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Does Profitability Moderate Firm Financial Performance towards Firm Value in the Food and Beverage-Based Sector?

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ABSTRACT
This study was conducted to determine how to increase company value based on Capital, Debt Policy, and Sales Growth with Profitability as a Moderating variable in Food and Beverage Companies listed on the IDX for the 2021-2023 period. The sampling method used is Purposive Sampling. The sample is 11 companies listed on the IDX. The data processing method used is the Quantitative Method with the help of Smart PLS software version 4.0. The results of this study indicate that the Current Ratio has a positive and significant effect on Price Book Value. Debt-to-Equity Ratio has a positive and significant effect on Price-to-Book Value. Sales Growth has a positive and significant effect on Price Book Value. Return on Assets can moderate the Current Ratio on Price Book Value. Return on Assets moderates the Debt to Equity Ratio on Price to Book Value. Return On Assets moderates Sales Growth on Price Book Value.
***Keywords**: Current Ratio; Debt to Equity Ratio; Sales Growth; Return On Assets; Price Book Value.*

INTRODUCTION

Developments in the food and beverage industry sub-sector in Indonesia are currently growing and will continue to increase in the future. This is what causes the food and beverage industry sector to become one of the industries that can contribute to economic growth in Indonesia. Because culinary will never die and everyone will certainly consume food and beverages in their daily lives, food *and beverage* is predicted to run stably or will increase over time for stock investment.

The Company's value is one of the indicators that is of concern to stakeholders, especially Investors and Management, because it reflects the market's perception of the Company's performance and future prospects. In the Food and Beverage Industry , Company Value is very important considering that this sector has a high level of competition and fairly rapid market growth in Indonesia.

Fluctuations in Company Value are influenced by various internal and external factors, One of the main factors that affect Company Value is working capital. Effective working capital management can increase liquidity to support the achievement of optimal

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financial performance. According to (Puspita & Hermanto, 2023) found that working capital has a positive effect on the performance of food and beverage companies listed on the IDX, but this influence can change when moderated by debt policy.

Debt policy is an important aspect of a company's capital structure. The optimal use of debt can increase the value of the company through the effect of leverage (leverage), but the excessive use of debt can actually increase financial risk and reduce the company's performance. Research (Puspita & Hermanto, 2023) It shows that leverage can moderate the negative influence of working capital on company performance, meaning that debt that is too high can reduce the positive impact of working capital on company performance.

Sales growth is also an important indicator in assessing a company's prospects. Companies with high sales growth are expected to be able to increase company value through increased revenue and profit. However, the same research shows that sales growth does not always have a significant effect on the performance of food and beverage companies, especially if it is not balanced with good working capital management and debt policies.

Profitability is a key variable that can moderate the relationship between working capital, debt policy, and sales growth to the company's value. Companies with high levels of profitability tend to be better able to manage working capital and debt effectively, thus having a positive impact on the company's value. However, profitability does not always have a direct effect on debt policies in food and beverage companies, so the role of moderation is interesting to study further.

The phenomenon that occurs in the Indonesian food and beverage industry is the mismatch between sales growth and the increase in company value. Many companies experience sales growth, but their company values are stagnant or even declining due to suboptimal working capital management and inappropriate debt policies. This shows that there is a research gap related to the role of profitability in moderating the influence of working capital, debt policy, and sales growth on company value. The following is a graph of the average company value (PBV) of food *& beverage companies* on the IDX in 2021-2023:

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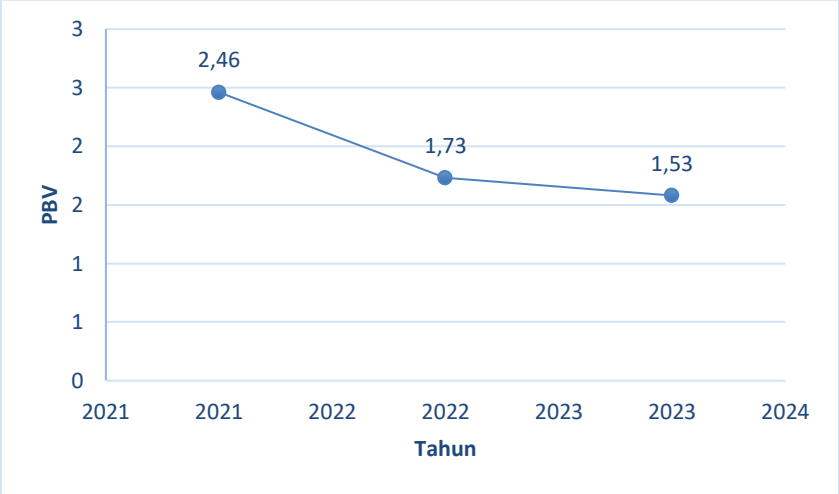

Figure 1. Average PBV Chart for 2021-2023

Source: www.idx.com Year 2021-2023

Based on the table above, the company's value (PBV) has decreased every year. In 2021, PBV was valued at 2.46 and then decreased in 2022, which was 1.73. Then, in 2023 it decreased again by 1.53. It can be concluded that there is a problem with company value (PBV) because for 3 consecutive years there has been a decrease and there has been no increase..

THEORETICAL BACKGROUND

Trade-Off Theory

Theory *Trade Off:* Explain the balance and profits resulting from the use of debt (Laughter *et al.,* 2024). The high level of corporate debt will increase the level of bankruptcy risk due to high debt interest, which will have an impact on decreasing stock prices so that the company's value can also decrease. However, with the high use of debt, it is hoped that the profits obtained will also increase. This increase in profits can have an impact on the increase in the stock price, which also increases the value of the company.

Company Values

Company Value is a reflection of how much the company can deliver profits in the future. According to Melinia & Priyadi (2021)High company value is the desire of the company owners, because with high value, the company shows the prosperity of its shareholders, which is also high. A commonly used company value indicator is Tobin's Q or *Price to Book Value* (PBV). One of the financial ratios used to assess whether a

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company's shares are valued at an expensive or cheap price by the market, by comparing the market price of the stock to the's book value per share of the company (B. A. Santoso & Budiarti, 2020).

Capital Structure

Capital structure is the composition or balance between its own capital and foreign capital (long-term debt) that the company uses to finance its operational activities and long-term investments. The capital structure is related to the company's funding sources that come from within and outside the company. The company's funding sources come from within the company such as its own capital and retained earnings from the company's activities, while funding sources come from outside the company such as debt (Fahri *et al.,* 2022). *Current Ratio* (CR) is used to measure the extent to which a company utilizes borrowed capital in its operations. An optimal capital structure aims to minimize capital costs and maximize company value. However, excessive use of debt can also increase financial risk and lower a company's value if it is not balanced with the ability to generate profits.

Debt Policy

Debt policy is a company policy related to external sources of company funding. Debt policy determines how much debt a company will use to fund its assets. According to Melinia & Priyadi (2021) the obligation to pay interest and principal that limits the manager's behavior. Companies with a high level of solvency can have an impact on the occurrence of large financial risks, but also have the opportunity to get high profits. Debt policy measurement generally uses *Debt to Equity Ratio* (DER), which is a measurement between total long-term debt and own capital. A low DER indicates a small level of debt and a company's ability to pay off debt better (Sundari & Sugiyanto, 2023). There are several approaches to debt policy theory, including the theory of debt policy *Trade-off* which states that companies must balance the tax savings benefits of debt with the cost of financial hardship due to excess debt (Benny & Susanto, 2021).

Sales Growth

Sales growth is an important indicator that reflects the company's operational success in increasing sales volume and value over time. According to Melinia & Priyadi (2021), company growth is a company indicator that is a benchmark for a company's success. Such success can be used as an investment benchmark for future growth Growth

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is expressed as the growth of total assets where past asset growth will reflect future profitability and growth. The larger the assets expected, the greater the company's operational results. Companies with high sales growth rates will tend to use debt in their capital structure. The sales growth rate indicates the rate of change in sales from one period to the next. The higher the sales growth rate, the more a company will rely on its external capital. Companies that have stable sales growth will be in a safe position to take on more debt and bear higher fixed expenses than companies with less stable sales growth. Sales growth will reflect the form of success of a company over time (Kurniati & Yuliana, 2022).

Profitability

Profitability describes a company's ability to generate profits from its operations. In this study, profitability serves as a moderation variable that affects the relationship between capital, debt policy, and sales growth to the value of the company (Ilbasmis, 2025). According to (A. Santoso *et al.,* 2020) that a highly profitable company basically doesn't need a lot of financing with debt. The company's very high retained profits have met most of its funding needs. Profitability in relation to investment relates profit to investment. Profitability also strengthens the impact of sales growth on the company's value because it shows the efficiency of operational management. Profitability can be measured using ratios *Retrun on Asset* (ROA) is a ratio that shows a company's ability to generate net profit from its own capital for the return of shareholder equity (Laughter) *et al.,* 2024). The higher the ratio produced, it means that the company is able to generate profits more effectively by using its own capital.

The relationship between the influence of capital structure (*Current Ratio*) on the company's value (*Price Book Value*)

Capital structure, which is measured by *Current Ratio*, has an important role in maintaining the smooth operation of the company. *Current Ratio* A high indicates that the company has sufficient current assets to cover its short-term liabilities, which reflects the company's ability to meet its financial obligations on time. This ability can increase investor confidence in the company, which can ultimately increase the value of the company. Companies with good working capital management tend to be more efficient

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in managing inventory, receivables, and cash, thereby increasing the company's profitability and value (MulyaNingrumGarnis and Ulfa, 2024).

H1: It is suspected that there is a positive influence between working capital (*Current Ratio*) and the company's value (*Price Book Value*).

The relationship between the influence of debt policy (*debt to equity ratio*) on the company's value (*Price Book Value*)

Debt policy, which is measured by *Debt to Equity Ratio* (DER), reflecting the company's capital structure and the level of leverage used. The use of debt in capital structures can provide tax benefits (*Tax Shield*) and increase potential profits for shareholders through leverage effects (*leverage effect)* (Sundari & Sugiyanto, 2023). However, excessive use of debt can also increase a company's financial risks, such as the risk of default and bankruptcy costs, which can ultimately lower the value of the company. Therefore, there are *Trade-off* between the benefits and costs of using debt in the capital structure.

H2: It is suspected that there is a positive influence between the debt policy (*Debt-to-Equity Ratio*) on the company's value (*Price Book Value*).

The relationship between the effect of sales growth (*Sales Growth*) on the company's value (*Price Book Value*)

Sales Growth reflects a company's ability to increase revenue from sales activities. With a high increase in sales, the business can expand its market share and increase its competitiveness, which can attract investors and increase the value of the company. Companies with high sales growth tend to have better prospects in the future, which can increase investors' expectations of the company's performance.

H3: It is suspected that there is a positive influence between sales *growth (Sales Growth*) on the company's value (*Price Book Value*).

The relationship between the effect of profitability (*Return On Assets*) moderates the capital structure (*Current Ratio*) to the company's value (*Price Book Value*)

Profitability, measured by *Return On Assets* (ROA), reflects the company's ability to generate profits by utilizing all its assets. High profitability can increase the value of the company and provide financial flexibility for the company B. A. Santoso, (2020)). ROA can moderate the relationship between working capital (*Current Ratio*) and company value (PBV) by strengthening or weakening its influence *Current Ratio* against

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PBV. Companies with high ROA tend to be more efficient in managing their working capital, so an optimal *Current Ratio* can have a greater impact on the company's value.

H4: It is suspected that profitability (*Return On Assets*) moderates the positive influence of capital (*Current Ratio*) on the company's value (*Price Book Value*).

The relationship between the effect of profitability (*Return On Assets*) moderates the debt *to equity ratio* on the company's value (*Price Book Value*)

Profitability (ROA) can moderate the relationship between debt policy (DER) and corporate value (PBV) by strengthening or weakening the influence of DER on PBV. Companies with high ROA tend to be better able to manage their debts effectively, so an optimal DER can have a greater impact on the company's value.

In conditions of high profitability, the company has the ability to pay interest and principal debt smoothly, so the risk of default can be minimized. This is supported by a study from Adelyn., et al (2023) which states that profitability is able to moderate debt policy to company value. Therefore, this can increase investor confidence in the company and increase the value of the company, even though the company has a high level of leverage.

H5: Suspected Profitability (*Return On Assets*) moderates the positive influence of debt policy (*Debt-to-Equity Ratio*) on company value (*Price Book Value*).

The relationship between the effect of profitability (*Return On Assets*) moderates sales growth to the company's value (*Price Book Value*)

Profitability (ROA) can moderate the relationship between sales *growth* and company value (PBV) by strengthening or weakening the influence of *Sales Growth* on PBV. Companies with high ROA tend to be better able to leverage sales growth to increase profits and company value.

Under conditions of high profitability, significant sales growth can have a greater impact on a company's value, as the company is able to manage its costs and operations efficiently. This is supported by research from Melinia (2021) which states that profitability can moderate sales growth to company value. Therefore, this can increase investor confidence in the company's growth prospects and increase PBV.

H6: It is suspected that profitability (*Return On Assets*) moderates the positive influence of sales growth on the company's value (*Price Book Value*).

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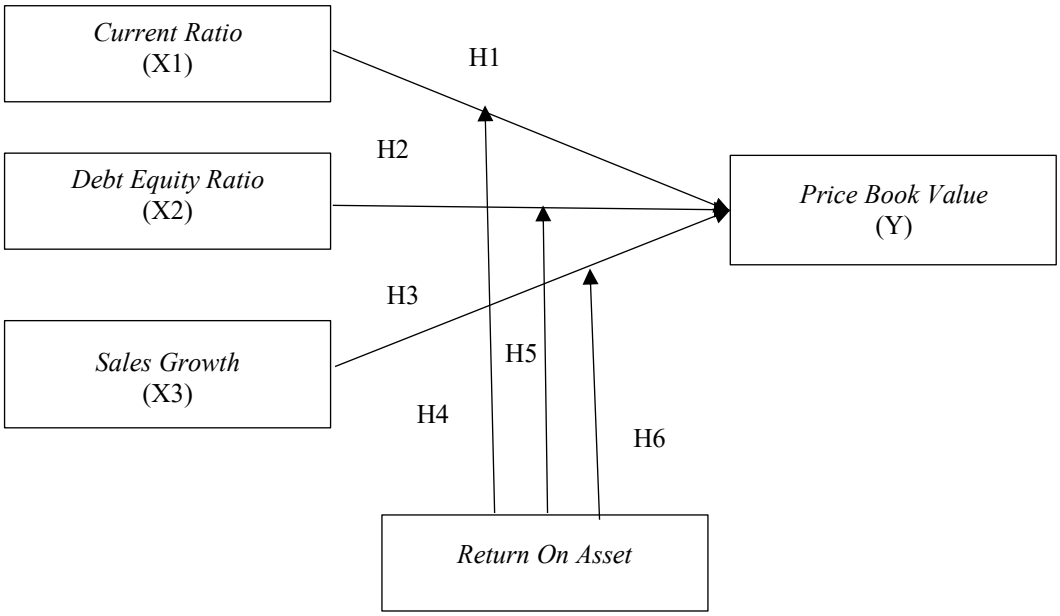

Figure 2. Research Framework

Source: Author (2025)

METHOD, DATA AND ANALYSIS

Research Objects and Sample Units Food and Beverage Companies Listed on the IDX from 2021 to 2023. The population in this study is food *& beverage companies* that *go public,* with a total of 98 companies. Sampling uses *purposive sampling* techniques, which are based on the availability of data for the variables studied for three years, starting from 2021 to 2023. From this population, a sample of 11 companies was taken. The data used in this study are secondary data. obtained from a third party in the form of financial statements of companies listed on the IDX so that the data in them is in the form of numbers. The data collection method in this study is the documentation method. The documentation method is a data collection method where the author only copies secondary data that has been created by a third party. The analysis method used is path analysis using variant-based *structural equation modeling* (SEM) through the SmartPLS version 4.0 program. SmartPLS 4. In this study, the method of measurement validity test, reliability test, determination coefficient (R2), inner model was used. In this study, the method of measurement validity test, reliability test, determination coefficient (R2), inner model was used. Hypothesis testing in this study uses structural equation modeling model analysis with the smartPLS 4.0 program.

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Table 1: Definition variable

No	Variable	Variable Definition	Indicators	Scale
1.	*Profitability*	*Return on Assets* (ROA) The company's ability to earn profits related to sales, total assets, and its capital.	ROA = $\frac{Net\ Earning}{Total\ Equity}$ x 100% (Agus Sartono, 2020)	Ratio
2.	*Firm Value*	*Firm Value is an investor's perception of the company's success rate, which is often associated with the stock price*	$PBV = \frac{Market\ price\ per\ share}{Book\ value\ per\ share}$ (B.A. Santoso, 2020)	Ratio
3.	*Capital Structure*	*capital that describes the company's permanent financing, consisting of long-term debt and its capital*	$CR = \frac{Current\ asset}{Current\ liabilities} x100\%$ (Ulfa dan garnis, 2024)	Ratio
4.	*Debt Policy*	*The decision of the company's management to take steps and determine the source of external funds in the form of debt to finance the company's operational activities and investments*	$DER = \frac{Total\ Debt}{Total\ Equity}$ Sundari & Sugiyanto, 2023)	Ratio
5	*Sales Growth*	*An increase in sales from year to year shows the company's success in the past and can be used as a reference for the future.*	$Sales = \frac{Sales - Sales\ (t-1)}{Sales} x100\%$ Kurniati & Yuliana, (2022)	Ratio

Source: Previous Research Journal

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RESULTS

The following are the samples obtained after the selection according to the criteria that have been set previously:

Table 2: Sample Criteria

Criterion	Number of Companies
Food & beverages *sub-sector companies* listed on the IDX in 2021-2023	98
The company publishes financial statements as of December 31 for the 2021-2023 period, and has complete *Current Ratio*, Debt Equity Ratio, *Sales Growth*, *Return On Assets*, Private Book Value and other data.	11

Source: previous research journal

Based on the table, it is known that the number of companies in the Food and Beverage sub-sector is 98 companies and 11 companies do not publish financial reports.

Descriptive Analysis of Variables

The table presented below contains an overview of the data that has been carried out by the researcher. The following table is the result of Descriptive Statistics that have been processed using SmartPLS 4.0

Table 3: Descriptive Statistical Results

Indicators	Mean	Median	Min	Max	Standard Deviation
***CURRENT RATIO* (X1)**	1,4688	1,4619	0,7141	2,0557	0,2725
DEBT EQUITY RATIO (X2)	1,0045	1,0168	0,6162	1,5440	0,1907
***SALES GROWTH* (X3)**	0,1032	0,1049	0,0621	0,2926	0,0542
RETURN ON ASSET (Z)	0,9619	0,9539	0,5190	1,5211	0,1989
***PRICE BOOK VALUE* (Y)**	1,2328	1,2099	0,4611	2,4333	0,3776

Source : Primary Data Processed, 2025

Based on table 3 that has been presented, it can be seen that the results of the descriptive analysis have a total of 11 data observations obtained from banking companies listed on the IDX within a period of three years, namely in 2021-2023.

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Internal Consistency

Table 4: Discriminant Validity Results

	Current Ratio (X1)	*Debt to Equity Ratio* (X2)	*Price Book Value* (Y)	*Return On Assets* (Z)	*Sales Growth* (X3)
Current Ratio (X1)	1.000				
Debt to Equity Ratio (X2)	0.026	1.000			
Private Book Value (Y)	0.060	0.175	1.000		
Return On Assets (Z)	0.188	0.187	0.165	1.000	
Sales Growth (X3)	0.266	-0.118	-0.016	0.114	1.000

Source: Secondary Data processed by SmartPLS vers 4

Table 4 presents the results of discriminant validity testing between research constructs, including Current Ratio (X1), Debt to Equity Ratio (X2), Price to Book Value (Y), Return on Assets (Z), and Sales Growth (X3). Discriminant validity aims to ensure that each construct in the model is truly distinct and that there is no overlap in meaning between variables. All values between constructs are below the multicollinearity threshold (generally <0.85), indicating the absence of redundancy issues. Overall, these results indicate that all constructs have good discriminant validity and are suitable for use in structural modeling.

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Structural Model (*Inner Moddel*)

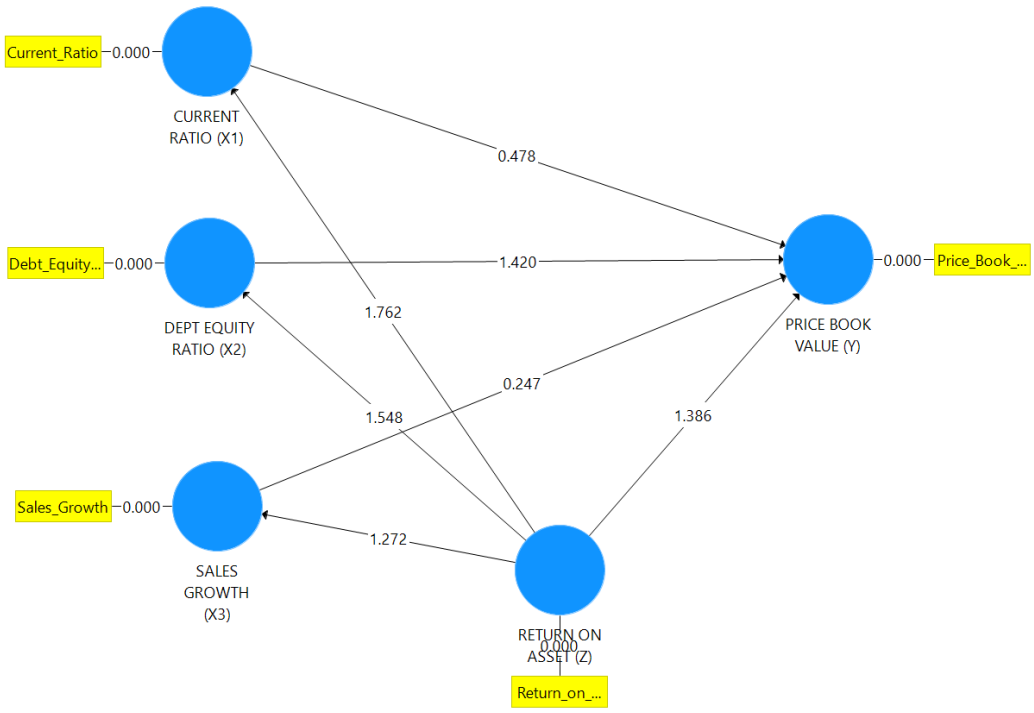

Figure 2. Inner Model

Source : Secondary Data processed by SmartPLS vers 4

Coefficient Or Determinant (R2)

Table 5: R Square Results

	R-square	R-square adjusted
***Price Book Value* (Y)**	0.198	0.160
***Return On Assets* (Z)**	0.439	0.413

Source : Secondary Data processed by SmartPLS vers 4

Based on Table 5, it is known that the Adjusted R-Square value of Price Book Value is 0.160, indicating that variable X can influence Y by 16%, while the remaining 84% is influenced by other variables not examined in this study. Meanwhile, the Adjusted R-Square value of Return on Assets is 0.413, indicating that variable Z can be influenced by 41.3%, while the remaining 58.7% is influenced by other variables not examined in this study.

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Effect Size (F-Square)

Table 6: F-Square Results

	Current Ratio (X1)	*Debt to Equity Ratio* (X2)	*Price Book Value* (Y)	*Return On Assets* (Z)	*Sales Growth* (X3)
Current Ratio (X1)			0.132		
Debt to Equity Ratio (X2)			0.701		
Price Book Value (Y)					
Return On Assets (Z)	0.489	1.465	0.019		3.236
Sales Growth (X3)			0.117		

Source : Secondary Data processed by SmartPLS vers 4

The variable with the strongest influence is Return on Assets (Z) on Sales Growth (X3) with $f^2 = 3.236$. Debt to Equity Ratio (X2) also has a large influence on Price Book Value (Y) with $f^2 = 0.701$. Conversely, Return on Assets (Z) on Price Book Value (Y) has a very small effect (0.019), so it does not have much influence. Overall, Return on Assets (Z) appears to be a key variable that influences several other variables (X1, X2, X3).

***Hypothesis Test* Results**

Table 1: Path Coefficient Results

	Original Simple (O)	**Simple Red (M)**	**Standard Deviation (STDEV)**	**T Statistics (O/STDEV)**	**P Values**
Current Ratio (X1) → *Price Book Value* (Y)	-0.192	-0.192	0.049	3.947	0.000
Debt to Equity Ratio (X2) → *Price Book Value* (Y)	0.614	0.611	0.071	8.610	0.000
Return On Assets (Z) → *Current Ratio* (X1)	0.573	0.575	0.071	8.078	0.000
Return On Assets (Z) → *Debt To Equity Ratio* (X2)	0.771	0.772	0.039	19.762	0.000
Return On Assets (Z) → *Sales Growth* (X3)	0.874	0.876	0.024	36.310	0.000
Sales Growth (X3) → *Price Book Value* (Y)	0.322	0.326	0.066	4.901	0.000

Source : Secondary Data processed by SmartPLS vers 4

The analysis results show that almost all relationships between variables are significant (P = 0.000). Return on Assets (ROA) plays a very dominant role because it

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can positively and significantly influence the Current Ratio, Debt to Equity Ratio, and Sales Growth. This indicates that profitability is a key factor in strengthening a company's financial condition and growth.

Table 2: Hypothetical Results

Hypothesis	Line	Hypothesis	Result	Conclusion
H1	*Current Ratio* (X1) → *Price Book Value* (Y)	Significant Positives	Significant Positives	**Accepted**
H2	*Debt to Equity Ratio* (X2) → *Price Book Value* (Y)	Significant Positives	Significant Positives	**Accepted**
H3	*Return On Assets* (Z) → *Current Ratio* (X1)	Significant Positives	Significant Positives	**Accepted**
H4	*Return On Assets* (Z) → *Debt To Equity Ratio* (X2)	Significant Positives	Significant Positives	**Accepted**
H5	*Return On Assets* (Z) → *Sales Growth* (X3)	Significant Positives	Significant Positives	**Accepted**
H6	*Sales Growth* (X3) → *Price Book Value* (Y)	Significant Positives	Significant Positives	**Accepted**

Source : Secondary Data processed by SmartPLS vers 4

Based on the results of the data processing above, it can be explained as follows:

1. The results of hypothesis test 1 show that the *Current Ratio* (X1) variable has a significant positive effect on *the Price Book Value* (Y). With a path coefficient (O = -0.192) and *a t-value* of 3.947 > 2.201 with *a p-value* of 0.000 < 0.05, H1 **is accepted**.
2. The results of the hypothesis test 2 show that the *Debt to Equity Ratio* (X2) variable has a significant positive effect on *the Price Book Value* (Y). With a path coefficient (O = 0.614) and *a t-value* of 8,610 > 2,201 with *a p-value* showing 0.000 < 0.05, H2 **is accepted**.
3. The results of hypothesis test 3 show that the *Return On Assets* (Z) variable has a significant positive effect on *the Current Ratio* (X1). With a path coefficient (O = 0.573) and *a t-value* of 8.078 > 2.201 with *a p-value* of 0.000 < 0.05, H3 **is accepted**.
4. The results of hypothesis test 4 show that the *Return On Assets* (Z) variable has a significant positive effect on *the Debt to Equity Ratio* (X2). With a path coefficient

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(O = 0.771) and *a t-value* of 19,762 > 2,201 with *a p-value* showing 0.000 < 0.05, H4 **is accepted**.

5. The results of hypothesis test 5 show that the *Return On Assets* (Z) variable has a significant positive effect on *Sales Growth* (X3). With the path coefficient (O = 0.874) and *t-value* of 36,310 > 2,201 with *p-value* showing 0.000 < 0.05, H5 **is accepted**.
6. The results of hypothesis test 6 show that the *Sales Growth* (X3) variable has a significant positive effect on *the Price Book Value* (Y). With a path coefficient (O = 0.322) and *a t-value* of 4.901 > 2.201 with *a p-value* of 0.000 < 0.05, H6 **is accepted**.

DISCUSSION

1. The current ratio reflects a company's ability to meet its short-term obligations. When the current ratio is high, a company is considered to have good liquidity, which can increase investor confidence in the company's stability and prospects. The positive and significant effect of the current ratio on the company's PBV indicates that investors consider liquidity as an important indicator in assessing a company's market value. Companies with a high current ratio are considered more financially secure, making their shares more attractive. Good liquidity provides room for companies to invest and grow, which ultimately increases the company's value in the eyes of the market. These results align with research by Istyawati & Kristiana (2020), which states that the current ratio has a positive effect on PBV.
2. The Debt-to-Equity Ratio (DER) measures the proportion of a company's funding coming from debt compared to equity. When the DER increases in a controlled manner, it may indicate that the company is utilizing debt for expansion or productive investments. Healthy leverage allows a company to increase profits through debt-financed investments, thereby increasing the company's market value. Investors may view the use of debt as an aggressive strategy that demonstrates management's confidence in the business's prospects. A high DER, while remaining within reasonable limits, may reflect capital structure efficiency and growth potential, which is reflected in a higher PBV. These results align with research by Minah et al. (2021), which found that DER has a positive effect on PBV.
3. Return on Assets (ROA) measures how efficiently a company generates profit from

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its total assets. A high ROA indicates good operational efficiency and profitability. ROA positively impacts the Current Ratio because companies that generate high profits from their assets tend to have healthier cash flows. Good cash flow allows companies to increase current assets such as cash and receivables, thereby improving the Current Ratio. A high ROA also reflects effective asset management, which leads to increased short-term liquidity. These results align with research by Digdowiseiso & Winarsih (2022), which found that ROA positively impacts the Current Ratio.

4. A high capital structure can increase firm value if the company has high profitability, as substantial profits can cover interest expenses and debt risk. Conversely, if profitability is low, high debt usage can actually decrease firm value by increasing the risk of default. Therefore, profitability serves as a risk buffer, strengthening the positive impact of capital structure on firm value. These results align with research by Syamsudin et al. (2022).
5. The Debt to Equity Ratio (DER) indicates the proportion of debt to a company's equity. A high DER can increase a company's value if the debt is used productively for expansion or profitable investments. High profitability indicates a company's ability to generate profits from its assets. When both the DER and profitability are high, investors tend to view the capital structure as a profitable, aggressive strategy, thereby increasing the company's value. Conversely, a high DER without adequate profitability actually increases financial risk and decreases the company's value. These results align with research by Sugianti et al, (2025).
6. Sales growth reflects a company's ability to increase revenue over time. Consistent sales growth indicates a company's competitiveness, effective marketing strategies, and strong market demand. If sales growth is high and profitability is high, investors tend to view the company as an entity that is not only growing but also efficient in generating profits. This increases the company's value. Conversely, if sales growth is high but profitability is low, investors may doubt the company's operational efficiency, thus weakening its impact on company value. Therefore, profitability strengthens the positive impact of sales growth on company value because it shows that the growth generates real profits. These results align with research by Amijaya et al. (2021).

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CONCLUSIONS

Based on the results of data analysis and discussion of the influence of capital variables, debt policy and sales growth and profitability as moderation variables discussed in the previous chapter on the company's value, the results can be concluded as follows:

1. Capital Structure (*Current Ratio*) has a positive and significant effect on the company's value, so H1 is accepted.
2. The Debt *to Equity Ratio* policy has a positive and significant effect on the company's value, so H2 is accepted.
3. Sales Growth has a positive and significant effect on the company's value, so H3 is accepted.
4. Capital Structure (*Current Ratio*) has a positive and significant effect on the value of the company with profitability as a moderation variable, H4 is accepted.
5. Debt to *Equity Ratio* policy has a positive and significant effect on the value of the company with profitability as a moderation variable, H5 is accepted.
6. Sales Growth has a positive and significant effect on the value of the company with profitability as a moderation variable, H6 is accepted

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