



The Effect of Return on Investment (ROI), Debt to Equity Ratio (DER) and Sales Growth on Firm Value (Case Study of Manufacturing Companies in the Industrial Sector for the 2020–2024 Period)

Halimah Tusoleha¹, Nurul Kamila²

^{1,2} Bina Insani Univesrity

tusolehahalimah@gmail.com

Abstract

This study aims to analyze the effect of Return on Investment (ROI), Debt to Equity Ratio (DER), and Sales Growth on Firm Value in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange during the 2020–2024 period. Firm value is measured using Price to Book Value (PBV). This research is motivated by the fluctuating condition of Indonesia's manufacturing sector caused by global and domestic economic uncertainty, which has affected profitability and investor confidence in companies. This research uses a quantitative method with an explanatory approach. The data used are secondary data obtained from companies' annual financial reports. The sampling technique applied is purposive sampling, resulting in 28 companies as research samples with a total of 140 observation data. Data analysis was conducted using SPSS through descriptive statistical analysis, classical assumption tests, multiple linear regression analysis, t-test, F-test, and coefficient of determination test. The results show that partially, Return on Investment (ROI) has a negative and significant effect on Firm Value, Debt to Equity Ratio (DER) has a positive and significant effect on Firm Value, while Sales Growth has a negative and significant effect on Firm Value. Simultaneously, ROI, DER, and Sales Growth significantly affect Firm Value. The findings of this study are expected to provide consideration for companies and investors in making decisions related to financial management and investment activities.

Keywords: Return on Investment, Debt to Equity Ratio, Sales Growth, Firm Value.

1. Introduction

The manufacturing sector plays a strategic role in supporting national economic growth because it contributes to production, employment, investment, and industrial development. In Indonesia, this sector is one of the main drivers of economic activity, particularly because manufacturing companies are closely related to supply chains, exports, and domestic consumption. For this reason, changes in manufacturing performance can influence broader economic conditions and investor expectations in the capital market. During the 2020–2024 period, manufacturing companies faced dynamic challenges caused by both global and domestic economic uncertainty. These conditions made corporate financial performance more difficult to predict and increased the importance of financial information for investors. As a result, firm value became an important indicator for assessing how the market responded to the financial condition and future prospects of manufacturing companies.

The indicators of industrial performance. One important indicator used to describe manufacturing conditions is the Purchasing Managers' Index (PMI), which reflects changes in production, new instablity of the Indonesian manufacturing sector during the 2020–2024 period was reflected in several orders, employment, supplier deliveries, and inventories. In October 2024, Indonesia's manufacturing PMI reached 49.2, indicators of industrial performance. One important indicator used to describe indicating a contraction in manufacturing activity (Aris, n.d.). A PMI below 50 generally indicates that the manufacturing sector is experiencing a decline in activity compared to the previous period. This condition shows that manufacturing companies were facing weaker demand, lower manufacturing conditions is the Purchasing Managers' Index (PMI), which reflects changes in production, new orders, employment, supplier deliveries, and inventories. In October 2024, Indonesia's manufacturing PMI reached 49.2, indicating a contraction in manufacturing activity (Aris, n.d.). A PMI production output, and reduced business confidence. The contraction also illustrates that the below 50 generally indicates that the manufacturing sector is experiencing a decline in manufacturing sector was still vulnerable to economic activity compared to the previous period. This condition shows that manufacturing companies were facing weaker demand, lower pressure, even after several years of recovery from global disruption.

The decline production output, and reduced business confidence. The contraction also illustrates that the in manufacturing performance was not only related to production activity, but also to changes in market demand and business confidence. When demand decreases, companies often face difficulties in maintaining sales, controlling costs, and achieving stable profitability. At the same time, economic uncertainty may cause investors to become more careful in assessing company prospects. This situation can affect stock prices because investors tend to

The Effect of Return on Investment (ROI), Debt to Equity Ratio (DER) and Sales Growth on Firm Value (Case Study of Manufacturing Companies in the Industrial Sector for the 2020–2024 Period)

respond to both financial results and external economic signals. Companies with strong financial performance may still experience pressure if market conditions are considered unstable. Therefore, the relationship between financial performance and firm value needs to be examined more carefully, especially during periods of economic fluctuation.

Firm value is an important concept in financial management because it reflects the market's perception of a company's performance and future prospects. A high firm value indicates that investors have confidence in the company's ability to generate returns and maintain business sustainability. In contrast, a decline in firm value may indicate that investors perceive higher risk or uncertainty regarding the company's future performance. One measurement commonly used to assess firm value is Price to Book Value (PBV). PBV compares the market price of shares with the book value per share, making it useful for evaluating whether a company is valued highly or poorly by the market. Therefore, PBV is relevant for measuring investor perceptions of manufacturing companies listed on the Indonesia Stock Exchange.

Firm value is influenced by various internal and external factors. Internal factors generally include profitability, capital structure, liquidity, company growth, and operational efficiency. Meanwhile, external factors may include macroeconomic conditions, industry competition, government policy, inflation, exchange rate movement, and investor sentiment. In the context of financial analysis, profitability, leverage, and sales growth are frequently used to evaluate company performance. These indicators are important because they can provide information about the company's ability to generate profit, manage debt, and expand its business activities. Accordingly, this study focuses on Return on Investment (ROI), Debt to Equity Ratio (DER), and Sales Growth as independent variables that may affect firm value.

Return on Investment (ROI) is one of the profitability ratios used to measure a company's ability to generate profit from its total assets or investment. A higher ROI generally indicates that a company is more efficient in using its resources to produce earnings. From an investor's perspective, profitability is an important signal because it reflects the company's capacity to generate returns. However, in unstable economic conditions, high profitability does not always lead to higher firm value. Investors may consider whether the profit is sustainable, whether it comes from core business activities, and whether the company can maintain its performance in the future. Therefore, the effect of ROI on firm value needs to be tested empirically in the manufacturing sector during the 2020–2024 period.

Debt to Equity Ratio (DER) is a leverage ratio that reflects the proportion of company debt compared to shareholders' equity. This ratio is important because it shows how far a company relies on external financing to support its operations and expansion. A high DER may indicate greater financial risk because the company has higher obligations to creditors. However, debt can also have a positive impact when it is managed effectively and used for productive activities. In certain conditions, the use of debt can support business expansion, increase operating capacity, and improve investor confidence. Therefore, DER may have different effects on firm value depending on the company's ability to manage its capital structure.

Sales Growth is another financial indicator that reflects the company's ability to increase revenue from one period to another. High sales growth is often associated with business expansion, stronger market demand, and improved competitiveness. In general, companies with increasing sales are expected to have better prospects because they show the ability to maintain or expand market share. However, sales growth does not always guarantee an increase in firm value. If sales growth manufacturing sector was still vulnerable to economic pressure, even after several years of recovery from global disruption.

The decline in manufacturing performance was not only related to production activity, but also to changes in market demand and business confidence. When demand decreases, companies often face difficulties in maintaining sales, controlling costs, and achieving stable profitability. At the same time, economic uncertainty may cause investors to become more careful in assessing company prospects. This situation can affect stock prices because investors tend to respond to both financial results and external economic signals. Companies with strong financial performance may still experience pressure if market conditions are considered unstable. Therefore, the relationship between financial performance and firm value needs to be examined more carefully, especially during periods of economic fluctuation.

Firm value is an important concept in financial management because it reflects the market's perception of a company's performance and future prospects. A high firm value indicates that investors have confidence in the company's ability to generate returns and maintain business sustainability. In contrast, a decline in firm value may indicate that investors perceive higher risk or uncertainty regarding the company's future performance. One measurement commonly used to assess firm value is Price to Book Value (PBV). PBV compares the market price of shares with the book value per share, making it useful for evaluating whether a company is valued highly or poorly by the market. Therefore, PBV is relevant for measuring investor perceptions of is followed by higher operating costs, lower profit margins, or inefficient expansion manufacturing companies listed on the Indonesia Stock Exchange.

Firm value is influenced by various internal and external factors. Internal factors generally include profitability, capital structure, liquidity, company growth, and operational efficiency. Meanwhile, external factors may include macroeconomic conditions, industry competition, government policy, inflation, exchange rate movement, and investor sentiment. In the context of financial analysis, profitability, leverage, and sales growth are frequently used to evaluate company performance. These indicators are important because they can provide information about the company's ability to generate profit, manage debt, and expand its business activities. Accordingly, this study focuses on Return on Investment (ROI), Debt to Equity Ratio (DER), and Sales Growth as independent variables that may affect firm value.

Return on Investment (ROI) is one of the profitability ratios used to measure a company's ability to generate profit from its total assets or investment. A higher ROI generally indicates that a company is more efficient in using its resources to produce earnings. From an investor's perspective, profitability is an important signal because it reflects the company's capacity to generate returns. However, in unstable economic conditions, high profitability does not always lead to higher firm value. Investors may consider whether the profit is sustainable, whether it comes from core business activities, and whether the company can maintain its performance in the future. Therefore, the effect of ROI on firm value needs to be tested empirically in the manufacturing sector during the 2020–2024 period.

Debt to Equity Ratio (DER) is a leverage ratio that reflects the proportion of company debt compared to shareholders' equity. This ratio is important because it shows how far a company relies on external financing to support its operations and expansion. A high DER may indicate greater financial risk because the company has higher obligations to creditors. However, debt can also have a positive impact when it is managed effectively and used for productive activities. In certain conditions, the use of debt can support business expansion, increase operating capacity, and improve investor confidence. Therefore, DER may have different effects on firm value depending on the company's ability to manage its capital structure.

Sales Growth is another financial indicator that reflects the company's ability to increase revenue from one period to another. High sales growth is often associated with business expansion, stronger market demand, and improved competitiveness. In general, companies with increasing sales are expected to have better prospects because they show the ability to maintain or expand market share. However, sales growth does, investors may not view it as a positive signal. Therefore, it not always guarantee an increase in firm value. If sales growth is followed by higher operating costs, lower profit margins, or inefficient expansion, investors may not view it as a positive signal. Therefore, it is important to examine whether Sales Growth contributes positively or negatively to firm value in manufacturing companies.

Previous studies have shown inconsistent findings regarding the relationship between profitability, leverage, sales growth, and firm value. is important to examine whether Sales Growth contributes positively or negatively to firm value in manufacturing companies.

Previous Some studies found that profitability has studies have shown inconsistent findings regarding the relationship between profitability, leverage, sales growth, and firm value. a significant positive Some studies found that profitability has effect on firm value, while other studies reported different results. Similar a significant positive inconsistencies also appear in studies examining the effect of capital effect on firm value, while other studies reported different results. Similar inconsistencies also appear in studies examining the structure and sales growth on firm value. These differences may occur because of variations in research objects, observation periods, industry characteristics, measurement effect of capital structure and sales growth on firm value. These differences may occur because of variations in research methods, and economic conditions. The literature also objects, observation indicates that financial ratios such as ROA, ROE, and ROI are periods, industry characteristics, measurement often associated with firm value, but their effects methods, and economic conditions. The literature also may differ depending on the research context (Agustina et al., 2024). Therefore, further research is needed to provide updated empirical evidence, especially in the manufacturing sector during a period of economic uncertainty.

Based on the explanation above, this study aims to analyze the effect of Return on Investment (ROI), Debt to Equity Ratio (DER), and Sales Growth on Firm Value in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange during the 2020–2024 period. Firm value in this study is measured using Price to Book Value (PBV). This research uses manufacturing companies in the industrial sector because this sector experienced indicates that financial ratios such as ROA, ROE, and ROI are often associated with firm value, but their effects may differ depending on the research context (Agustina et al., 2024). Therefore, further research is needed to provide updated empirical evidence, especially in the manufacturing sector during a period of economic uncertainty.

Based on the explanation above, this study aims to analyze the effect of Return on Investment (ROI), Debt to Equity Ratio (DER), and Sales Growth on Firm Value in manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange during the 2020–2024 period. Firm value in this study is measured using Price to Book Value (PBV). This research uses manufacturing considerable fluctuations during the observation period.

The study is expected to provide empirical evidence regarding how companies in the industrial sector because this sector experienced profitability, capital structure, and sales growth influence firm value. In addition, the findings may provide practical implications for company management in improving financial performance and increasing investor confidence. The results considerable fluctuations during the observation period. The study is expected to provide empirical evidence regarding how may also help investors evaluate financial information more carefully before making investment decisions in profitability, capital structure, and sales growth influence firm value. In addition, the findings may provide practical manufacturing companies.

Literature Review

1) Grand Theory: Signaling Theory

Signaling theory explains that financial decisions and actions taken by company management can provide signals to investors regarding the company's future prospects. This theory states that managers generally possess more internal information about the company than external investors, creating information asymmetry. Therefore, companies disclose financial information to reduce uncertainty and help investors assess company performance more accurately (Brigham & Houston, 2019).

In the context of this study, financial ratios such as Return on Investment (ROI), Debt to Equity Ratio (DER), and Sales Growth serve as signals of company performance and financial condition. ROI reflects the company's ability to generate profits from assets, DER reflects the company's capital structure and financial risk, while Sales Growth indicates the company's ability to increase sales and maintain business growth. Positive financial signals tend to increase investor confidence, reduce uncertainty, and ultimately improve firm value (Adolph, 2016; Tambuwun et al., 2024).

2) Firm Value

Firm value reflects the market perception of company performance and is commonly measured using Price to Book Value (PBV). A higher PBV indicates stronger investor confidence in the company's future prospects (Adolph, 2016).

$$\text{Price to Book Value} = \frac{\text{Market per share}}{\text{Book value per share}}$$

3) Return on Investment (ROI)

Return on Investment (ROI) is a ratio that indicates the level of return generated from an investment compared to the investment cost. ROI is used to assess the efficiency and profitability of an investment made by the company (Ompusunggu & Wage, 2021).

$$\text{ROI} = \frac{\text{Earning After Tax}}{\text{Total Aset}} \times 10$$

4) Debt to Equity Ratio (DER)

Debt to Equity Ratio (DER) measures the proportion of debt financing compared to shareholders' equity. Excessive debt may increase financial risk, while optimal debt utilization may improve company performance (Fajriah, 2022).

$$\text{DER} = \frac{\text{Total Hutang}}{\text{Total Ekuitas}}$$

5) Sales Growth

Sales Growth reflects the company's ability to increase sales over time. High sales growth indicates business expansion and stronger market competitiveness. Sales growth is also considered one of the indicators that can influence investors' assessment of firm value (Arianti & Yatiningrum, 2022).

6) Prior Studies

Return on Investment (ROI) is a profitability ratio used to measure a company's ability to generate profits from its investments. Higher profitability tends to increase investors' confidence and firm value. Previous studies have found that ROI has a significant effect on firm value (Fitriani & Laksmiwati, 2024; Hulasoh & Mulyati, 2022).

Debt to Equity Ratio (DER) is a leverage ratio used to measure the proportion of total debt to total equity. Proper debt management can improve company performance and increase firm value. Previous research found that DER has a significant positive effect on firm value (Lekok, 2023).

Sales Growth measures the increase in a company's sales from one period to another. Higher sales growth reflects better business performance and can increase firm value. Previous research also found that Sales Growth has a significant effect on firm value (Arianti & Yatiningrum, 2022).

7) Conceptual Framework

The conceptual framework of this study consists of:

Variabel Independen (X)

Variabel Dependen (Y)

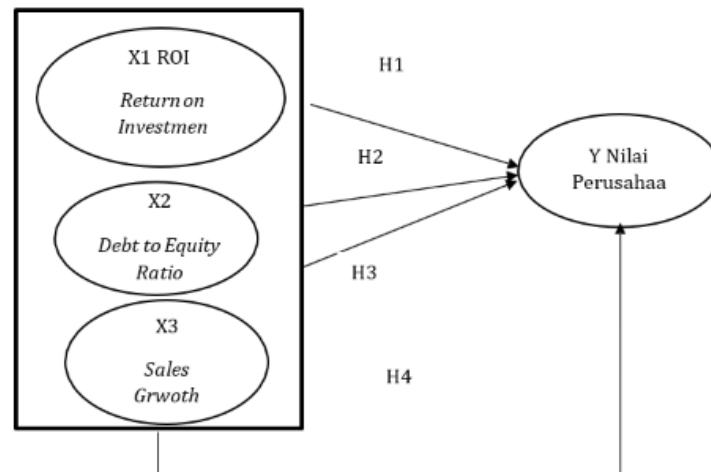


Figure 1. Conceptual Framework

Independent Variables:

1. Return on Investment (ROI)
2. Debt to Equity Ratio (DER)
3. Sales Growth

Dependent Variable:

1. Firm Value (PBV)

8) Hypotheses

H1: Return on Investment (ROI) significantly affects Firm Value.

H2: Debt to Equity Ratio (DER) significantly affects Firm Value.

H3: Sales Growth significantly affects Firm Value.

H4: ROI, DER, and Sales Growth simultaneously affect Firm Value.

2. Research Methodology**3.1 Research Design**

This study analyzed 140 observations from 28 manufacturing companies during the 2020–2024 period. Before hypothesis testing, the data fulfilled the classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests, indicating that the regression model was appropriate for hypothesis testing.

3.2 Population and Sample

The population of this study consisted of 65 manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange during the 2020–2024 period. The sampling technique used was purposive sampling under the non-probability sampling method, in which samples were selected based on predetermined criteria (Saefullah, 2024). The sampling criteria were: (1) manufacturing companies in the industrial sector listed on the IDX during 2020–2024; (2) companies that consistently published complete annual financial statements during the observation period; and (3) companies that generated positive profits throughout 2020–2024. Based on these criteria, 28 companies were selected, resulting in 140 panel data observations, consisting of 28 companies over five years (Rizkia et al., 2022).

3.3 Data Analysis Method

Data analysis was conducted using SPSS version 27.0 through multiple linear regression analysis. Before performing regression analysis, classical assumption tests were conducted to ensure that the regression model fulfilled the Best Linear Unbiased Estimator (BLUE) assumptions. These tests consisted of: (1) the normality test using the Kolmogorov–Smirnov method; (2) the multicollinearity test using Tolerance and Variance Inflation Factor (VIF) values; (3) the heteroscedasticity test using the Glejser method; and (4) the autocorrelation test using the Durbin–Watson statistic. The multiple linear regression model is expressed as follows (Ananda, 2024; Fernanda, 2023):

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where Y represents Firm Value, X_1 represents Return on Investment (ROI), X_2 represents Debt to Equity Ratio (DER), X_3 represents Sales Growth, a is the constant, b_1 – b_3 are the regression coefficients, and e is the error term. Hypothesis testing was conducted using the t-test, F-test, and the coefficient of determination test.

3. Results and Discussion

3.1 Data Analysis

Table 1. Descriptive Statistics

Variable	Minimum	Maximum	Mean	Std. Deviation
ROI	-3.51	1.60	-0.1424	0.94025
DER	-2.66	1.32	-0.4747	0.79705
Sales Growth	-3.91	1.35	-0.9464	1.05365
Firm Value	-3.51	2.16	-0.3378	0.90356

According to the descriptive statistics presented in Table 1, the Return on Investment (ROI) variable ranged from -3.51 to 1.60, with a mean of -0.1424 and a standard deviation of 0.94025, indicating considerable variation in profitability among the sampled companies.

The Debt to Equity Ratio (DER) ranged from -2.66 to 1.32, with a mean of -0.4747 and a standard deviation of 0.79705. The minimum value was recorded by PT Intikramik Alamasri Industri Tbk. in 2020 due to negative equity caused by accumulated losses, while the maximum value was achieved by PT United Tractors Tbk. in 2024, reflecting effective capital structure management.

The Sales Growth variable ranged from -3.91 to 1.35, with a mean of -0.9464 and a standard deviation of 1.05365, indicating substantial differences in sales performance during the observation period. Meanwhile, Firm Value, as measured by PBV, ranged from -3.51 to 2.16, with a mean of -0.3378 and a standard deviation of 0.90356, suggesting considerable variation in the market valuation of manufacturing companies during the 2020–2024 period (Dwi, 2023).

3.2 Classical Assumption Test

The normality test using the One-Sample Kolmogorov–Smirnov Test produced an Asymp. Sig. (2-tailed) value of 0.200, which exceeded the significance level of 0.05, indicating that the regression residuals were normally distributed. This finding was also supported by the Monte Carlo significance value of 0.231, confirming that the residuals followed a normal distribution.

The multicollinearity test showed that all independent variables had Tolerance values greater than 0.10 and Variance Inflation Factor (VIF) values below 10. ROI had a Tolerance value of 0.922 and a VIF of 1.084, DER had a Tolerance value of 0.952 and a VIF of 1.051, while Sales Growth had a Tolerance value of 0.940 and a VIF of 1.064. These results indicate that no multicollinearity existed among the independent variables.

The heteroscedasticity test using the Glejser Test showed significance values greater than 0.05 for all variables, namely ROI = 0.513, DER = 0.530, and Sales Growth = 0.984. Therefore, the regression model was free from heteroscedasticity and fulfilled the classical assumption requirements (Fernanda, 2023).

Table 2. Classical Assumption Test Results

Test	Method	Result	Conclusion
Normality	Kolmogorov–Smirnov Test: Sig. > 0.05	Sig. = 0.200 > 0.05	Data are normally distributed
Multicollinearity	Tolerance > 0.10; VIF < 10	ROI: Tol. = 0.922; VIF = 1.084. DER: Tol. = 0.952; VIF = 1.051. Sales Growth: Tol. = 0.940; VIF = 1.064	No multicollinearity
Autocorrelation	Durbin–Watson: dU < DW < 4 – dU	1.749 < 1.862 < 2.250	No autocorrelation
Heteroscedasticity	Glejser Test: Sig. > 0.05	ROI: Sig. = 0.513. DER: Sig. = 0.530. Sales Growth: Sig. = 0.984	No heteroscedasticity

The classical assumption tests were conducted to ensure that the regression model met the requirements of the Best Linear Unbiased Estimator (BLUE). As presented in Table 2, the Kolmogorov–Smirnov test produced a significance value of 0.200, indicating that the residuals were normally distributed. Furthermore, all independent variables had Tolerance values greater than 0.10 and Variance Inflation Factor (VIF) values below 10, indicating that no multicollinearity existed. The Durbin–Watson value of 1.862 also met the criterion $dU < DW < 4 - dU$, confirming that the regression model was free from autocorrelation. In addition, the Glejser test showed significance values greater than 0.05 for all independent variables, indicating that no heteroscedasticity was detected. Therefore, the regression model satisfies all classical assumption requirements and is appropriate for further analysis (Hantono, 2020).

3.3 Multiple Linear Regression and Hypothesis Testing Results

Table 3. Multiple Linear Regression and Hypothesis Testing Results

Variable	B (Coefficient)	t-statistic	Sig.	Result
Constant	-0.390	-30.700	< 0.001	-
Return on Investment (X1)	-0.042	-4.610	< 0.001	H1 accepted
Debt to Equity Ratio (X2)	0.047	5.105	< 0.001	H2 accepted

DOI: <https://doi.org/10.69693/ijmst.v4i2.11517>

Lisensi: Creative Commons Attribution 4.0 International (CC BY 4.0)

Sales Growth (X3)	-0.072	-7.645	< 0.001	H3 accepted
F-statistic	38.260	-	< 0.001	H4 accepted
R²	0.458	-	-	-
Adjusted R²	0.446	-	-	-

Based on the regression analysis, the regression equation is:

$$PBV = -0.390 - 0.042X_1 + 0.047X_2 - 0.072X_3$$

The results indicate that ROI has a negative and significant effect on Firm Value, DER has a positive and significant effect, and Sales Growth has a negative and significant effect. In addition, the F-test confirms that the three independent variables simultaneously affect Firm Value, as indicated by a significance value below 0.001. The coefficient of determination, represented by R² of 0.458, indicates that 45.8% of the variation in Firm Value is explained by the regression model, while the remaining 54.2% is influenced by other variables not included in this study (Amalina, 2022).

3.4 Discussion

The Effect of Return on Investment on Firm Value

The results indicate that Return on Investment (ROI) has a negative and significant effect on Firm Value. This finding suggests that higher profitability does not necessarily increase firm value. During the 2020–2024 period, investors tended to consider external economic conditions in addition to the company's profitability. This finding is inconsistent with previous studies that reported a positive relationship between ROI and firm value (Fitriani & Laksmiwati, 2024; Hulasoh & Mulyati, 2022).

The Effect of Debt to Equity Ratio on Firm Value

The results show that Debt to Equity Ratio (DER) has a positive and significant effect on Firm Value. This indicates that the use of debt can increase firm value when managed efficiently. An optimal capital structure enables companies to finance operational activities and business expansion, thereby improving investor confidence. This finding is consistent with previous studies that found a positive effect of DER on firm value (Lekok, 2023; Pratiwi, 2024).

The Effect of Sales Growth on Firm Value

The results reveal that Sales Growth has a negative and significant effect on Firm Value. This finding indicates that an increase in sales does not always improve firm value because higher sales may be accompanied by increased operating costs and lower profitability. Consequently, investors do not necessarily perceive higher sales growth as a positive signal. This result differs from prior studies that found a positive relationship between Sales Growth and firm value (Arianti & Yatinigrum, 2022).

The Simultaneous Effect of Return on Investment, Debt to Equity Ratio, and Sales Growth on Firm Value

The results indicate that Return on Investment, Debt to Equity Ratio, and Sales Growth simultaneously have a significant effect on Firm Value. This finding suggests that profitability, capital structure, and sales performance collectively influence firm value. Therefore, companies should maintain a balance among these financial aspects to improve investor confidence and enhance firm value.

4. Conclusion

This study concludes that Return on Investment (ROI) has a negative and significant effect on Firm Value, while Debt to Equity Ratio (DER) has a positive and significant effect. Sales Growth also has a negative and significant effect on Firm Value. Simultaneously, ROI, DER, and Sales Growth significantly affect Firm Value. These findings indicate that profitability, capital structure, and sales performance are important determinants of firm value. Therefore, companies are expected to improve financial performance, optimize debt management, and maintain sustainable business growth to increase firm value.

This study is limited to manufacturing companies in the industrial sector listed on the Indonesia Stock Exchange during the 2020–2024 period. Future studies are recommended to include additional variables, such as firm size, liquidity, dividend policy, or corporate governance, as well as extend the observation period to obtain more comprehensive results.

Reference

- Adolph, R. (2016). *Nilai perusahaan, intellectual capital, sustainability reporting*.
- Agustina, H. C., Arum, A. S., Fatimah, I. N., & Akil, A. N. (2024). Literature review: Pengaruh Return on Assets (ROA), Return on Equity (ROE), dan Return on Investment (ROI) terhadap nilai perusahaan. *Journal Name Not Provided*, 9(2), 493–507.
- Amalina, N. (2022). Pengaruh Debt to Equity Ratio, Return on Assets, firm size dan Current Ratio terhadap nilai perusahaan. *Journal Name Not Provided*, 24–28.
- Ananda, J. (2024). Pengaruh profitabilitas, tax avoidance, ukuran perusahaan dan sales growth terhadap nilai perusahaan: Studi empiris pada perusahaan sektor energy yang terdaftar di BEI periode 2019–2022. *Journal Name Not Provided*, 1, 1–8.
- Arianti, B. F., & Yatinigrum, R. (2022). Pengaruh struktur modal, pertumbuhan penjualan dan keputusan investasi terhadap nilai perusahaan. *Journal Name Not Provided*, 5(1), 1–10. <https://doi.org/10.32662/gaj.v5i1.1845>
- Aris, A. (n.d.). Gawat! Sektor manufaktur Indonesia terus terkoreksi. Mediaasuransinews.co.id. <https://mediaasuransinews.co.id/ekonomi-bisnis/gawat-sektor-manufaktur-indonesia-terus-terkoreksi/>

- Brigham, E. F., & Houston, J. F. (2019). *Dasar-dasar manajemen keuangan buku 1*. Cengage Learning.
- Dwi, S. (2023). Pengaruh Current Ratio, Debt to Equity dan Return on Equity terhadap nilai perusahaan pada perusahaan telekomunikasi yang terdaftar di Bursa Efek Indonesia. *Journal Name Not Provided*, 14.
- Emilisa, I., & Dailibas. (2025). Pengaruh Debt to Equity Ratio, Return on Equity dan pertumbuhan perusahaan terhadap nilai perusahaan. *Journal Name Not Provided*, 11, 320–330.
- Fajriah, A. (2022). Pengaruh pertumbuhan penjualan, pertumbuhan perusahaan, dan ukuran perusahaan terhadap nilai perusahaan. *Journal Name Not Provided*, 7(1), 1–12.
- Fernanda, H. (2023). *Metodologi penelitian kualitatif dan kuantitatif*.
- Fitriani, T., & Laksmiwati, M. (2024). Firm size terhadap nilai perusahaan: Studi empiris pada perusahaan sub sektor otomotif dan komponen otomotif yang terdaftar di Bursa Efek Indonesia periode 2018–2022. *Ecodig: Economics and Digital Business Journal*, 1, 40–52.
- Hantono. (2020). *Metodologi penelitian skripsi dengan aplikasi SPSS*. Deepublish. <https://deepublishstore.com/shop/buku-metodologi-penelitian-skripsi-dengan-aplikasi-spss/>
- Hulasoh, R., & Mulyati, H. (2022). Pengaruh Total Asset Turnover, Return on Investment dan Price Earning Ratio terhadap nilai perusahaan. *Kompartemen: Jurnal Ilmiah Akuntansi*, 19(2), 60. <https://doi.org/10.30595/kompartemen.v19i2.10282>
- Lekok, W. (2023). Return on Assets, Debt to Equity Ratio, tax avoidance terhadap nilai perusahaan. *Journal Name Not Provided*, 3(3), 1–12.
- Ompusunggu, H., & Wage, S. (2021). *Manajemen keuangan*. Batam Publisher.
- Pratiwi, S. O. (2024). Pengaruh Debt to Equity Ratio (DER) dan Debt to Asset Ratio (DAR) terhadap nilai perusahaan yang terdaftar di BEI: Studi kasus pada PT Bukit Asam Tbk. *Journal Name Not Provided*, 2(2), 61–69.
- Rizkia, N. D., et al. (2022). *Metodologi penelitian*.
- Saefullah, A. S. (2024). Ragam penelitian kualitatif berbasis kepustakaan pada studi agama dan keberagamaan dalam Islam. *Al-Tarbiyah: Jurnal Ilmu Pendidikan Islam*, 2(4), 195–211. <https://doi.org/10.59059/al-tarbiyah.v2i4.1428>
- Tambuwun, C. E., Mangantar, M., & Rumokoy, L. J. (2024). Pengaruh Debt to Equity Ratio, Earning Per Share, dan Return on Asset Ratio terhadap nilai perusahaan sub sektor jasa kesehatan yang terdaftar di BEI. *Journal Name Not Provided*, 12(1), 107–116.