



Research Paper

The Role of Profitability in Mediating the Effects of Liquidity, Leverage, and Dividend Policy on the Firm Value of Food and Beverage Companies Listed on the Indonesia Stock Exchange

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ABSTRACT: This study aims to examine the role of profitability in mediating the effect of liquidity, leverage, and dividend policy on firm value in food and beverage companies listed on the Indonesia Stock Exchange. This study employs a quantitative approach using secondary data derived from financial statements. Panel data regression analysis using EViews is applied. The results indicate that liquidity has no significant effect on profitability and firm value. Leverage has a negative and significant effect on profitability but no effect on firm value. Dividend policy has no significant effect on both profitability and firm value. Furthermore, profitability is not able to mediate the relationship between liquidity, leverage, dividend policy, and firm value. These findings suggest that financial fundamental variables have not fully explained firm value.

KEYWORDS: profitability, liquidity, leverage, dividend policy, firm value

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I. INTRODUCTION

The food and beverage subsector listed on the Indonesia Stock Exchange is one of the strategic sectors in Indonesia's economy. Its characteristics as a provider of basic necessities make this sector relatively stable and resilient, even amid economic uncertainty. However, during the 2022–2024 period, this sector faced various challenges such as rising raw material costs, exchange rate fluctuations, increased logistics costs, and shifts in consumer preferences toward healthier and more sustainable products.

In addition, rising interest rates have exerted pressure on companies' financial conditions, particularly in terms of liquidity, leverage, and profitability. These conditions have the potential to affect companies' ability to maintain performance and firm value in the market. Nevertheless, empirical evidence shows that firm value in this subsector remains relatively stable, raising questions about the factors that influence firm value.

Firm value is an important indicator reflecting investors' perceptions of a company's long-term prospects. In this context, liquidity, leverage, and dividend policy are often considered fundamental factors influencing firm value. Liquidity reflects a company's ability to meet its short-term obligations, leverage indicates the company's financing structure, while dividend policy relates to decisions regarding profit distribution to shareholders.

However, the relationship between these variables and firm value is not always direct. Profitability is presumed to act as a mediating variable that bridges the effects of liquidity, leverage, and dividend policy on firm value. Profitability reflects the company's effectiveness in generating profits and serves as a key indicator for investors in evaluating company performance.

Empirically, previous studies have shown inconsistent findings, Hidayat and Puspitasari (2022), Pratama and Lestari (2023), as well as Aziz and Hidayat (2023) found that liquidity and leverage have a significant effect on firm value. In contrast, Yulianto and Dewi (2023) and Oktaviani and Mariani (2024) showed that liquidity does not have a significant effect and may reflect inefficiency when there is an excess of current assets.

Regarding leverage, some studies indicate a significant effect on firm value, while others, such as Auraliana (2024), report insignificant results. Meanwhile, dividend policy also yields mixed findings, where Pratama and Lestari (2023) found a significant effect, whereas Ratnasari (2021) and Oktaviani and Mariani (2024) reported no effect on firm value.

Furthermore, studies on the role of profitability as a mediating variable also show differing results, Saputra and Hidayah (2022) found that profitability is able to mediate the relationship between financial

variables and firm value. However, other studies suggest that profitability does not always function as an effective mediator.

These differences in research findings indicate the existence of a research gap that requires further investigation, particularly in the food and beverage subsector, which has unique characteristics. In addition, there is still limited research that simultaneously examines the effects of liquidity, leverage, and dividend policy on firm value with profitability as a mediating variable within an integrated model.

II. LITERATURE REVIEW

This study is based on several key theories that explain the relationship between financial decisions and firm value. **Signaling Theory** emphasizes that liquidity, leverage, and dividend policy serve as external signals to investors, while profitability acts as a more credible internal signal as it reflects the company's operational performance.

Trade-Off Theory explains that the use of debt can increase firm value as long as it remains at an optimal level, due to the tax benefits it provides. However, excessive leverage can reduce profitability and firm value due to increased financial risk.

Agency Theory states that dividend policy and leverage can be used to reduce agency conflicts between management and shareholders. The effectiveness of these mechanisms is reflected in improved profitability, which in turn impacts firm value.

Furthermore, **Dividend Relevance Theory** argues that dividends can increase firm value as they serve as a positive signal to investors, while **Dividend Irrelevance Theory** suggests that dividends have no effect under perfect market conditions, making profitability a more determining factor.

Finally, **Pecking Order Theory** explains that companies tend to prioritize internal financing. Firms with high profitability have lower dependence on debt, thereby reducing risk and increasing firm value.

Overall, these theories confirm that profitability plays a mediating role in the relationship between liquidity, leverage, and dividend policy on firm value in companies listed on the Indonesia Stock Exchange.

a. Firm Value

Firm value reflects investors' perceptions of a company's performance, stability, and future growth prospects. In this study, firm value is measured using the Price to Book Value (PBV). According to Horne and Wachowicz (2024), PBV represents the ratio between the market price of a stock and its book value per share, reflecting the extent to which the market values a company above or below its book value. A higher PBV indicates greater market appreciation, suggesting that investors perceive the company as having promising profitability and growth prospects. Conversely, a low PBV may signal a lack of market confidence in the company's future financial prospects.

b. Liquidity

Liquidity indicates a company's ability to meet its short-term obligations using its current assets. The higher the liquidity level, the better the company's ability to settle its short-term liabilities. In this study, liquidity is measured using the Current Ratio (CR). According to Kasmir (2023), this ratio shows the extent to which current assets can effectively cover current liabilities.

c. Leverage

Leverage reflects the extent to which a company finances its operations using external funds in the form of debt. The higher the leverage, the greater the company's dependence on external borrowing, which implies higher financial risk. The ratio used to measure leverage is the Debt to Equity Ratio (DER). According to Brigham and Houston (2022), this ratio measures the proportion of total liabilities to equity to assess the company's financing risk.

d. Dividend Policy

Dividend policy reflects management's decision regarding the proportion of net income to be distributed to shareholders in the form of cash dividends. The ratio used to measure dividend policy is the Dividend Payout Ratio (DPR). According to Sartono (2023), this ratio indicates the extent to which net income after tax is allocated for dividend payments compared to retained earnings for investment or business expansion.

e. Profitability

Profitability reflects a company's ability to generate profits from the use of its assets. In this study, profitability is measured using Return on Assets (ROA). According to Harahap (2023), this ratio measures how efficiently a company manages its total assets to generate net income. The higher the ROA, the better the management's performance in utilizing company assets.

Previous studies have shown mixed results regarding both direct and indirect relationships among variables, indicating the presence of mediation mechanisms that require further investigation. Therefore, this study formulates the following hypotheses:

H1 : Liquidity affects profitability.

- H2** : Leverage affects profitability.
- H3** : Dividend policy affects profitability.
- H4** : Liquidity affects firm value.
- H5** : Leverage affects firm value.
- H6** : Dividend policy affects firm value.
- H7** : Profitability affects firm value.
- H8** : Profitability mediates the effect of liquidity on firm value.
- H9** : Profitability mediates the effect of leverage on firm value.
- H10** : Profitability mediates the effect of dividend policy on firm value.

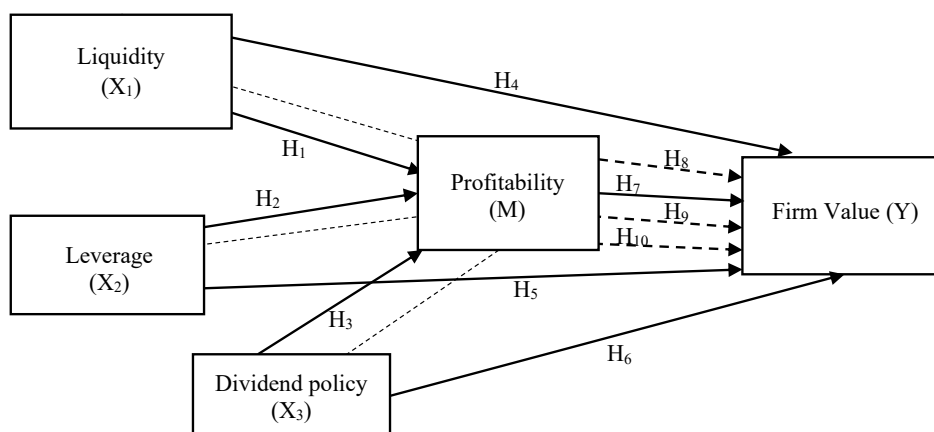


FIGURE 1. Research Conceptual Framework

III. RESEARCH METHOD

This study employs a quantitative approach aimed at examining the effects of liquidity, leverage, and dividend policy on firm value, with profitability serving as a mediating variable. The data used are secondary data obtained from the annual financial statements of food and beverage subsector companies listed on the Indonesia Stock Exchange during the 2022–2024 period.

- a. The population of this study consists of all food and beverage subsector companies listed on the Indonesia Stock Exchange. The sampling technique uses purposive sampling with the following criteria: companies in the food and beverage subsector that are consistently listed on the Indonesia Stock Exchange (IDX) during 2022–2024.
- b. Companies that present complete and audited annual financial statements during the observation period.
- c. Companies that distribute cash dividends or have publicly accessible dividend policy data.
- d. Companies that are not delisted or subject to stock trading suspension during the research period.

The dependent variable in this study is firm value, proxied by Price to Book Value (PBV). The independent variables consist of liquidity measured by the Current Ratio (CR), leverage measured by the Debt to Equity Ratio (DER), and dividend policy proxied by the Dividend Payout Ratio (DPR). Meanwhile, profitability as the mediating variable is measured using Return on Assets (ROA).

IV. DATA ANALYSIS TECHNIQUE

The data analysis technique in this study uses a quantitative approach with the assistance of the EViews application through panel data regression methods. Gujarati (2020) explains that panel data provide richer information, greater variability, and more efficient estimations compared to time series or cross-sectional data.

a. Descriptive Analysis

The initial stage of analysis employs descriptive statistics in accordance with Sekaran & Bougie (2020) to describe data patterns through the mean, minimum, maximum, and standard deviation.

b. Classical Assumption Tests

These tests are conducted to determine whether the data meet the classical assumptions and are suitable for regression analysis. In this study, the classical assumption tests include normality, multicollinearity, and heteroscedasticity tests.

c. Path Analysis

This study employs a path analysis model consisting of two structural equations to examine both direct and indirect relationships among variables, namely:

1. Structure 1

Used to analyze the effect of independent variables on the mediating variable.

$$M = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Description:

M : Profitability (ROA)

X₁ : Liquidity (CR)

X₂ : Leverage (DER)

X₃ : Dividend Policy (DPR)

This structure aims to determine the effect of liquidity, leverage, and dividend policy on profitability as the mediating variable.

2. Structure 2

This structure is used to analyze the effect of independent variables and the mediating variable on the dependent variable.

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 M + e$$

Description:

Y : Firm Value (PBV)

M : Profitability (ROA)

X₁ : Liquidity (CR)

X₂ : Leverage (DER)

X₃ : Dividend Policy (DPR)

This structure aims to examine both the direct and indirect effects of independent variables on firm value through profitability as a mediating variable. The data analysis technique used is panel data regression with the assistance of EViews software, Model selection is conducted through the Chow test, Hausman test, and Lagrange Multiplier test to determine the best model among the Common Effect Model (CEM), Fixed Effect Model (FEM), or Random Effect Model (REM).

d. Hypothesis Testing

Hypothesis testing is conducted using the t-test to examine partial effects and the coefficient of determination (R²) test to determine the model's ability to explain the dependent variable. To test the mediating role of profitability, path analysis or the Sobel test is employed to determine whether profitability is able to mediate the relationship between the independent variables and firm value.

V. RESULT AND DISCUSSION

Description of Research Objects

The objects of this study include all food and beverage subsector companies listed on the Indonesia Stock Exchange during the observation period from 2022 to 2024. The total population in this study consists of 83 companies. From this population, the sample was determined using purposive sampling, resulting in 16 food and beverage companies that met the research criteria. These selected companies were then used as the sample in this study.

Data Analysis Results

a. Descriptive Analysis Results

Table 1. Results of Descriptive Statistics Test

	X ₁	X ₂	X ₃	M	Y
Mean	3.005833	0.972083	0.773000	0.113958	5.700188
Median	2.010000	0.745000	0.407500	0.091500	2.306500
Maximum	10.67000	6.470000	11.59300	0.332000	44.85700
Minimum	0.450000	0.110000	0.000000	-0.045000	0.509000
Std. Dev.	2.276708	1.116547	1.649337	0.082030	9.819715
Skewness	1.562654	3.159575	6.067264	0.982285	2.844253
Kurtosis	5.413184	14.60161	40.25897	3.721407	10.31323
Observations	48	48	48	48	48

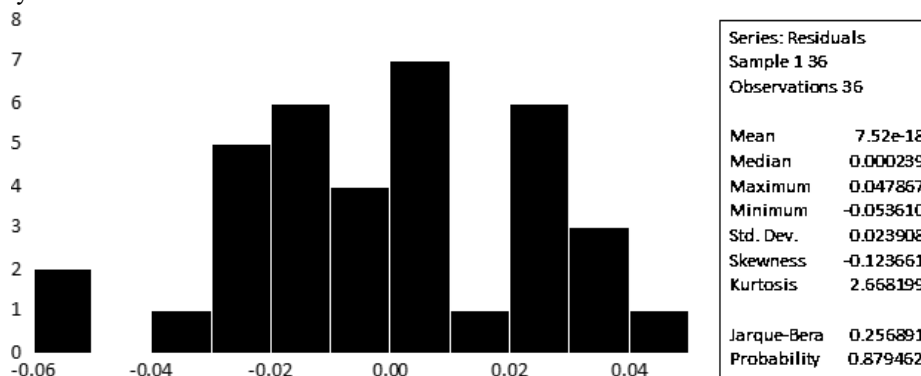
Source: Results Processed Using EViews Software (2026)

The descriptive analysis indicates that all variables exhibit relatively varied distributions, with the majority of observations tending to fall below the mean values, particularly for the dividend policy and firm value variables. This suggests that, in general, the companies' financial performance and market perception are not yet optimal and are not evenly distributed across the sample

b. Classical Assumption Test Results

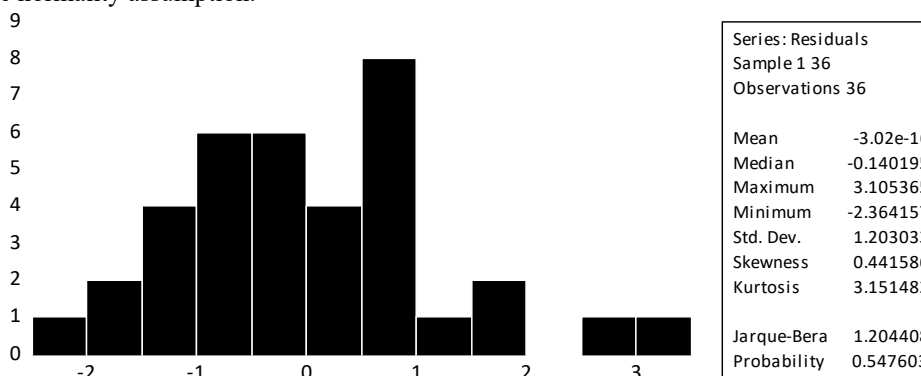
The classical assumption tests show that, at the initial stage, the data did not meet the normality assumption. However, after outlier treatment, all models satisfied the normality assumption. In addition, the test results indicate no presence of multicollinearity or heteroscedasticity, meaning that the model meets the feasibility criteria for further analysis.

1. Normality Test



Source: Results Processed Using EViews Software (2026)
Figure 2. Normality Test of Structure 1: X_1, X_2, X_3 on M

Based on the normality test results in Figure 1. the Jarque–Bera probability value is 0.879462, which is greater than the significance level of 0.05. Therefore, the model residuals are normally distributed and meet the normality assumption.



Source: Results Processed Using EViews Software (2026)
Figure 3. Normality Test of Structure 2: X_1, X_2, X_3, M on Y

Based on the normality test results in Figure 2. the Jarque–Bera probability value is 0.547603, which is greater than the significance level of 0.05. Therefore, the model residuals are normally distributed and meet the normality assumption.

2. Multicollinearity Test

In this study, multicollinearity can be identified using the Variance Inflation Factor (VIF). If the VIF value is greater than 10, it indicates the presence of multicollinearity.

Table 2. Multicollinearity Test Using VIF (Structure 1)

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	0.000409	23.57625	NA
X_1	7.81E-06	8.208175	2.334690
X_2	0.000232	7.839473	2.386902
X_3	9.40E-05	3.108648	1.071238

Source: Results Processed Using EViews Software (2026)

Table 2 shows that all independent variables have Centered VIF values below 10, namely X_1 at 2.334690, X_2 at 2.386902, and X_3 at 1.071238. Thus, it can be concluded that the model does not exhibit multicollinearity and is suitable for further analysis.

Table 3. Multicollinearity Test Using VIF (Structure 2)

Variable	Coefficient Variance	Uncentered VIF	Centered VIF
C	4.267049	94.00886	NA
X ₁	0.023299	9.372870	2.665969
X ₂	1.688631	21.87093	6.659089
X ₃	0.249238	3.153395	1.086658
M	81.67712	21.22715	3.719094

Source: Results Processed Using Eviews Software (2026)

Table 3 presents the results of the multicollinearity test for Structure 2. The Centered VIF values for X₁ (2.665969), X₂ (6.659089), X₃ (1.086658), and M (3.719094) are all below 10. Therefore, it can be concluded that there is no multicollinearity among the independent variables. as all VIF values are less than 10.

3. Heteroscedasticity Test

The heteroscedasticity test is conducted to examine the equality of residual variances in the regression model using the Breusch–Pagan method. The null hypothesis states that the model is homoscedastic. The test results presented in Table 4 and Table 5 are used to assess the presence or absence of heteroscedasticity in the model.

Table 4. Heteroscedasticity Test (Structure 1: X₁, X₂, X₃ on M)

F-statistic	0.928828	Prob. F(3.32)	0.4381
Obs*R-squared	2.883690	Prob. Chi-Square(3)	0.4099
Scaled explained SS	1.900471	Prob. Chi-Square(3)	0.5933

Source: Results Processed Using EViews Software (2026)

Based on the Breusch–Pagan–Godfrey test results in Table 4, the probability values of the F-statistic (0.4381), Obs*R-squared (0.4099), and Scaled Explained SS (0.5933) are all greater than 0.05. Therefore, the regression model does not exhibit heteroscedasticity and satisfies the homoscedasticity assumption.

Table 5. Heteroscedasticity Test (Structure 2: X₁, X₂, X₃, M on Y)

F-statistic	1.396901	Prob. F(4.31)	0.2580
Obs*R-squared	5.497867	Prob. Chi-Square(4)	0.2399
Scaled explained SS	4.385513	Prob. Chi-Square(4)	0.3563

Source: Results Processed Using EViews Software (2026)

Based on the Breusch–Pagan–Godfrey test results in Table 5, all probability values F-statistic (0.2580), Obs*R-squared (0.2399), and Scaled Explained SS (0.3563) are above the 0.05 significance level. Thus, the regression model is free from heteroscedasticity and adequately meets the homoscedasticity assumption.

c. Hypothesis Testing

The selection of panel data regression models shows that for Structure 1, the best model is the Random Effect Model (REM), while Structure 2 uses the Fixed Effect Model (FEM). The estimation results indicate that in Structure 1, liquidity, leverage, and dividend policy have a negative effect on profitability, but only leverage is statistically significant. In Structure 2, liquidity, leverage, and profitability have a positive effect on firm value, while dividend policy has a negative effect; however, all variables are not statistically significant on a partial basis.

Panel Data Regression Equation: Structure 1 (Selected Model: REM)

$$M = 0.175 - 0.001X_1 - 0.098X_2 - 0.016X_3 + [CX = R]$$

The regression equation of Structure 1 using the Random Effect Model (REM) approach indicates that liquidity (X₁), leverage (X₂), and dividend policy (X₃) simultaneously have a negative relationship with profitability (M). The constant value of 0.175 indicates the baseline level of profitability when all independent variables are equal to zero.

The regression coefficients -0.001 (X_1), -0.098 (X_2), and -0.016 (X_3) confirm an inverse relationship, where increases in liquidity, leverage, and dividend policy tend to reduce profitability. Substantively, this finding suggests that inefficient resource allocation (high liquidity), debt burden pressure (leverage), and profit distribution (dividends) may reduce the company's ability to generate profits. The REM model indicates that variations across firms also influence this relationship.

Structure 2 (Selected Model: FEM)

$$Y = 1.312 + 0.076X_1 + 1.748X_2 - 0.768X_3 + 2.287M + [CX = F]$$

The regression equation of Structure 2 using the Fixed Effect Model (FEM) approach shows that liquidity (X_1), leverage (X_2), and profitability (M) have a positive effect on firm value (Y), while dividend policy (X_3) has a negative effect. The constant value of 1.312 reflects the baseline level of firm value when all independent variables are equal to zero.

The coefficients 0.076 (X_1), 1.748 (X_2), -0.768 (X_3), and 2.287 (M) indicate that increases in liquidity, leverage, and profitability tend to enhance firm value, while an increase in dividend policy tends to reduce it. Substantively, this finding highlights the role of profitability and capital structure as key determinants of firm value, while accounting for heterogeneity across firms through the FEM approach.

1. t-Test Results

Table 6. t-Test Results (Structure 1: Selected Model REM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.174704	0.018956	9.216453	0.0000
X_1	-0.000950	0.002412	-0.393846	0.6963
X_2	-0.098285	0.017177	-5.721761	0.0000
X_3	-0.015948	0.010753	-1.483054	0.1478

Source: Results Processed Using EViews Software (2026)

Based on the panel data regression estimation using the Random Effect Model (REM) with the Panel EGLS method, the partial test (t-test) shows that liquidity and dividend policy have a negative but insignificant effect on profitability, as their probability values exceed 0.05. In contrast, leverage has a negative and significant effect on profitability, with a probability value below 0.05, indicating that increased use of debt tends to suppress the company's ability to generate profits.

Overall, these results confirm that leverage is the only significant determinant of profitability, while liquidity and dividend policy have not been able to meaningfully explain variations in profitability. This finding suggests that the capital structure plays a more dominant role compared to liquidity management and profit distribution policy in influencing corporate profitability performance.

Table 7. t-Test Results (Structure 2: Selected Model FEM)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.312182	1.576436	0.832372	0.4150
X_1	0.076451	0.099927	0.765070	0.4532
X_2	1.748082	1.501012	1.164602	0.2579
X_3	-0.768297	0.609114	-1.261335	0.2217
M	2.287986	7.735999	0.295758	0.7705

Source: Results Processed Using EViews Software (2026)

Based on the panel data regression estimation using the Panel Least Squares method, the partial test (t-test) indicates that all variables (liquidity, leverage, dividend policy, and profitability) do not have a significant effect on firm value, although each exhibits a different direction of relationship. Liquidity, leverage, and profitability show positive relationships, while dividend policy shows a negative relationship; however, all probability values are above the 0.05 significance level.

Thus, partially, no variable is able to significantly explain the variation in firm value in this model. This finding indicates that firm value is more influenced by factors outside the research model, meaning that the variables used are not sufficiently representative in explaining the dynamics of firm value.

2. Coefficient of Determination Test (R²)

Table 8. Results of Coefficient of Determination Test (Structure 1: Selected Model REM)

R-squared	0.574106
Adjusted R-squared	0.534178
S.E. of regression	0.015544
F-statistic	14.37869
Prob(F-statistic)	0.000004

Source: Results Processed Using EViews Software (2026)

Based on Table 8, the Adjusted R-Square value of 0.534178 (53.4178%) indicates that variables X₁, X₂, and X₃ are able to explain the variation in variable M at a moderate level. The remaining 46.5822% is influenced by other factors outside the model, indicating that the model has adequate explanatory power, although it is not yet comprehensive.

Table 9. Results of Coefficient of Determination Test (Structure 2: Selected Model FEM)

R-squared	0.944271
Adjusted R-squared	0.902475
S.E. of regression	0.534573
Sum squared resid	5.715362
Log likelihood	-17.95528
F-statistic	22.59217
Prob(F-statistic)	0.000000

Source: Results Processed Using EViews Software (2026)

Based on Table 9, the Adjusted R-Square value of 0.902475 (90.2475%) indicates that variables X₁, X₂, X₃, and M have very strong explanatory power for variable Y, with the remaining 9.7525% influenced by other factors outside the model. This confirms that the model, particularly in Structure 2, has excellent explanatory capability in explaining variations in firm value.

3. Sobel Test

The Sobel test is used to examine the significance of the indirect effect of independent variables on the dependent variable through a mediating variable. In this study, the test is applied to assess the role of profitability (M) in mediating the relationship between liquidity (X₁), leverage (X₂), and dividend policy (X₃) on firm value (Y). The test uses a normal distribution approach (Z-test), which does not depend on degrees of freedom like the t-test, with a critical value of 1.96 at a 5% significance level (two-tailed). Sobel Test Formula:

$$M = \frac{ab}{\sqrt{b^2SE_a^2 + a^2SE_b^2}}$$

The Sobel test results show that all mediation paths through profitability are not significant. The Sobel statistic values for the effects of liquidity, leverage, and dividend policy on firm value through profitability are -0.2546, -0.2953, and -0.2898, respectively, with all absolute values being smaller than the critical value of 1.96 (α = 5%). Therefore, profitability does not act as a mediating variable.

Overall, the results of this study confirm that only leverage has a significant effect on profitability, while other variables, both directly and through mediation mechanisms, are not able to significantly explain changes in firm value.

Discussion of Research Results

a. Effect of Liquidity on Profitability

Liquidity does not have a significant effect on profitability, indicating that the ability to meet short-term obligations does not directly increase profits. This suggests the existence of a trade-off between liquidity and the efficiency of asset utilization.

b. Effect of Leverage on Profitability

Leverage has a negative and significant effect on profitability, indicating that increased debt raises interest expenses and financial risk, thereby reducing company profits.

c. Effect of Dividend Policy on Profitability

Dividend policy has a negative but insignificant effect on profitability, indicating that dividend distribution is not a primary factor in determining the company's ability to generate profits.

- d. Effect of Liquidity on Firm Value
Liquidity has a positive but insignificant effect on firm value, indicating that liquidity has not become a strong signal for investors in determining firm value.
- e. Effect of Leverage on Firm Value
Leverage has a positive but insignificant effect on firm value, suggesting that the use of debt has not been able to significantly increase firm value.
- f. Effect of Dividend Policy on Firm Value
Dividend policy has a negative but insignificant effect on firm value, indicating that dividends are not the main factor considered by investors.
- g. Effect of Profitability on Firm Value
Profitability has a positive but insignificant effect on firm value, suggesting that profits have not yet become a key determinant in increasing firm value.
- h. Effect of Liquidity on Firm Value through Profitability
Liquidity does not have a significant effect on firm value through profitability, indicating that profitability does not mediate this relationship.
- i. Effect of Leverage on Firm Value through Profitability
Leverage does not have a significant effect on firm value through profitability, indicating the absence of a mediating role of profitability.
- j. Effect of Dividend Policy on Firm Value through Profitability
Dividend policy does not have a significant effect on firm value through profitability, indicating that profitability does not act as a mediating variable.

VI. CONCLUSION

5.1. Conclusion

This study concludes that, partially, liquidity does not have a significant effect on profitability, while leverage has a negative and significant effect on profitability, and dividend policy has a negative but insignificant effect. Regarding firm value, liquidity, leverage, dividend policy, and profitability each show no significant effect, although liquidity, leverage, and profitability have positive directions, while dividend policy has a negative direction. In addition, profitability is not able to mediate the relationship between liquidity, leverage, and dividend policy on firm value. Overall, the variables examined have not demonstrated a strong role in explaining variations in firm value in the food and beverage subsector.

5.2. Suggestions

Companies are advised to optimize the management of capital structure and current assets to enhance efficiency and avoid excessive financial burdens. Investors are encouraged to consider other factors beyond traditional financial variables, such as growth prospects and operational efficiency. Future research is recommended to include additional variables, expand sector coverage, and use longer observation periods to obtain more comprehensive results. For academics, this study can serve as a reference for further research on the determinants of firm value.

5.3. Limitations

This study is limited to the food and beverage subsector, with a relatively limited number of variables and a research period occurring in the post-pandemic context, which may influence the significance of the results. In addition, the use of specific financial proxies and a quantitative approach based on secondary data limits the study's ability to capture qualitative factors that also influence firm value.

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