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Determinants of Financial Performance and Its Impact on Firm Value (Study Conducted in Consumer Non-Cyclical Sector Companies Listed on the Indonesia Stock Exchange)

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ABSTRACT

This study aims to examine the determinants of financial performance of Manufacturing Companies in The Consumer Goods Industry during 2014-2020 listed on the Indonesia Stock Exchange (IDX) and their effect on firm value. The factors used in this study consist of Liquidity, Leverage, Risk, and Tangibility of Assets (TOA). Also, profitability is also used as a mediating variable. Firm value is proxied by Price Book Value (PBV).

The sampling technique was carried out by purposive sampling method. The research method used is a quantitative method with secondary data. The analysis technique used is Partial Least Square Path Modelling with WarpPLS 7.0 Program.

The results showed that Liquidity, Leverage, Risk, and Tangibility of Assets (TOA) has no significant effect on Firm Value. Profitability has significant positive effect on Firm Value. Meanwhile, Profitability succeeded in mediating all the effects of Liquidity, Leverage, Risk, and Tangibility of Assets (TOA) on Firm Value. For future researchers, it is expected to use Firm Value proxies outside of this study, research object outside of the population that have been studied, and extend the research period. Further researchers are expected to be able to use other models and add other variables beyond those already used in this study.

Introduction

Financial performance is one of the most important things in the company's business world. In assessing the performance of a company, financial information is one of the keys that cannot be separated. In the process, the measurement of financial statements will be very closely

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related to performance appraisal. Performance measurement provides clues about the quality and effectiveness of a company.

Khan, et al. (2017) explained that financial performance is an operation to carry out monetary actions. In general, financial performance shows a measure of economic goals that are being or have been achieved. Financial performance is used to calculate the overall economic suitability of the organization over a certain time. An organization's financial performance can be calculated based on its economic results and the size of its income.

Financial performance that increases uncertainty will reduce the value of the organization and vice versa, financial performance that increases certainty will increase the value of the organization. By knowing the performance measurement in advance, a company can measure the extent to which a company can operate fully. After knowing the measurement, a company can evaluate the performance of a company in terms of finance.

Financial measurement and assessment are the starting point for companies to make improvements. That way, the company can increase its effectiveness in operations so that it can compete with competing companies. It is undeniable that the presence of competitors is something that cannot be avoided. This provides both advantages and challenges. The advantage is that the company can set standards and the level of stability that must be achieved, the challenge is to survive in the business world, companies are required to have standards that can meet users better than competitors. If a company finds it difficult to run its operations to balance or exceed its competitors, this will be a fairly crucial problem. The presence of competitors as competitors who at any time can threaten the business if it cannot compete properly and the most dangerous thing is that the company can experience business bankruptcy.

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Launching from Kontan.co.id news, it is known that the Consumer Goods Sector Company has been a champion since the beginning of 2020. This is nothing but the presence of the Coronavirus Disease 2019 (Covid-19) which has had a widespread impact on the health crisis and continues in various sectors. others including the global economy. Consumer Goods Sector companies are considered to have minimal corrections so that they are more robust amid unstable capital market conditions. This is based on the assumption that consumption is a primary thing that is done by all individuals regardless of the conditions that occur. Leading stocks in this sector are PT Indofood CBP Sukses Makmur Tbk (ICBP), PT Indofood Sukses Makmur Tbk (INDF) and pharmaceutical issuer PT Kalbe Farma Tbk (KLBF).

A smart investor certainly pays attention to the financial performance of the company where the capital will be invested. Several factors can be considered by investors, such as the level of liquidity, debt level, the level of risk faced by the company, the level of comparison of assets, and the level of profit earned. Based on the above background, researchers are interested in examining the Determinants of Financial Performance in Non-Primary Consumer Goods Sector Companies Listed on the Indonesia Stock Exchange (IDX) on Firm Value by using the Liquidity, Leverage, Risk, Tangibility of Assets (TOA), Profitability, and Firm Value.

Some previous researchers only focused on testing the independent variable against the dependent variable, while this study tried to test if the mediating variable was involved. This study used Risk and TOA variables which were previously rarely used. In addition, this study also used analytical tools that were previously rarely used.

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Literature Review

Signaling Theory

Signaling Theory (Spence, 1973) is a theory that reveals the reason why companies publish financial statement information to external parties to send "signals" as a form of company promotion so that external parties provide loans or invest their capital in the company. Not only limited to promotion, but also explains other "signals" that are sent aimed at increasing trust from external parties and company stakeholders as a result of the emergence of information asymmetry. Information asymmetry is an imbalance of information received by external parties and internal parties. This is because internal parties know the business process better than external parties who only provide capital without knowing the overall activities and constraints that occur within the company. Therefore, the "signal" that is sent is one way that can be done to reduce the information asymmetry that occurs.

Financial reports are a form of communication made by the company to external parties and stakeholders. The information presented in the financial statements is one of the important information that becomes the basis for making decisions to continue investing in the funds owned or not. The key to financial performance (financial highlight) is one simple way that can be done to find out the real picture or state of the company and is easier to compare with the previous company's performance. The signal theory also reveals that stakeholders and external parties can distinguish high or low-value companies by observing capital structure, high valuations, and stable equilibrium which cannot be done easily for low-value companies.

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Pecking Order Theory

Pecking Order Theory is a theory that explains the funding decisions of a company. Myers & N. Majluf (1984) revealed that companies tend to determine the source of funding to be used. In this case, Myers & N. Majluf (1984) explains that there are at least 3 things that underlie:

1. Companies prefer funding from internal sources;
2. The company adjusts the dividend payout target with investment opportunities;
3. External funds will be used when it is most needed with the priority of security through debt and the last option through the issuance of new shares.

Pecking Order Theory assumes that companies will be more profitable if they use less external funds. This is not caused by the low target of a company, but rather emphasizes other aspects such as interest to be paid (if with debt) or dividends and the cost of issuing shares (if by issuing new shares to attract investors). Therefore, a company needs to reconsider the targets to be achieved along with the ability to manage its funds optimally. This theory also does not rule out tax and financial distress as important factors in the selection of capital structure.

According to Radjamin & Sudana (2014), there are at least four underlying reasons why Pecking Order Theory prioritizes debt over equity when external funding sources are needed, as follows:

1. Investors suffer losses as a result of unavoidable information asymmetry. Moreover, the issuance of new shares will only be considered a bad thing in the eyes of the public unless the company's shares have reached an overpriced point. Empirical evidence has proven that the issuance of new shares will only reduce stock prices sharply.

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2. Research conducted by Baskin (1989) in Radjamin & Sudana (2014) proves that the costs for debt issuance transactions are lower than stock transaction costs.
3. Companies get tax benefits by issuing debt. This benefit is caused by the cost of interest in debt payments can be considered as a cost in tax calculations so that the tax to be paid becomes lower.
4. When the company uses debt as a source of external funding, the company will also be supervised by institutions (creditors) who participate in overseeing the company's financial condition so that company management is required to be more careful in managing its finances.

Trade-off Theory

Trade-off theory (Modigliani & Miller, 1963) is a theory that illustrates that achieving an optimal capital structure can be determined by balancing the benefits of using debt (tax shield benefit of leverage) with the costs of financial difficulties and agency problems. Tax shield is a tax reduction benefit caused by the company's profit minus the interest on the company's debt so that the profit that the company needs to use is reduced. The cost of financial distress is the pressure that arises along with the use of company debt, for example, as bankruptcy if the company is not able to manage its finances properly.

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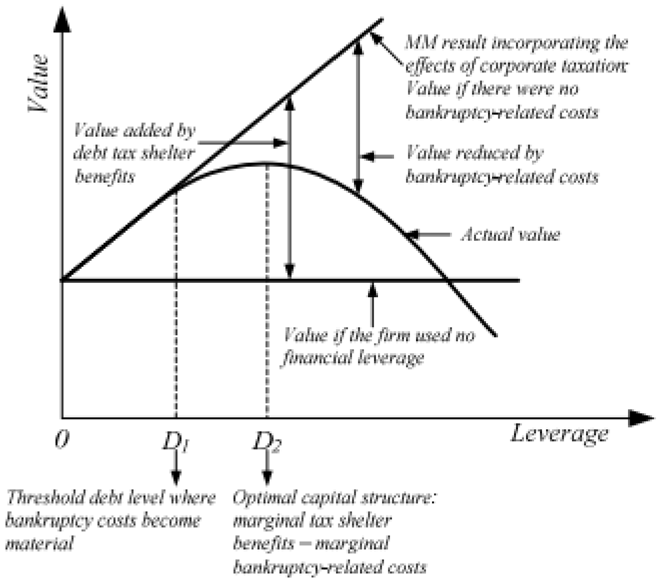

Figure 1. Impact of Leverage on Firm Value

Source: Brigham & Ehrhardt (2005)

In figure 1. it can be seen that the greater the use of debt (D) will increase the benefits of using debt, but the costs of financial distress and agency costs also increase more than the use of debt itself. The use of debt will increase the value of the company linearly up to a certain point. After the maximum point is reached, the increasing use of debt will reduce the value of the company.

The relationship between trade off theory and research variables is as an umbrella that protects especially for variables of Liquidity, Leverage, and Risk. These three variables are closely related to the company's choice to use debt, although it is possible that it will have an impact on other variables used in this study, for example the purchase of fixed assets using debt (will impact to Tangibility of Assets, etc). The greater debt will provide benefits for the company to develop its business and benefit from the reduced tax

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paid. However, if the company is not able to manage its debt properly, it will be a new disaster for the company.

Firm Value

Company value is a form of company achievement that comes from public trust in the company's performance after going through a long process of activities, namely since the company was founded until now (Mayogi and Findiana, 2016). Increasing the value of the company is an achievement that is following the goals of a go-public company because with the increase in the value of the company, the welfare of the owners will also increase. The wealth of shareholders and companies is represented by the market price of shares which is a reflection of investment decisions, funding, and asset management.

The goal of company management is to maximize the value of the company, if the company runs smoothly, the value of the company's shares will increase. The level of company effectiveness can be measured by the value of the ownership shares. So that the objective of financial management is expressed in the form of maximizing the value of company ownership shares or maximizing share prices. However, this does not mean that corporate managers should seek to increase the value of shares at the expense of bondholders.

Companies whose share prices are always high indicate good company growth prospects. In other words, this ratio measures the value given by the financial market to the management and organization of the company as a company that continues to grow (Hidayah and Widyawati, 2016). The existence of price book value (PBV) is very important for investors to determine investment strategies in the capital market. Based on the price

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book value (PBV), investors can also predict stocks that are undervalued or overvalued, so that they can determine an investment strategy that is following investors' expectations to obtain high dividends and capital gains.

Liquidity

Liquidity shows the amount of debt that must be paid in one year. These payments are arranged from readily available funds or easily convertible assets. Liquidity is calculated by assets held to pay existing short-term obligations. Liquidity indicates the capacity to conveniently transfer assets to currency. More liquidity will make it easier for companies to deal with unexpected events and to manage their responsibilities during operational activities with minimum profit (Liargovas and Skandalis, 2008).

Leverage

Leverage is the ratio used in measuring the company's financial performance concerning how much assets are obtained from debt and capital (Widiyanti & Elfina, 2015). The leverage ratio can measure the level of security of a company's debt expenditures with limits determined by creditors. This ratio will show a company is paying all short-term and long-term debt obligations when the company is experiencing liquidity.

Risk

Firms with maximum uncertainty and high agency costs may have more opportunities for fiscal collapse than firms with more business profits. Esperanca, et al. (2003) observed a hopeful relationship between firm risk

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and long- and short-term debt. Companies that are too risky may also reduce investors interest in investing.

Tangibility of Assets

Companies with a larger number of fixed assets can obtain loans with minimum interest through guaranteed property ownership and available resources. Companies with more permanent assets can have more loan facilities with minimum interest (Khan, 2017). Fixed assets are one of the factors supporting the company's operations.

Profitability

Financial performance analysis is made to see the prospects and risks of the company. Prospects can be seen from the level of profit. Profitability shows the company's performance in generating profit levels by using its assets. Profitability is the main attraction for company owners (shareholders) because profitability is the result obtained through management's efforts on the funds invested by shareholders.

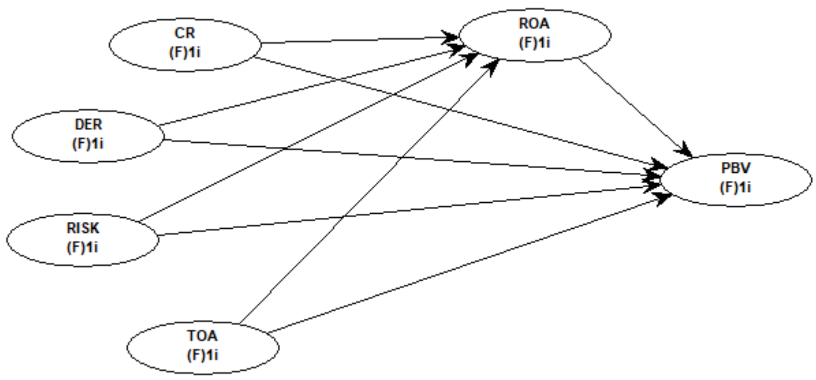

Figure 2.

Framework

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Description :

H1 : Liquidity has significant positive effect on Firm Value.

H2: Leverage has significant positive effect on Firm Value.

H3 : Risk has significant positive effect on Firm Value.

H4: Tangibility of Assets has significant positive effect on Firm Value.

H5: Profitability has significant positive effect on Firm Value.

H6: Liquidity has significant effect on Firm Value through Profitability.

H7: Leverage has significant effect on Firm Value through Profitability.

H8: Risk has significant effect on Firm Value through Profitability.

H9: Tangibility of Assets has significant effect on Firm Value through Profitability.

Method

This research category is hypothesis testing with a quantitative approach. This type of research emphasizes research on numerical data or data that can be calculated and then processed with statistical methods to investigate possible causal relationships based on observations of existing effects and look for factors that may be the cause of certain data. This research was conducted on non-primary consumer goods sector companies listed on the Indonesia Stock Exchange (IDX) in 2015-2020. Data obtained from the official website of the Indonesia Stock Exchange (www.idx.co.id), if the required data is not available, the author will refer directly to the official website of the company that is the object of research.

The sampling technique used in this study was taken from the population by purposive sampling. The criteria for sampling are as follows:

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1. Non-Primary Consumer Goods sector companies listed on the Indonesia Stock Exchange (IDX) during the study period (2015 – 2020);
2. Reporting audited financial statements and stating in Rupiah (Rp);
3. Do not have a negative value on the tested variables.

Based on the results of the data screening that has been carried out, it was found 9 extreme data that had to be excluded from the study. Therefore, the unit of analysis in this study amounted to 159 ((6 years of observation x 28 companies) - 9 outliers).

Operational Variables

Operational variables are a theoretical explanation of the variables used in the study. The variables analyzed in this study consisted of the dependent variable, the independent variable, and the intervening variable. The operational definitions of the three variables are as follows:

1. Dependent Variable (Y)

   Dependent variable whose value is explained and influenced by the independent variable. In this study, the dependent variable used is Firm Value proxied by Price to Book Value (PBV).

2. Mediating Variable (Z)

   Mediating variable that acts as an intermediary to explain changes in the influence of the independent variable on the dependent variable if other variables are included. In this study, the mediating variable used is Profitability which is proxied by Return on Assets (ROA).

3. Independent Variable (X)

   Independent variable that affects the dependent variable or is the cause of the change or emergence of a dependent variable. In this study the independent variables are Liquidity proxied by Current Ratio (CR),

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Leverage is proxied by Debt to Equity Ratio (DER), Risk is proxied by EBIT to EAT Ratio, and Tangibility of Assets is proxied by Fixed Asset to Total Asset Ratio.

Data Analysis Tool

The data analysis method uses Path Analysis using PLS-SEM (Partial Least Squares Structural Equation Modeling) or also called Partial Least Squares Path Modeling (PLS-PM) with WarpPLS 7.0 program.

Result and Discussion

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
CR	159	.12	7.86	.6109	.75246
DER	159	.16	4.29	1.1025	1.02570
RISK	159	.95	45.13	1.9023	3.66087
TOA	159	.00	.99	.4361	.23764
ROA	159	.10	43.16	9.1197	7.69468
PBV	159	.26	30.17	3.1663	4.35309
Valid N (listwise)	159				

Source: Processed Data, 2022

The lowest CR was achieved by DLTA 2017 with a value of 0.12. The highest CR was achieved by INDF 2019 with a value of 7.86. The mean value of 0.6109 indicates that the research object tends to have fewer current assets or even closer to half of its current debt.

The lowest DER was achieved by ULTJ 2018 with a value of 0.16. The highest DER was achieved by MIDI 2017 with a value of 4.29. The mean

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value of 1.1025 indicates that the object of research tends to have a total debt that is greater than the equity owned.

The lowest RISK was achieved by ROTI 2020 with a value of 0.95. The highest RISK was achieved by SKBM 2019 with a score of 45.13. The mean value of 1.9023 indicates that the object of research tends to have low risk and is within safe limits as a place for investors to invest their funds.

The lowest TOA was achieved by EPMT 2019 with a value of 0.000222. The highest TOA was achieved by WIIM 2015 with a value of 0.99. The mean value of 0.4361 indicates that the object of research tends to be able to balance between fixed assets and total assets so that the company can run its business well. Fixed assets are useful as operational support in the long term, while current assets are useful for supporting company funding and investment.

The lowest ROA was achieved by SSMS 2019 with a value of 0.10. The highest ROA was achieved by MLBI 2016 with a value of 43.16. The mean value of 9.1197 indicates that the object of research tends to provide high returns on capital for investors.

The lowest PBV was achieved by BUDI 2015 with a value of 0.26. The highest PBV was achieved by MLBI 2016 with a score of 30.17. The mean value of 3.1663 indicates that the object of research tends to have a fairly high share price beyond its book value. This also indicates that investors have high confidence in the stocks in which their funds are invested.

Table 2. R Square Test and Goodness of Fit (GoF)

Component	Value
Average path coefficient (APC)	0.257, P<0.001
Average R-squared (ARS)	0.627, P<0.001
Average adjusted R-squared (AARS)	0.617, P<0.001

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Tenenhaus GoF (GoF)	0.792, small >= 0.1, medium >= 0.25, large >= 0.36

Source: Processed Data, 2022

Table 2 shows the Average Adjusted R-Squared (AARS) value of 0.617, where according to Latan and Ghozali (2017) the R-Squared value consists of 3 models, namely a strong model with a value of 0.70, a moderate model with a value of 0.45, and a weak model with a value of 0.25. Based on the table, this research is included in a moderate model. This means that the dependent variable can be explained by the independent and moderating variables of 61.7% while the remaining 38.3% is explained by other variables outside this study.

Based on table 2, it is known that the Tenenhaus GoF value is 0.792 which means this model is fit and feasible because it is more than 0.36 and is included in the large category. The APC from table 2 has a value of 0.257 with P < 0.001, this means that this model is fit (entered the criteria) because it has a P-value under 0.05 (Kock, 2021).

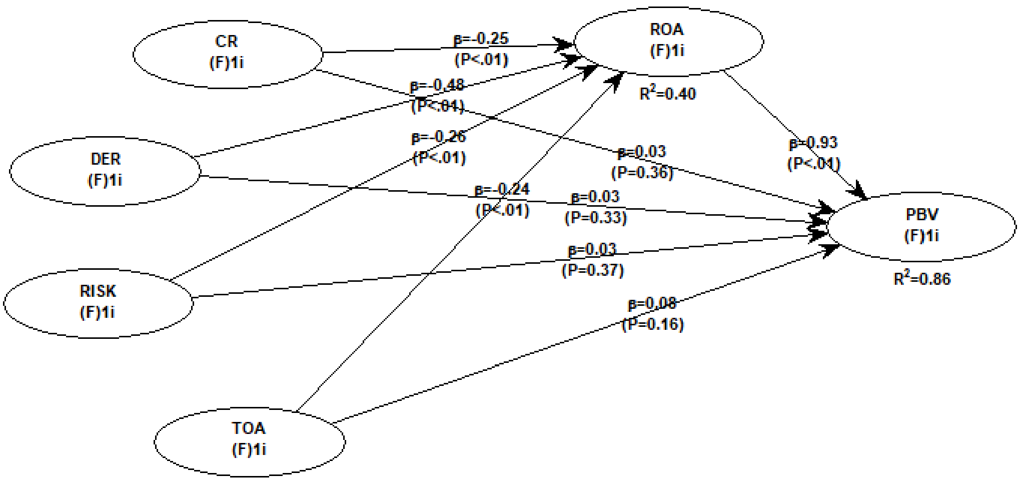

Figure 3. Hypothesis Test Model

Source: Processed Data, 2022

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Table 3. Hypothesis Test

Hypothesis	Path	Path Coef.	P-Value	Accepted or Rejected	Info
H1	CR→PBV	0,028	0,363	Rejected	-
H2	DER→PBV	0,034	0,335	Rejected	-
H3	RISK→PBV	0,027	0,366	Rejected	-
H4	TOA→PBV	0,077	0,162	Rejected	-
H5	ROA→PBV	0,927	<0,001	**Accepted**	-
H6	CR→ROA→ PBV	-0,227	<0,001	**Accepted**	Mediating
H7	DER→ROA→ PBV	-0,441	<0,001	**Accepted**	Mediating
H8	RISK→ROA→ PBV	-0,239	<0,001	**Accepted**	Mediating
H9	TOA→ROA→ PBV	-0,224	<0,001	**Accepted**	Mediating

Source: Processed Data, 2022

The results showed that Liquidity has no significant on Firm Value

This study refutes the research conducted by Aggarwal & Padhan (2017) which states that Liquidity has significant negative effect on Firm Value and also Hasanudin (2020) and Jihadi et al. (2021) which states that Liquidity has significant positive effect on Firm Value. This is due to the low ability of non-primary consumer goods sector companies to pay off their current debts. Although there is no definite limit on the best CR value that a company should have, it would be better if the company tried to match other companies in the same industry. A CR value that is too low indicates the company's inability to overcome its short-term debt, while a CR that is too high indicates a company that wastes its current assets too much, even though these assets can be used to provide additional profits for the company. Therefore, companies must be wise in managing their capital structure. This study supports

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the research conducted by Mulyani, et al. (2017), Tahu & Susilo (2017), Zuhroh (2019), Markonah, et al. (2020), Sari & Sendana (2020) and Nurwulandari, et al. (2021) which states that Liquidity has no significant effect on Firm Value.

The results showed that Leverage has no significant on Firm Value

This study refutes the research conducted by Tahu & Susilo (2017) which states that Leverage has significant negative effect on Firm Value and also Aggarwal & Padhan (2017), Zuhroh (2019), Markonah, et al. (2020), Sari & Sendana (2020), and Jihadi et al. (2021) which states that Leverage has significant positive effect on Firm Value. The results of this study prove that although a company can manage its debt as a whole following the capital it has, it will not necessarily increase the value of the company in the eyes of the public. This is caused by differences in beliefs or points of view or behavior of investors towards the company where they invest. Not infrequently, investors who invest large amounts of funds are investors based on family relationships. This study supports the research conducted by Mulyani, et al. (2017) and Puspaningtyas, et al. (2020) states that Leverage has no significant effect on Firm Value.

The results of the study show that Risk has no significant on Firm Value

This study refutes the research conducted by Bandanuji & Khoiruddin (2020) which states that Risk has significant negative effect on Firm Value. This is due to the various values of tax payments paid by companies. In

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theory, taxes can influence an investor's decision to invest as long as the tax is less than the profits they have. Investors may reduce their investment when they know the risks they will bear, making it possible to reduce the value of the company.

The results showed that Tangibility of Assets has no significant on Firm Value

This study refutes the research conducted by Aggarwal & Padhan (2017) which states that Tangibility of Assets has significant negative effect on Firm Value. The results of this study prove that investors, especially in non-primary consumer goods sector companies, are not too interested in seeing how the funds they invest will be used. In fact, by looking at the development that there is an increase in fixed assets owned by the company as a support for the production offered makes investors believe that the company has managed the funds invested properly. The results of this study also indicate that investors who invest in the non-primary consumer goods sector are dominated by short-term investors. Short-term investors are more likely to pay attention to the amount of profit they can receive.

The results showed that Profitability has significant positive effect on Firm Value

This study refutes the research conducted by Aggarwal & Padhan (2017) which states that Profitability has significant negative effect on Firm Value also Nurwulandari, et al. (2021) which states that Profitability has no significant effect on Firm Value. The results of this study provide

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supporting evidence that it is undeniable that the greater the profit owned by the company, the more attractive investors are to invest their funds so that it will increase stock prices and continue to increase the value of the company. This study supports the research conducted by Mulyani, et al. (2017), Tahu & Susilo (2017), Zuhroh (2019), Markonah, et al. (2020), Puspaningtyas, et al. (2020), Sari & Sendana (2020), and Jihadi et al. (2021) which states that Profitability has a significant positive effect on Firm Value.

The results showed that Liquidity has significant negative effect on Firm Value through Profitability

This study shows that Profitability variable has succeeded in doing its job as an intervening variable. This is due to the inability of Liquidity of consumer goods sector companies in influencing the value of the company so that the presence of such strong Profitability can affect the value of the company. But unfortunately, the results of this study have a negative coefficient which indicates the direction of the relationship is not in line.

The decline in the value of the company was caused by the fear of investors if the company where they invested was not able to manage current assets and current liabilities optimally, which was caused by the return on current assets being too high. Proper financial management is the main thing that needs to be done by go public companies because not all types of investors only prioritize profits, but how the company survives in the short and long term to avoid financial distress. Zuhroh (2019) explained that the results of this study are in line with the pecking order theory that companies with high liquidity will reduce the proportion of their debts because the company has sufficient funds to finance its operational costs.

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The results showed that Leverage has significant negative effect on Firm Value through Profitability

This study shows that Profitability variable has succeeded in doing its job as an intervening variable. This is caused by the inability of Leverage to directly influence Firm Value so that the influence of the Profitability variable is so strong that it can join in providing an indirect influence. This study supports the Pecking Order Theory which explains that companies will prefer to use funds from internal sources when needed. This theory also explains that the more profitable a company is, it will use less external funds.

Leverage in this study is the division between total debt to equity. Total debt is a combination of internal and external sources. The larger profits will increase the book value of the company, which will allow the value of the company to decrease if it is not accompanied by an increase in investor interest in buying company shares. Mulyani (2017) explains that investors decisions to buy shares are influenced by the size of the capital structure.

The results showed that Risk has significant negative effect on Firm Value through Profitability

This study shows that the Profitability variable has succeeded in doing its job as an intervening variable. This is because the presence of Profitability in strengthening the indirect effect of Risk on Firm Value is greater than the direct influence of Risk on Firm Value. This shows that the greater the return on assets obtained by the company will increase the risk that will be borne by the company in the form of taxes that will be paid to the government.

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The results obtained in this study indicate a negative direction which means that investors will reduce the amount of investment made if the company is not able to balance the profits obtained with the taxes that must be paid. Investors also have a fear that if a company has a large risk it will endanger the funds invested so that investors will withdraw funds that allow the value of the company to fall. According to Johnson (1997) firms with volatile earnings may face an environment of low available cash barely sufficient to recover loans. This study supports the Trade-off Theory which describes the balance of benefits on the use of debt which can reduce profits (as a result of the presence of interest on debt) to reduce tax payments.

The results showed that Tangibility of Assets has significant negative effect on Firm Value through Profitability

This study shows that Profitability variable has succeeded in doing its job as an intervening variable. This is because Tangibility of Assets cannot affect Firm Value directly so the influence of the Profitability variable is so strong that it can join in providing an indirect influence. The decline in the value of the company is caused by investors' fear of increasing returns on a company's assets which has an impact on increasing purchases of fixed assets. Although Khan, et al. (2017) explained that companies with a larger number of fixed assets can obtain loans with minimum interest through guaranteed property ownership and available resources.

The purchase of fixed assets is an important thing to support the company's operational activities. However, it cannot be denied that the price paid for the purchase of fixed assets is not cheap because it has a long useful life. Usually, the purchase of fixed assets does not immediately increase the rate of return, but slowly and surely. Therefore, this increase in

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the purchase of fixed assets may reduce the value of the company due to changes in investor interest or an increase in the book value of the company.

Conclusion

The results showed that Liquidity, Leverage, Risk, and Tangibility of Assets (TOA) has no significant effect on Firm Value. Profitability has significant positive effect on Firm Value. Meanwhile, Profitability succeeded in mediating all the effects of Liquidity, Leverage, Risk, and Tangibility of Assets (TOA) on Firm Value. For future researchers, it is expected to use Firm Value proxies outside of this study, research object outside of the population that have been studied, and extend the research period. Further researchers are expected to be able to use other models and add other variables beyond those already used in this study.

This research is expected to provide input to companies, especially in consumer non-cyclical sector to be more careful in managing funds that have been entrusted by stakeholders. In addition, this research also provides input to investors to be more careful in investing their funds and is expected to first analyze a company before investing. Don't let your investment be detrimental. Something can be said to be an investment if it is profitable, if it is detrimental it is said to be a charity.

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