



The Influence of Company Growth and Size on Value Company with Profitability as a Moderation variable

Linda Dwi Pratiwi ¹, Eni Suharti ^{1*}, Aulia ²,

¹ Universitas Muhammadiyah Tangerang , Banten, 15118, Indonesia

² Universiti Muhammadiyah Malaysia, Perlis, 02100, Malaysia

* Corresponding author: eni@umt.ac.id*

Submitted: 15/02/2025 | Revision Accepted: 15/03/2025 | Online: 01/04/2025 | doi: <https://doi.org/10.63088/4zs5sj75>

Abstract:

Purpose: Looking at automotive companies listed on the Indonesia Stock Exchange (BEI) from 2019 to 2023, this study aims to determine how firm value is affected by size and growth, with profitability serving as a moderating element.

Methods: The method used in this research is a quantitative method. The population in this study was 19 companies listed on the Indonesian Stock Exchange during the research period. This research used a purposive sampling technique in taking samples and obtained 12 companies. The analytical method used in this research is panel data regression analysis and moderated regression analysis (MRA) using evIEWS version 13 software.

Results: The research results show that profitability can moderate company growth on company value, while profitability cannot moderate company size on company value. And partially, company growth and company size have a positive effect on company value.

Conclusions: Profitability may mitigate the impact of business expansion on firm value, according to the study's findings, but profitability is unable to do the same for company size. In part, the value of a firm rises in tandem with its size and rate of expansion. Profitability at a high level suggests that the firm is expanding both in terms of size and the capacity to sustainably create profits from that expansion. This, in turn, inspires confidence among investors, who will go on to boost the company's value.

Keywords:

Company Growth, Company Size, Company Value, Profitability

1. Introduction

The automotive sector is an important driver of national GDP growth. Both the GDP and the number of jobs in Indonesia are boosted by this industry. The Republic of Indonesia's Coordinating Ministry for Economic Affairs reports that 26 companies in the four-wheeled motor vehicle industry are currently working to support the country's automotive sector. These companies have an annual production capacity of 2.35 million units and employ over 1.5 million people in various supply chain roles. (Coordination Minister's Office, 2023). Thailand, which accounts for around half of the ASEAN



region's vehicle output, is a formidable competitor to Indonesia in the South-east Asian auto sector.

But the car industry has faced big problems due to the unpredictable global economic dynamics, such as changing interest rates and increasing inflation. In its 2022 report, *Global Economic Prospect*, the World Bank, estimates a slowdown in global economic growth from 5.7% in 2021 to only 2.9% in 2022. At the national level, the Minister of Finance, Sri Mulyani Indrawati, emphasized that the surge in inflation and the increase in Energy prices put heavy pressure on people's purchasing power, which in turn affects demand for new vehicles (Ministry of Finance, 2022). This condition affects the performance of automotive companies, as can be seen from the decline in their sales and profitability, could cause the capital market value of the company to decline.

Investor opinion of a company's value, which reflects its performance and future prospects, as demonstrated by metrics such as Tobin's Q. A high figure suggests that investors believe the management of the company can produce long-term profits (Pambudi et al., 2022). From 2019 to 2023, however, research shows that the average Tobin's Q for several BEI-listed automotive sub-sector businesses fell sharply. Over the course of those five years, PT Lippo Industries Tbk. (LPIN) maintained the lowest average Tobin's Q of any company in the industry, at 0.41. This decline shows that investors do not have faith in the company's future. In the long run, this can make it harder for the business to grow and attract investors.

A company's growth, as seen by changes in assets from year to year, plays a significant role in determining its worth. The business's capacity to generate revenue through resource utilization is demonstrated by positive asset growth, thereby increasing the company's attractiveness to investors (Fajriah et al., 2022). However, not all companies are able to maintain this consistent growth. For example, PT Mitra Pinasthika Mustika Tbk. (MPMX) recorded an average negative asset growth of -0.06 during 2019-2023, which was caused by a decrease in sales volume and inefficiencies in resource management.

A company's size is a major factor in determining its worth, in addition to growth. Company size as a function of total assets, is often regarded by investors as an indicator of its stability and ability to handle risk (Isnaeni et al., 2021). Businesses with higher overall assets typically have easier access to outside funding sources and can draw in more investors. However, fluctuations in company size can also signal instability. For example, PT Multistrada Arah Sarana Tbk. (MPMX) experiences significant asset write-downs in 2023, reflecting challenges in sustaining long-term growth.

The correlation between business size and growth and company value is bolstered by profitability. One measure that demonstrates how profitable a company can make its assets is return on assets (ROA). High profitability gives investors the impression that the business is doing well financially, which eventually raises the company's worth (Ramly, 2023). Data, however, indicates that a number of businesses, including PT Indomobil Sukses Internasional Tbk. (IMAS), had an average return on assets (ROA) of just 0.009 over the course of the study. This poor performance suggests



inefficient use of resources to produce profits, which may make the business less appealing to investors.

Even though a lot of research has been done to examine how firm growth, size, and profitability affect company value, the findings are still inconsistent. While some research (Buhaenah & Pradana, 2022) suggest that firm growth significantly increases company value, others (Syahrani et al., 2023) find the contrary. Also, there is also contradictory evidence about the link between company size and firm value; some studies find a positive correlation, while others find a negative one (Suleman & Talib, 2023). How profitability functions as a moderator in this context is another question that requires answering.

By looking at the impact of company size and growth on firm value in automotive sub-sector companies on the BEI from 2019 to 2023, this study hopes to fill a need in the literature. This is accomplished by considering profitability as a moderating variable. With more and more countries experiencing economic downturns, it is more important than ever to comprehend what makes a company worth on Indonesia's stock market. This research intends to do just that.

This research makes a theoretical and practical contribution with this method. By exploring the connection between firm size, profitability, value, and growth, this research theoretically contributes to the body of knowledge in corporate finance. From a practical standpoint, managers may use the study to build more successful techniques of boosting the company's value, and investors can use it as a foundation for their investment decisions. Specifically, despite worldwide challenges, this study backs the expansion of Indonesia's automotive sector. It is pertinent not just in an academic setting but also in corporate practice and economic policy.

2. Literature Review

2.1 Signaling Theory

Signal theory examines how organizations communicate information to external parties, notably investors, so that the future and status of the business can be clearly highlighted. Reports on the company's financial status, dividend payments, and other disclosures of information are common forms of these signals (Anggraini et al., 2024). One crucial signal that management sends out is information, which may help level the playing field between investors and corporations in terms of knowledge. Within this framework, the expansion and scale of a firm can serve as an indication of its capacity to tackle market obstacles and produce profits. Increasing assets or maintaining a steady increase in assets over time are two indicators of effective management (Sumarsan, 2024).

2.2 Agency Theory

The essential connection in agency theory is that between shareholders (the principals) and management (the agents). Agency conflicts often occur due to differences in interests between the two parties, where managers focus more on short-term goals that can benefit them, while shareholders care more about growing company value in the long term (Husna & Henny, 2024). In this light, the size of a corporation might be a sign of possible agency conflict, as managers may extend the business without considering the efficiency and profitability that would be required to sustain



such expansion. By assuring shareholders that their investment is being well-utilized to create profits, a profitable business may assist alleviate this tension (Jumiati & Diyanti, 2022).

2.3 Efficient Market Hypothesis

According to the EMH, stock prices consider all the information that is currently accessible. This is relevant in company value analysis, because share prices are used as the main indicator to measure company value. An efficient market will respond to new information quickly and accurately, so that financial decisions taken by management can be directly reflected in share prices (Dzahabiyya et al., 2020). In the context of automotive companies, changes in information about company growth or company size, such as increasing profits or asset expansion, can influence stock prices and, ultimately, company value.

2.4 Financial management

The practice of organizing, overseeing, and managing money to accomplish business objectives, such increasing corporate value, is known as financial management. According to (Chanifah, 2021), effective financial decisions, such as capital allocation and funding strategies, are very important to ensure that companies can operate efficiently and remain competitive in the market. Planning, managing, and controlling finances are all part of the intricate process of financial management, which aims to accomplish business objectives like securing low-cost capital and making effective and efficient use of cash. The objectives of this activity are to maximize earnings, raise the value of the business, and improve shareholder welfare. The success and economic expansion of the business will ultimately depend on the financial managers' ability to adjust to changes and prudently manage assets and finances.

2.5 Company Value

A firm's value is based on how the market values its prospects. If a company's worth is high, investors believe it can make more money in the long run. A ratio known as Tobin's Q, that can measure the liquidity of a firm's assets relative to their book value, is one common indication of corporate value (Ningrum, 2022). Research shows that company value is influenced by various factors, including company growth, company size and profitability. A rise in a company's worth may be achieved through positive and continuous asset growth. This is because it demonstrates the company's skill in managing resources and its optimism about the future (Rossa et al., 2023).

2.6 Company Growth

Company growth refers to the increase in a company's total assets or revenue over time. This growth reflects the company's ability to increase production capacity, expand markets, and improve operational efficiency (Devi et al., 2023). Gibrat's Law suggests uniform growth across all sizes of firms, but firms generally prioritize strategic growth for survival, resulting in higher growth rates than large firms. Large firms, once they achieve efficiency, can grow independently of their size (Vukovic, et al., 2022). For example, companies that succeed in increasing their assets every year show that they have an effective investment strategy and can generate high cash flows in the future. A company's worth rises in tandem with its rate of growth, according to the research. This is because investors find growing businesses more appealing (Fajriah et al., 2022).

2.7 Company Size

The size of a corporation is a measure of its operational scale, which is often determined by its total assets or revenue. An assessment of a company's capacity to control risk, get resources, and draw in investors can be obtained from its size (Diokno, C. O. B., 2022). Previous research shows that companies with large sizes tend to have higher value, because they have more resources to invest in profitable projects (Isnaeni et al., 2021). The size of the company along with other fundamental aspects like debt and profitability plays a vital role. Where large companies spend more on operating costs while the value of debt becomes a sensitive factor in determining costs. While profits occur due to minimizing costs (Al-Issa et al., 2022). This size can be determined in a number of ways, including total assets, which comprise all of the company's resources, or total revenue, which indicates the amount of sales made during a specific time frame. All things considered, a company's size gives a complete picture of its competitiveness, strength, and market position.

2.8 Profitability

A corporation's profitability may be seen by the ROA ratio, which measures the efficiency with which a company can transform its assets into profit. According to Buhaenah and Pradana (2022), profitability acts as a moderating element that may either amplify or reduce the impact of firm expansion and size on market value. Market value of a company's shares might rise if, for instance, investors have faith in it because of its track record of profitability. The converse is also true: a small profit margin can mitigate the value-boosting effects of a growing business.

2.9 Conceptual Framework

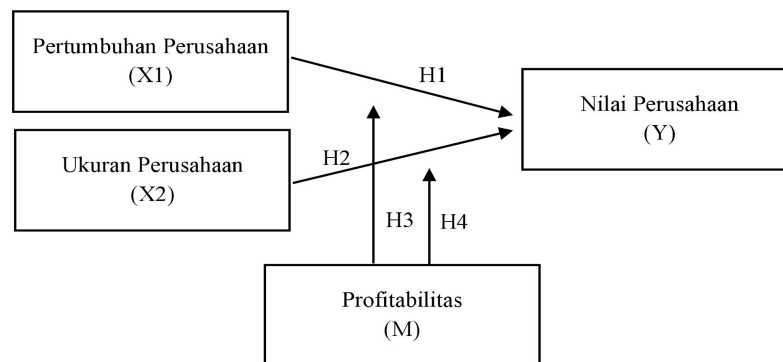


Figure 1. Research Design

From Figure 1 above, the relationship between variables can be translated as follows:

2.9.1 The Effect of Company Growth on Company Value (H1)

An increasing rate of growth serves as a metric of a company's success. A higher corporate value is indicative of a more promising future for a company, and rising asset and revenue bases support this view. Investors are more likely to purchase shares in firms that show promise for the future. An increase in the firm's worth is directly proportional to the demand from investors, which in turn drives up the share price. A company's worth is greatly affected for the better by its rate of expansion, according to



research (Isnaeni et al., 2021). The findings indicate that a firm's worth also grows with its growth, consistent with prior research (Rossa et al., 2021).

2.9.2 The Effect of Company Size on Company Value (H2)

One measure of a firm's size is the care with which it handles its assets. Investors will be more inclined to buy additional shares if the company's aggregate assets increase. Growth in share price has an effect on a firm's worth. Investors pay greater attention to a firm when it is larger in size. (Asril skk., 2021) and (Ramly, 2023) both find that larger companies are more valuable than smaller ones, lending credence to the idea that larger companies do, in fact, have an impact on corporate worth.

2.9.3 Profitability Moderates Company Growth on Company Value (H3)

Strong asset growth implies the capacity of a corporation to leverage its resources for profit generation and subsequently increase its assets. businesses whose assets increase with every profit. The organization is able to offer social services to its consumers throughout the year thanks to these advantages. increasing the value of the business by successfully acquiring shareholders, as evidenced by the share price. Profitability can therefore increase the impact of business expansion on business value. According to research, the positive correlation between firm size and value is moderated by profitability (Ramly, 2023; Isnaeni et al., 2021; Rossa et al., 2023).

2.9.4 Profitability Moderates Company Size on Company Value (H4)

The earning potential of a corporation is one measure of its performance and profitability, it then influences the company's valuation. Level of profit indicates how successfully the organisation accomplishes its objectives. Profit figures are useful for creditors and investors in evaluating management's performance and forecasting future earnings. Despite claims to the contrary by Santoso and Junaeni (2022) that profitability had a somewhat beneficial influence on company value, Erfada and Priono (2024) discovered that profitability enhances the link between firm size and business value.

3. Methods

Both quantitative methods and an associative strategy are used in this investigation. According to Sugiyono (2019), a quantitative approach was employed to study the relationships between variables that are evaluated numerically and analysed statistically. This study's participants are companies within the automobile sector that were listed on the BEI between 2019 and 2023.

3.1 Measurement Variable.

The dependent variable (Dependent) Tobin's Q, which characterizes a firm's value, is used in this study to measure company worth. Tobin's Q formula, Ningrum (2022:22) is:

$$\text{Tobin's Q} = \frac{\text{Market Value Of Equity} + \text{Book Value Of Liabilities}}{\text{Book Value Of Assets}} \dots\dots\dots (1)$$

The independent variable (independent) of business development is the change (increase or decrease) in the total resources that the business claims. The value of the business's growth each year is used to determine adjustments to resources managed by contrasting the results obtained. The company development equation, Kasmir (2019:) is:



$$\text{Assets Growth} = \frac{\text{Total Asset } (t) - \text{Total Asset } (t_1)}{\text{Total Asset } (t_1)} \dots\dots\dots (2)$$

That which is not dependent on other factors A corporation's size may be expressed as a number that represents the entire value of its assets raised to the power of the natural logarithm. Revenue, total assets, and total equity are just a few ways to classify it. (Sumarsan, 2023:49):

$$\text{Size} = \ln \text{Total asset} \dots\dots\dots (3)$$

Moderating Variable (M) The capacity of a business to make profit in a specific amount of period is known as profitability. The return on assets ratio, often known as earning power, is a gauge of a business's profitability. Formula for Return on Assets, Fitriana (2019:35):

$$\text{ROA} = \frac{\text{Earning After Tax}}{\text{Total Assets}} \times 100 \text{percent} \dots\dots\dots (4)$$

3.2 Sampling Methods.

This research used a purposeful sampling strategy. Further sample collection strategies are outlined in Table 1 below.

Table 1. Research sample

No.	Criteria	Total
1	Automotive sub-sector company listed on BEI	19
2	Automotive sub-sector companies that did not IPO before 2019 and not listed for the 2019 to 2023 period	(3)
3	Automotive sub-sector companies that do not have complete data during the 2019 to 2023 period	(2)
4	Automotive sub-sector companies that experienced losses during the 2019 to 2023 period	(2)
The number of companies that became the research sample		12
Number of research periods (years)		5
Total research observation data		60

Source: Data Processed by Author, 2024

4. Results and Discussion

4.1 Result

The descriptive analysis yielded the following findings, as shown in the table: A company's Tobin's Q value might range from 0.090 in 2021 to 4.610 in 2023 for PT Multistrada Arah Sarana Tbk (MASA) and LPIN, respectively. The mean value is 1.120, which is higher than the standard. Version 0.796. In 2021, PT Indospring Tbk (INDS) had the greatest firm growth value (Asset Growth) at 0.252, while PT Bintraco Dharma Tbk (CARS) had the lowest at -0.268. The mean value was 0.142, which was higher than the standard. Release 0.109. The mean value is 29,680 larger than Std, with the largest value of 33.73 in 2023 for PT Astra Internasional Tbk (ASII) and the lowest is 26.46 in 2021 for PT Multi Prima Sejahtera Tbk (LPIN). Line 1,731. The mean ROA for all companies is 0.153 larger than Std., with the greatest ROA in 2023 coming from PT Selamat Selamat Tbk (SMSM) at 33.73 and the lowest in 2020 from PT Astra Otoparts Tbk (AUTO) at 26.46. Dev 0.068.



By calculating the mean, Std. Dev., and range of values for the variables under study, descriptive statistics can provide light on the size of the data distribution. Further descriptive test results can be seen in table 2.

Table 2. Descriptive analysis result

	Tobins'Q	AG	Size	ROA
Mean	1.120179	0.142295	29.68063	0.153481
Median	0.838504	0.034132	29.46981	0.052735
Maximum	4.607103	0.252121	33.73062	0.226575
Minimum	0.087996	-0.268192	26.46267	-0.177407
Std. Dev.	0.796285	0.109976	1.731457	0.068366
Skewness	2.053056	-0.563414	0.472421	-0.088217
Kurtosis	8.137028	3.253647	3.419651	5.051641
Jarque-Bera	108.1230	3.335192	2.672082	10.60090
Probability	0.000000	0.008700	0.002884	0.004989
Sum	67.21071	1.337681	1780.838	3.208837
Sum Sq. Dev.	37.41015	0.713592	176.8787	0.275764
Observations	60	60	60	60

Sumber: Eviews 13, Data diolah 2024

Panel data regression estimate makes use of three different approach models the CEM, FEM, and REM and this test is designed to help choose the best one for data analysis. Furthermore, the results of the Chow test can be seen in table 3 below.

Table 3. Chow test

Redundant Fixed Effects Tests
Equation: Untitled
Test cross-section fixed effects

Effects Test	Statistic	d.f.	Prob.
Cross-section F	4.355679	(11,44)	0.0002
Cross-section Chi-square	44.198825	11	0.0000

Source: Eviews Data Processing, 2024

With a Probability value (Prob) Cross-section F of 0.0002 and a Cross-section chi-square of 0.0000 less than α (0.05), the calculation results reveal FEM outperforms CEM when estimating panel data regression. Since the random cross section Prob score is 0.5204 more than α 0.05, the calculation results suggest that REM outperforms FEM when estimating panel data regression. In table 5 below is the results of the Lagrange Multiplier test. In table 4 below is the results of the Hausman test.



Table 4. Hausman test

Correlated Random Effects - Hausman Test

Equation: Untitled

Test cross-section random effects

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.228398	4	0.5204

Source: Eviews Data Processing, 2024

Table 5. Lagrange multiplier test

Lagrange Multiplier Tests for Random Effects

Null hypotheses: No effects

Alternative hypotheses: Two-sided (Breusch-Pagan) and one-sided (all others) alternatives

	Cross-section	Test Hypothesis Time	Both
Breusch-Pagan	13.84258 (0.0002)	1.736144 (0.1876)	15.57872 (0.0001)

Source: Eviews Data Processing, 2024

Since the prob value cross section Breush-pagan = 0.0002 less than α 0.05, the calculation results demonstrate that Random Effect Model (REM) outperforms Common Effect Model (CEM) when estimating panel data regression.

No classical assumption testing is required as the panel data regression model was estimated utilizing REM. Thus, it is clear from these three tests that the REM will be utilized in Panel Data Regression Equations and the Examination of Hypotheses. In table 6 below is the results of the random effect model test.

Table 6. Result Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.876204	1.269641	-2.690119	0.0037
AG	0.327067	0.377648	2.866062	0.0402
Size	0.431740	0.042648	2.017342	0.0262
AG_ROA	0.730884	0.422783	2.513700	0.0395
Size_ROA	0.020701	0.011452	1.137688	0.0761
Effects Specification				
				S.D. Rho
Cross-section random				0.230969 0.4819
Idiosyncratic random				0.239487 0.5181



Weighted Statistics			
R-squared	0.560566	Mean dependent var	0.423472
Adjusted R-squared	0.487757	S.D. dependent var	0.236884
S.E. of regression	0.237801	Sum squared resid	3.110209
F-statistic	19.86472	Durbin-Watson stat	1.949295
Prob(F-statistic)	0.000203		
Unweighted Statistics			
R-squared	0.535697	Mean dependent var	1.006640
Sum squared resid	5.541265	Durbin-Watson stat	1.094103

Source: Eviews Data Processing, 2024

The results of REM resultant Adjusted R Squared value of 0.487757 (48.77 percent) indicates the contribution to firm growth and size, as measured by asset growth, as a proxy. Furthermore, the magnitude of the association between the two independent factors and firm value is medium, with a dependent variable of 48.77 percent. The remaining 51.23 percent was due to other variables not considered in this analysis (100 percent - 48.77 percent).

The statistical t value, with profitability serving as a moderating variable, can explain whether firm growth and size considerations have an influence on company value. The data above also indicates that each independent variable has an impact. T table with df (n-k) is 56 and level α is 0,05 received 1.67252 as the result, where k is number of all variables is 4 and n is number of samples or 60.

1) The Effect of Company Growth on Company Value

Probability value for the firm growth (X1) was 0.0402 less than 0.05, and the t statistic was 2.866062, above the t table score of 1.67252. Consequently, it may be asserted Ha is accepted whereas Ho is refused, indicating that the company's expansion positively influences its worth to a certain degree.

2) The Effect of Company Size on Company Value

Probability value for the firm size variable (X1) was 0.0262 less than 0.05, and the t statistic score is 2.017342, with the t table score is 1.67252. Consequently, it may be asserted that Ha is accepted whereas Ho is denied, indicating that the company's size positively influences its worth to a certain degree.

3) Profitability moderates company growth towards company value

The probability value was 0.0395, which is less than 0.05, the t statistic was 2.513700, exceeding t table score of 1.67252 for the moderating variable of company expansion, moderated by profitability (M). Thus, it may be asserted that profitability may mitigate the effect of firm development on firm value, leading to rejection of Ho and the acceptance of Ha.



4) Profitability moderates company size on company value

The probability value was 0.0761, exceeding 0.05, the t statistic score was 1.137688 less than t table value of 1.67252 for moderating variable of firm size, moderated by profitability (M). Consequently, it may be asserted that profitability is unattainable, leading to the acceptance of H_0 and the rejection of H_a .

With an F-statistic of 19.86472, we can see that firm size and growth have an impact on firm value. With df_1 (k-1) is 3 and df_2 (nk) is 56, the F table score is 2.77 at a 5 percent significance category. Null hypothesis rejected since F-statistic of 19.86472 is larger than the F table score of 2.77 and probability linked to the F-statistic is 0.000, which is less than 0.050. It follows that panel data regression is deserving of more research.

4.2 Discussion

The Effect of Company Growth on Company Value. "In variable for company growth (X1), the t statistic was 2.866062, exceeding the t table score of 1.67252, and probability score was 0.0402, which less than 0.05. The alternative hypothesis (H_a) suggests company's growth has a partial positive impact on its valuation, suggesting H_0 has declined. This indicates enterprises exhibiting a high growth rate are likely to produce substantial cash flows and market capitalization in the future, so conveying a favorable signal to investors and attracting their investment. Increased investor demand for shares elevates share prices, hence augmenting market capitalization and enhancing the company's worth. Increased firm growth correlates with elevated company value. The findings align with the studies of Fajriah et al. (2022), Aeni & Asyik (2020), and Isnaeni et al. (2021), confirm that the value of a firm is positively and significantly affected by its expansion.

The Effect of Company Size on Company Value. In the company size variable (X2), t statistic was 2.017342, exceeding t table score of 1.67252, and prob score was 0.0262, which less than 0.05. Given that firm size partially influences company value in a favourable way, it follows that the H_0 is declined and H_a accepted. Study findings indicate that substantial business size ensures elevated company value, since firms with significant assets can meet their responsibilities in both the long and short term. Effective management of these assets would not only guarantee operational efficiency and financial stability but also enhance the company's worth. This will draw further investors, who perceive the firm as a stable organization with significant development potential. This aligns with the study of Asril et al. (2021), Ramly (2023), and Isnaeni et al. (2021), indicating that firm size positively influences company value.

Profitability moderates company growth towards company value. The moderating variable of company growth, which was influenced by profitability (M), yielded a t statistic of 2.513700, and t table score is 1.67252, and a probability score of 0.0395, which less than 0.05. H_0 is accepted and H_a is declined because profitability can reduce the correlation between firm growth and company value. This suggests that a company's profitability can improve the correlation of growth and value. This shows



that elevated profitability will enhance the company's capacity to augment earnings, fostering growth, increasing market demand for shares, and positively impacting the company's valuation from the investors' perspective. Rossa et al. (2023), Fajriah et al. (2022), and Tumangkeng and Mildawati (2019) all reached similar conclusions, which indicate that firm profitability and growth positively influence firm value.

Profitability moderates company size on company value. The moderating variable, company size, influenced by profitability (M), yielded a t statistic of 1.137688, less than t table score is 1.67252, and a probability score is 0.0761, exceeding 0.05. It may be inferred that H_0 is accepted and H_a declined; profitability cannot be attained by regulating firm size in relation to company value. Indicates that profitability diminishes the correlation between firm size and company value. This indicates that growth in profitability does not ensure a corresponding rise in the company's profits; if the assets invested lack added value, the company will be unable to generate profits, as these assets are ineffective in facilitating operational activities or generating additional income. large. This aligns with studies by Husna and Henny (2024) and Putri and Mutumanikam (2022), which indicates that profitability does not attenuate the impact of firm size on company value”.

5. Conclusion

From 2019 through 2023, this study examines the impact of company size, growth, and profitability on company value for automotive sub-sector businesses on BEI. Profitability is used as a moderating variable. Twelve firms were chosen for this study's sample from among the 19 on BEI. Studies show that the worth of a firm increases as it grows larger. Secondly, the value of a company increases in direct correlation with its growth in size. As a third point, profitability can mitigate the impact of value growth on the total worth of a company. Finally, a company's value is unaffected by profitability.

Implications. According to this study, a company's value can be affected by size and growth, two aspects that are essential for assessing the long-term viability and potential of the business. Company growth describes positive prospects, where growing companies tend to have the potential to generate greater profits and develop more rapidly in the market. Meanwhile, company size provides stronger financial and operational stability, allowing companies to access resources more easily, obtain financing on better terms, and have greater bargaining power. While company size is more closely tied to the company's capacity and resources, which tend to have a direct impact on the stability and competitiveness of the company without depending on the level of profitability, profitability can moderate company growth on company value. However, since profitability gauges how successfully a business turns a profit from sales, which increases investor confidence in the business's potential to expand, it cannot moderate the size of a corporation. In other words, large companies are highly valued even though they are not very profitable.



Limitations. This study can only draw conclusions about the link between the study's variables and the real conditions of Indonesian firms, big and small, because its sample only covers companies listed on BEI.

Suggestion. Companies must always maintain high corporate values that reflect quality, performance, and good management. This gives the company better trust and reputation from internal and external parties. It is hoped that this research would be useful information to take into account while choosing investments. Investors can determine if the value of their portfolio has increased or decreased by understanding the worth of the firm that underpins the shares they own. A company's value can also provide clues about growth potential and future performance. If a company's value increases, this can indicate that the company has growth prospects. This can be an important consideration for investors looking for stocks with the potential to generate long-term profits.

References

- Al-Issa, N., Khaki, A. R., Jreisat, A., Al-Mohamad, S., Fahl, D., & Limani, E. (2022). Impact of environmental, social, governance, and corporate social responsibility factors on firm's marketing expenses and firm value: A panel study of US companies. *Cogent Business and Management*, 9(1). <https://doi.org/10.1080/23311975.2022.2135214>
- Ananda, Utami. (2022). *Pengaruh Profitabilitas, Likuiditas dan Kebijakan Dividen Terhadap Nilai Perusahaan: Studi pada Industri Makanan dan Minuman yang Terdaftar di BEI Periode 2015-2019*. 9(1), 356-363.
- Asril, A. (2021). Pengaruh Kebijakan Hutang, Kebijakan Dividen dan Ukuran Perusahaan Terhadap Nilai Perusahaan dengan Profitabilitas Sebagai Variabel Moderating. *JBE UPI YPTK*, 6(3), 104-112. <https://doi.org/10.35134/jbeupiyptk.v6i3.130>
- Buhaenah, B., & Pradana, A. W. S. (2022). Pengaruh Struktur Modal Dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan Dengan Profitabilitas Sebagai Variabel Moderasi. *Journal of Business and Economics Research (JBE)*, 3(2), 90-99. <https://doi.org/10.47065/jbe.v3i2.1706>
- Chanifah, dkk. (2021). *Manajemen Keuangan 1*. Penerbit Insania.
- Clarinda, L. C., Susanto, L., & Dewi, S. (2023). Pengaruh Profitabilitas, Struktur Modal, Pertumbuhan Perusahaan, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Jurnal Paradigma Akuntansi*, 5(1), 96-105. <https://doi.org/10.24912/jpa.v5i1.22173>
- Diokno, C. O. B. (2022). A Comparative Analysis of the Profitability of Selected Listed Firms in Media Subsector in the Philippines. *Open Journal of Accounting*, 12(1), 1-13.



- Dzahabiyya, J., Jhoansyah, D., & Danial, R. D. M. (2020). Analisis Nilai Perusahaan Dengan Model Rasio Tobin's Q. *JAD : Jurnal Riset Akuntansi & Keuangan Dewantara*, 3(1), 46–55. <https://doi.org/10.26533/jad.v3i1.520>
- Fadrul, dkk. (2023). *Kinerja Keuangan dan Nilai Perusahaan*. Eureka Media Aksara.
- Fajriah, A. L., Idris, A., & Nadhiroh, U. (2022). Pengaruh Pertumbuhan Penjualan, Pertumbuhan Perusahaan, Dan Ukuran Perusahaan Terhadap Nilai Perusahaan. *Jurnal Ilmiah Manajemen Dan Bisnis*, 7(1), 1–12. <https://doi.org/10.38043/jimb.v7i1.3218>
- Fitriana, A. (2024). *Buku Ajar Analisis Laporan Keuangan*. CV. Malik Rizki Amanah.
- Fujianti, S. T. (2022). *Pengaruh Pertumbuhan Perusahaan, Ukuran Perusahaan, dan Struktur Aset Terhadap Nilai Perusahaan pada Perusahaan Sub-Sektor Property dan Real Estate Yang Terdaftar di BEI Periode 2017-2021*. 14–37.
- Ghozali, I. (2020). *25 Grand Theory: 25 Teori Besar Ilmu Manajemen, Akuntansi dan Bisnis*. Yoga Pratama.
- Hakim, M. F. (2024). *Metode Manajemen Keuangan: Teori dan Penerapannya*. PT. Anak Hebat Indonesia.
- Husna, N. M., & Henny, D. (2024). Corporate Social Responsibility, Kepemilikan Manajerial Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Sektor Energy: Moderasi Oleh Profitabilitas. *Jurnal Ekonomi Trisakti*, 4(2), 865–874. <https://doi.org/10.25105/y4zycx49>
- Irnowati, J. (2021). *Nilai Perusahaan dan Kebijakan Dividen Pada Perusahaan Contruction And Engineering Pada Bursa Efek Singapura*. CV. Pena Persada.
- Isnaeni, W. A., Santoso, S. B., Rachmawati, E., & Santoso, S. E. B. (2021). *Review of Applied Accounting Research (RAAR)*, 1(1), 1–11.
- Jumiati, S., & Diyanti, F. (2022). Pengaruh good corporate governance, corporate social responsibility, pertumbuhan perusahaan terhadap nilai perusahaan dengan profitabilitas sebagai variabel pemoderasi. *Akuntabel*, 19(2), 375–387. <https://doi.org/10.30872/jakt.v19i2.11285>
- Kasmir. (2019). *Analisis Laporan Keuangan*. PT Rajagrafindo Persada.
- Ningrum, E. P. (2022). *Nilai Perusahaan (Konsep dan Aplikasi)*. CV. Adanu Abimata.
- Priadana, & S. (2021). *Metode Penelitian Kuantitatif*. Pascal Books.
- Prihadi, T. (2019). *Analisis Laporan Keuangan: Konsep dan Aplikasi*. PT Gramedia Pustaka Utama.
- Purnia, dan A. (2020). *Metode Penelitian: Strategi Menyusun Tugas Akhir*. Graha Ilmu.



- Rahadi, & Farid. (2021). *Monograf: Analisis Variabel Moderating*. CV. Lentera Ilmu Mandiri.
- Ramly, R. Y. (2023). *Accounting | research article analisis multivariat terhadap efek ukuran perusahaan dan leverage pada nilai perusahaan: profitabilitas sebagai variabel moderasi*. 3(1), 77–87.
- Rossa, P. A. E., Susandya, A. A. P. G. B. A., & Suryandari, N. N. A. (2023). Pengaruh Likuiditas, Profitabilitas, Pertumbuhan Perusahaan, Ukuran Perusahaan dan Struktur Modal terhadap Nilai Perusahaan Perusahaan Perbankan di BEI 2019-2021. *KHARISMA*, 5(1), 88–99.
- Savitri, D. (2021). *Statistik Multivariat Dalam Riset*. Widina Bhakti Persada Bandung.
- Sianturi, J. A. T. P. (2024). *Inovasi Dividen: Pendorong Pertumbuhan Perusahaan*. CV. Mega Press Nusantara.
- Siswanto, E. (2021). *Buku Ajar Manajemen Keuangan Dasar*. Universitas Negeri Malang.
- Sudana, I. M. (2019). *Manajemen Keuangan: Teori dan Praktik*. Airlangga University Press.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif Kualitatif dan R & D*. Alfabeta.
- Suleman, N., Kadir Thalib, M., & Fitrianti. (2023). Dampak Ukuran Perusahaan Pada Nilai Perusahaan : Peran Profitabilitas Sebagai Variabel Moderasi Di Sub Sektor Kimia Indonesia (2018-2022). *ARS JOURNAL: Journal Reliability Accounting & Sustanaible*, 3(12), 88–99.
- Sumarsan, T. (2021). *Manajemen Keuangan: Konsep dan Aplikasi*. CV. Campustaka.
- Vuković, B., Peštović, K., Mirović, V., Jakšić, D., & Milutinović, S. (2022). The Analysis of Company Growth Determinants Based on Financial Statements of the European Companies. *Sustainability (Switzerland)*, 14(2). <https://doi.org/10.3390/su14020770>