative and responsive to technological changes.
4. In further research, it is recommended to include or add variables – variables that can be identified as variables that influence the value company, such as Dividend Policy, Debt Policy, Investment Decisions, and Leverage.
5. In further research, it is expected to use samples from all companies and use longer observation years so that the research results can realize the capital market conditions in all companies.

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