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The Influence of Leverage, Profitability, Liquidity and Tax Planning on Company Value in Consumption Goods Industry Sector Companies on the Indonesian Stock Exchange

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KEYWORDS

firm values, leveraged, profitabilities, liquidity, taxes planning

ABSTRACT

This study aims to examine and analyze the effect of leverage, profitability, liquidity, and tax planning on company value in consumer goods industry sector companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2021. It is a quantitative study using panel data analysis, employing methods such as the Chow test, Hausman test, Lagrange multiplier test, classical assumption tests, and hypothesis testing through Eviews 12 software. The study population includes companies in the consumer goods sector registered on the IDX between 2019 and 2021. A purposive sampling method was applied, resulting in 28 companies and a total of 84 observations. The data utilized are secondary and obtained from the official IDX website (www.idx.co.id) and company websites. The findings demonstrate that profitability has a positive and significant effect on firm value, indicating that more profitable companies tend to increase their market value. In contrast, leverage, liquidity, and tax planning do not show significant effects on firm value. However, when considered simultaneously, leverage, profitability, liquidity, and tax planning collectively influence firm value. These results underscore the importance of profitability as a key driver of firm value in the consumer goods industry, suggesting that companies should prioritize strategies to enhance profitability to improve market valuation. The study's findings have implications for financial managers, investors, and policymakers, as they highlight the limited role of leverage, liquidity, and tax planning in directly influencing firm value, prompting a reevaluation of how these variables are considered in strategic financial decision-making.

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INTRODUCTION

Business development at this time requires the application of standards in a company's financial statements (Palepu, Healy, Wright, Bradbury, & Coulton, 2020). This standard is very important to develop competitiveness in a number of corporate sectors and ensure that every reader and investor has access to the same information. Companies in the consumer goods industry contribute significantly to the progress of the economy in Indonesia. The sector of companies in the consumer industry is divided into five sub-fields, namely the food and beverage sub-sector, the tobacco sub-sector, the pharmaceutical sub-sector, the cosmetics and household sub-sector, and the household appliances sub-sector. This research focuses on the manufacturing industry in the field of consumer commodity

companies. The reason for this focus is that companies in the consumer industry are the ones that produce the most necessary commodities in daily life. Everyone without exception needs products in the consumer industry.

Based on the figure below, a comparison of the growth rate of the consumer goods industry represented by the food and beverage industry and the tobacco industry compared to other industries in the fields of chemicals, textiles and metal goods to GDP during 2019 to 2021 can be seen as follows:

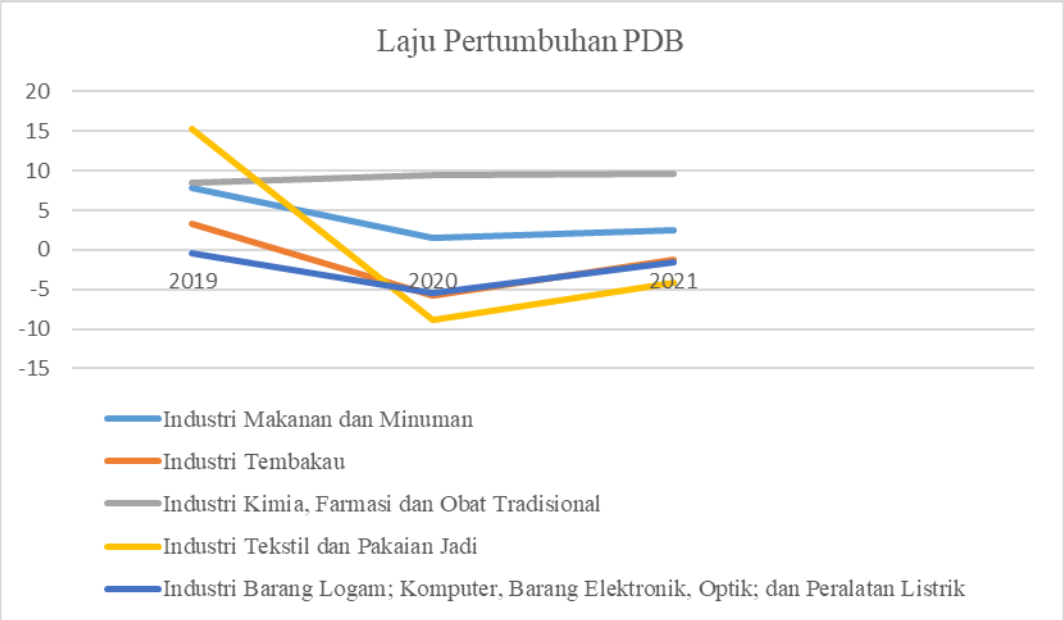

Figure 1. Comparison of Growth Rate Graphs

Based on figure 1 above, it shows that consumer goods in the food and beverage and tobacco sectors decreased from 2019 to 2020 and slightly increased to 2021. Meanwhile, the sub-fields of chemistry, pharmaceuticals, and traditional medicine during 2019 to 2020 were relatively stable and slightly increased. Further analysis suspects that during 2020 and 2021 Covid 19 occurred so that the need for pharmaceuticals tends to increase. Meanwhile, for other fields in 2019, the percentage is quite large, but it faces a reduction in 2020 because people tend to spend their money on things that are very necessary for survival in the era of the covid 19 pandemic. However, each field again faces developments in 2021, because the covid 19 pandemic has begun to be overcome. Based on this phenomenon, the researcher determined that the business field being studied was industry because based on the trend of the graph above, it was affected by Covid 19 but could increase again in 2021. This phenomenon shows that the consumption industry can survive the global crisis and it is interesting to study the factors that cause it to survive.

One of the main goals of the consumer industry is to increase the value of the company, especially if the consumer industry has gone public whose shares have been offered to the public. The company's value increased along with the increase in sales in the consumer industry. The value of the company will grow along with the increase in stock price. The higher the company's value, the better it is in the eyes of investors (Natsir & Yusbardini, 2020). The common thing that the industry does in developing stock value is to achieve the highest possible profit. Investors react very quickly if the company offers them profits. The company's leaders will carry out activities that bring profits in line with the wishes of investors. Shareholders also want to get big profits by appointing agents to carry out that function. The

company must share relevant information that has been implemented by management to meet investor expectations. Therefore, this study will use agency theory and signal theory as the basis of research theory. Agency theory says that differences in interests arise between owners and agents in charge of managing the industry (Panda & Leepsa, 2017). In addition, the agent chosen has different needs from the owner. This is because agents have more information, making it easier for them to do things they shouldn't do. This can happen in tax planning to minimize the burden of tax payable. Tax planning will be the part where managers can easily make profits by taking advantage of existing loopholes. The more aggressive the tax planning, the lower the company's value will decrease (Septiani & Nadi, 2024). This will be an increasingly strong sign for tax authorities to pay attention to the industry. Therefore, the industry must be willing to bear tax losses and fines after the audit. The higher the value of the company, the higher the profits generated. This advantage starts from maximizing industrial assets, with internal or external funding.

The second theory is the signal theory, which says that the industry must share signals with the recipients of financial information in order to maintain the value of the company. This signal is information related to things that have been implemented by management to meet the expectations of the owner. The information that the industry shares is important because it influences the investment decisions of investor groups. This theory is related to the industry's motivation to share information with investor groups, there is no information asymmetry between management and investor groups. One way to reduce information asymmetry is to send signals or signals to a group of investors in the form of reliable financial information that can reduce the uncertainty of poor information in the industry.

As businesses grow, the industry needs to think about the right sources of funding to fund the industry's operational activities and maintain the value of its company. According to Harmono (2017). Company value is the performance of an industry described by the stock price created by the demand and supply of the capital market. In principle, the value of an industry can be calculated from a number of different perspectives, one of which is from the stock market price of that industry. Therefore, the market price of industrial stocks reflects the amount of investor valuation on each stock owned. The stock price represents a centralized assessment of all stock market participants that acts as a barometer of industry management performance. Investors' opinions on the level of success of the industry are reflected in the value of the company. The development of the company's value triggered by high stock prices makes the market believe in the performance of the industry. Developing industrial profits and maximizing corporate value are interrelated industrial objectives to develop shareholder prosperity, so that these goals become an important category for the survival of the industry.

Problems that affect the value of companies in Indonesia can be known through examples that have occurred. Such as the ongoing problems that PT Plaza Indonesia Realty Tbk faced a reduction in profitability in 2019. Plaza Indonesia was observed to post a reduction in net profit to 3.72% to 532.69 billion. This reduction in profitability took place in the midst of an increase in the cost of income and tax burden. From this reduction, the stock price fell and affected the company's value (Yusmaniarti, Setiorini, & Pitaloka, 2020). The problem of PT Garuda Indonesia in 2017 was that its financial performance was inconsistent until the share price decreased by 54.67% from the initial public offering (IPO) price, the shares which were initially priced at Rp 750 in 2011, decreased to Rp 340 in 2017. The two problems mentioned above show that suboptimal industry performance can reduce the value of the company due to the reduction in stock prices. A number of aspects that are the focus of the industry in developing company value are leverage, profitability, liquidity, and tax planning.

Leverage is the use of several assets or funds by the industry where in the use of these assets or funds, the industry must incur fixed costs. Leverage can be known as an estimator of risk in an industry. In other words, the greater the leverage, the greater the investment risk. Optimal leverage can help you find the right source of funding. However, making the wrong decision in managing leverage can increase the risk of bankruptcy and harm shareholders. Research conducted by Haryono (2021), states that leverage has a positive and significant influence on the company's value. Meanwhile, Lestari (Himawan, 2020) in his research stated that leverage does not have a significant influence on the company's value.

Profitability is the ability to make profits (2019). Profitability is used to find industry capabilities in generating profits from sales, assets and income in relation to equity. Investors will be persuaded to invest in industries with high profitability because high profitability shares the expected returns (Sudana & Sallama, 2015). In addition, profitability states the industry's ability to use its assets for production and generate expected profits. Therefore, profitability can be calculated by how much assets or capital the industry uses during a certain period of time to generate profits (Kusna & Setijani, 2018). Better profitability from the industry must lead to the development of company value. The higher the industry's profitability, the lower the industry's dependence on external financing. Research conducted by Ayu (2017) states that profitability has a positive and significant influence on company value. Meanwhile, according to Bagaskara, et al (2021) stated that profitability has no influence on the company's value.

Liquidity describes the ability of the industry to meet its short-term obligations (Carolina & Tobing, 2019). Industries that have good liquidity can develop the trust of shareholder groups and are also able to distribute dividends to shareholders. Meanwhile, industries that have poor liquidity will greatly disrupt the value of companies because outside confidence can decline due to the industry's inability to pay its short-term debts. Research conducted by Sukarya and Baskara (2023) states that liquidity has a positive and significant influence on the value of companies. Meanwhile, according to Sadewo (2017), liquidity has no effect on the company's value.

Apart from the things mentioned above, the value of a company can also be affected by the taxes paid by the industry. Tax is a mandatory contribution made by individual taxpayers or corporate taxpayers to the state for facilities that have been used by taxpayers. The facilities used by taxpayers are the result of people's tax withdrawals. Taxes are coercive, therefore the industry must pay attention to the applicable tax policies.

The government and industry have the same goal. The government has the goal of increasing state revenue from tax payments by taxpayers for the prosperity of the nation. The industry focuses on the goal of increasing the industry's profits on industrial acceptance for the survival of the industry. For industry, taxes are a burden that will reduce the net profit of the industry (Sabna & Wulandari, 2021). Therefore, the industry carries out a lot of tax planning.

Tax planning is the first step in tax management. In general, the emphasis on tax planning is to minimize tax liabilities (Suandy, 2017). Proper tax planning can optimize cash flow, minimize tax costs and avoid tax risks. Tax risks due to tax non-compliance will harm the industry because they receive sanctions that are in line with applicable tax policies. Research conducted by Pradnyana and Noviari (2017) found evidence that tax planning has a positive and significant influence on the value of companies. Meanwhile, Khairunnisa (2024) stated that tax planning has no effect on the company's value. This means that the higher the tax planning of an industry, the lower the value of the company.

Pohan (2022) stated that the higher the tax planning, the lower the company's value. This affects investor confidence in the company's value and causes the company's value to fall.

Based on the background, phenomenon, and previous researches, the title of the research is The Effect of Leverage, Profitability, Liquidity, and Tax Planning on Company Value in Consumer Goods Industry Sector Companies on the Indonesia Stock Exchange.

This study aims to analyze the influence of leverage, profitability, liquidity, and tax planning on company value within the consumer goods industry listed on the Indonesia Stock Exchange. Specifically, it seeks to identify how these financial indicators interact to influence company value during periods of economic uncertainty and recovery, such as the COVID-19 pandemic.

The findings from this study are expected to provide valuable insights for company managers in the consumer goods sector, guiding strategic decisions related to financial management. Additionally, it will offer investors a deeper understanding of key financial indicators that influence stock price performance, enabling more informed investment decisions. Finally, this research may assist policymakers in understanding the economic resilience of the consumer goods industry, particularly in times of crisis.

METHOD

The data collection technique used through the use of the Indonesia Stock Exchange (IDX) website is https://www.idx.co.id/ that provides data on various types of industries as well as industrial websites of related companies. The data sources used in this study are financial report data and annual reports of the manufacturing industry in the field of consumption companies that have been published. The data used for this research is quantitative data by collecting financial and stock data to analyze the value of the company in relation to leverage, profitability, liquidity and tax planning. Other data used to support this research argument are books, previous theses, journals, and newspapers.

Sample Withdrawal Method

This researcher pays attention to the population of the manufacturing industry in the field of consumer companies listed on the Indonesia Stock Exchange (IDX) for the period of 2019 to 2021. This research requires the withdrawal of data from many companies with a period of more than 1 year so that it uses panel data. The sample withdrawal in this study uses the purposive sampling approach technique, because in this study the researcher sets limits on the samples taken. The categories set out in this study are as follows:

1. The industry used as a data sample is the manufacturing industry in the field of consumer companies listed on the Indonesia Stock Exchange (IDX).
2. The industry publishes annual reports as well as full financial reports during 2019-2021.
3. Industries that did not face losses during 2019-2021.
4. It has complete data for all variables, both dependent and independent variables with details: leverage, profitability, liquidity, tax planning, and company value.
5. Using the rupiah currency unit in annual reports and financial statements for the year 2019-2021.

Research Design

In this study, econometric techniques are used to test hypotheses that are the issue of research problems. The technique used is longitudinal and uses panel data where in this test a sample consisting of three financial reporting periods from various manufacturing industries in the field of consumer companies listed on the Indonesia Stock Exchange (IDX). The panel data was determined because the

researcher wanted to find the influence of leverage, profitability, liquidity and tax planning on the value of companies during the 2019-2021 period.

Data Analysis Techniques

In this study, data management from the data that has been collected uses panel data regression techniques and uses Eviews 12 as a tool to analyze data. There are also general similarities in the basis of panel data regression as follows:

$$Y_{it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 X_{3it} + \beta_4 X_{4it} + \varepsilon_{it}$$

Information:

Y	= Company Value
α	= Constant (intercept)
β1, β2, β3, β4	= Regression coefficient (Slope)
X1	= Leverage
X2	= Profitabiltas
X3	= Liquidity
X4	= Tax Planning
ε	= Error Term
less	= The ith object and the tth time

There are a number of panel data regression techniques used in this study, namely:

Descriptive Statistical Analysis

Descriptive statistics is a statistical technique used to share descriptions related to the data that has been collected. Descriptive statistics share an overview of the central values (median and mean), as well as the variability values (maximum, minimum and standard deviation) of the data. This technique is useful for stating and inferring the characteristics of a data in an easy-to-know way.

Hypothesis Testing

Partial Test (t-Test)

The t-test aims to test the significance of each independent variable in the dependent variable in a study as explained by Nachrowi and Usman (2006) in the Rebecca (2019) study. If the p-value in the t-test is less than 0.05, then the hypothesis that there is a significant influence of independent variables is accepted.

The level of influence of each independent variable on the dependent variable is different, so that the independent variable with the highest value will have the most significant influence. To make it easier to interpret the regression results, probabilities are used to see the significance of the variables. If the probability (prob) is lower than the significance level of 10%, 5%, or 1%, then the variable is considered to have a significant influence.

Simultaneous Test (Test F)

The F test is a hypothesis test on a regression model to see if independent variables together significantly affect dependent variables (Ghozali & Ratmono, 2017). The hypothesis made is:

H0 : There is no simultaneous influence of the independent variable on the dependent variable.

H1: There is a simultaneous influence of the independent variable on the dependent variable.

In this test, a significance value of F is used at the level a that has been determined (in this study, level A is used as much as 0.005). If the significance value of F is lower than 0.05 or F (calculate) is higher than F (table), then hypothesis H0 is rejected and hypothesis H1 is accepted. This means that independent variables together significantly affect dependent variables. On the other hand, if the significance value of F is higher than 0.05 or F (calculation) is lower than F (table), then hypothesis H0

is accepted and hypothesis H1 is rejected. This means that there is no co-influence of independent variables on dependent variables.

Determination Coefficient (R2) Testing

According to Ghozali (Ghozali, 2016) adjusted R2 is used to find the amount of variation of the dependent variable that can be explained by the variation of the independent variable, while the rest that cannot be explained is the part of the variation of other variables that are not included in the model. The value of the determination coefficient (adjusted R2) ranges from 0 to 1. If the adjusted R2 value is close to 0, it means that the ability of the independent variable to predict the dependent variable is very limited. If the adjusted value of R2 is close to 1, it means that the ability of the independent variable to predict the dependent variable is well mentioned. If the adjusted value of R2 is 0, then the value of R2 is used.

RESULT AND DISCUSSION

Research Overview

Based on data obtained from the Indonesia Stock Exchange from 2019 to 2021 with a total manufacturing population in the field of consumer companies listed on the Indonesia Stock Exchange as many as 85 companies. The sample used from the total that is sufficient for the research category is explained in Table 1 below. The selection categories for this sample are as follows:

Table 1.
Selection of Research Samples

It	Sample Criteria	Sum
1	Manufacturing companies in the field of consumer companies listed on the Indonesia Stock Exchange	85
2	Companies that do not publish annual reports as well as full financial statements during 2019-2021	(3)
3	Companies that faced losses during 2019-2021	(17)
4	Companies that do not have complete data on all variables, both dependent and independent variables	(4)
5	Companies that do not use the rupiah currency unit in their annual reports and financial statements during 2019-2021.	(0)
	Number of samples	28
	Number of Observations for 3 years (2019-2021)	84

Source: The results of the research were processed by the author

Data Analysis

Descriptive Statistical Test

The process of collecting, declaring, and summarizing various data features to illustrate the characteristics of the sample used in this study is known as descriptive statistics. The descriptive analysis of the data obtained for this study is 28 industry data from 2019 to 2021. The description of the variables in the descriptive statistics used in this study includes the minimum value, maximum value, mean, and standard deviation of one dependent variable, namely company value and four

independent variables, namely leverage, profitability, liquidity, and tax planning. The results of the descriptive statistics are shown in the table below:

Table 2.
Descriptive Statistical Results

	Y	X1	X2	X3	X4
Mean	2.831448	0.766078	0.112327	2.911532	0.259343
Median	1.885471	0.513780	0.099489	2.429590	0.231529
Maximum	16.26333	3.824769	0.416320	13.30906	0.814617
At least	0.153781	0.121670	0.000526	0.614071	0.123730
Std. Dev.	2.834522	0.710921	0.084352	2.449545	0.106859
Skewness	2.648815	2.365480	1.345189	2.708178	3.376039
Curtosis	11.12888	9.350951	5.122635	11.43182	15.62365
Jarque-Bera	329.5025	219.5079	41.10300	351.5140	717.3145
Probability	0.000000	0.000000	0.000000	0.000000	0.000000
Sum	237.8416	64.35057	9.435444	244.5687	21.78481
Sum Sq. Dev.	666.8646	41.94897	0.590563	498.0227	0.947773
Observations	84	84	84	84	84

Source: The results of the research were processed by the author

Based on the results of descriptive statistics in Table 2, it shows that the total sample studied is 84 data samples starting from 28 industries in the study for three periods, namely 2019 to 2021.

Dependent Variables

The dependent variable used in this study is the Company Value calculated by Tobin's Q. From the descriptive statistical table, the amount of company value from 84 samples has an average value of 2.831448. The minimum value is generated from the company's value of 0.153781 owned by PT Ultra Jaya Milk Industry and Trading Company Tbk in 2019 and the maximum value of 16.26333 owned by PT Unilever Indonesia Tbk in 2019.

Independent Variables

a) Leverage

Leverage is calculated by the Debt To Equity Ratio (X1) stating an average value of 0.766078. The minimum value is 0.121670 owned by PT Campina Ice Cream Industry Tbk in 2021 and the maximum value is 3.824769 owned by PT Pyridam Farma Tbk in 2021.

b) Profitabiltas

Profitability is calculated by Return On Assets (X2) stating an average value of 0.112327. As well as a minimum value of 0.000526 owned by PT Sekar Bumi Tbk in 2019 and a maximum value of 0.416320 owned by PT Multi Bintang Indonesia Tbk in 2019.

c) Liquidity

Liquidity is calculated by the Current Ratio (X3) stating an average value of 2.911532. As well as a minimum value of 0.614071 owned by PT Unilever Indonesia Tbk in 2021 and a maximum value of 13.30906 owned by PT Campina Ice Cream Industry Tbk in 2021.

d) Tax planning

Tax planning is calculated with the Effective Tax Rate (X4) stating an average value of 0.259343. As well as a minimum value of 0.123730 owned by PT Phapros Tbk in 2021 and a maximum value of 0.814617 owned by PT Sekar Bumi Tbk in 2019.

Panel Data Linear Regression Analysis

Based on the regression estimation technique between the Common Effect Model (CEM), Fixed Effect Model (FEM) and Random Effect Model (REM) as well as the selection of the regression equation estimation model with the chow test, the hausman test and the langrange multiplier test, the Fixed Effect Model (FEM) was selected for the linear regression equation of the panel data. The estimated models obtained from the Fixed Effect Model can be written down as follows:

Y = 1.49705586999 – 0.284782505984*X1 + 11.9743245821*X2 – 0.0194554264025*X3 + 1.01859760146*X4

Information:

Y = Company value
X1 = Leverage
X2 = Profitabiltas
X3 = Liquidity
X4 = Tax Planning

The results of the equation with the linear regression of the panel data above can be concluded:

1) The constant value is 1.49705586999, meaning that if all independent variables have a fixed (constant) value, then the company value variable is 1.49705586999.
2) The value of the regression coefficient of the leverage variable (X1) is -0.2847825059842 which means that there is an opposite influence between the leverage variable and the company's value. If the leverage variable faces a 1% increase, then the company's value will face a reduction of 0.284782505884 assuming that the other variables remain constant.
3) The value of the regression coefficient of the profitability variable (X2) is 11.9743245821 which means that there is a unidirectional influence between the profitability variable and the company's value. If the profitability variable faces a 1% development, then the company's value will face a development of 11.974324582 assuming that the other variables remain constant.
4) The value of the regression coefficient of the liquidity variable (X3) is -0.0194554264025 which means that there is an opposite influence between the liquidity variable and the company's value. If the liquidity variable faces a 1% development, then the company's value will face a reduction of 0.0194554264025 assuming that the other variables remain constant.
5) The regression coefficient value of the tax planning variable (X4) is 1.01859760146 which means that there is a unidirectional influence between the profitability variable and the company's value. If the tax planning variable faces a 1% development, then the company's value will face an increase of 1.01859760146 assuming that the other variables remain constant.

Hypothesis Test

The hypothesis test consists of an Adjusted determination coefficient test (R2), a simultaneous test (F test) and a partial test (t test) with estimates for linear regression of panel data using the Fixed Effect Model (FEM), including:

Table 3.
Hypothesis Test Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.497056	0.965651	1.550307	0.1271
X1	-0.284783	0.372440	-0.764640	0.4479
X2	11.97432	2.852750	4.197468	0.0001
X3	-0.019455	0.227936	-0.085355	0.9323
X4	1.018598	1.801545	0.565402	0.5742
Effects Specification				
Cross-section fixed (dummy variables)				
Root MSE	0.760185	R-squared		0.927209
Mean dependent var	2.831448	Adjusted R-squared		0.883814
S.D. dependent var	2.834522	S.E. of regression		0.966179
Akaike info criterion	3.051396	Sum squared resid		48.54206
Schwarz criterion	3.977421	Log likelihood		-96.15862
Hannan-Quinn criter.	3.423650	F-statistic		21.36675
Durbin-Watson stat	2.356917	Prob(F-statistic)		0.000000

Source: The results of the research were processed by the author

Test t (partial)

The t-test is used to find the influence of independent variables on dependent variables with individuals (partial). The t-test was used with a significant level of 0.05. According to Ghozali (2017), if the probability value > 0.05, then the independent variable with the individual (partial) does not affect the dependent variable. Meanwhile, if the probability value < 0.05, then the independent variable with the individual (partial) affects the dependent variable.

Based on the results of the t-test, an explanation of the testing of hypotheses can be explained, including:

a) The leverage variable (X1) has a t-value of -0.764640 and a significance level of 0.4479. This states that the t calculation is lower than the t table (-0.764640 < 1.989319) with a significance value (0.4479 > 0.05). So it can be concluded that leverage has no effect on the company's value.
b) The Profitability variable (X2) has a calculated t value of 4.197468, and a significance level of 0.0001. This states that the t calculation is higher than the t table (4.197468 > 1.989319) with a significance value (0.0001 < 0.05). So it can be concluded that, Profitabiltas has an influence on the company's value.
c) The Liquidity variable (X3) has a t-value of -0.085355, and a significance level of 0.9323. This states that the t calculation is lower than the t table (-0.085355 < 1.989319) with a significance value (0.9323 > 0.05). So it can be concluded that liquidity has no effect on the company's value.

d) The tax planning variable (X4) has a calculated t value of 0.565402, and a significance level of 0.5742. This states that the t calculation is lower than the t table (0.565402 < 1.989319) with a significance value (0.5742 > 0.05). So it can be concluded that tax planning has no effect on the value of the company.

Test F (Simultaneous)

The F test is used to find out whether all independent variables together (simultaneously) affect the dependent variable. The F test was used with a significant level of 0.05. According to Ghozali (2017), if the probability value < 0.05, then the independent variable with Together (simultaneous) affects the dependent variable. Meanwhile, if the probability value > 0.05, then the independent variable with Together (simultaneous) does not affect the dependent variable.

The results obtained from the F test stated that the F value was 21.36675 and the probability value was 0.0000 lower than the significance of 0.05 (0.0000 < 0.05). This means that at the level of $\alpha = 0.05$ between Leverage, Profitability, Liquidity and Tax Planning together (simultaneously) has an effect on the value of the company, which means that the independent variables together affect the dependent variable where the value of the company is highly dependent on the Leverage variable, Profitability, Liquidity and Tax Planning. Therefore, the results of the F test (simultaneous test) can share information with researchers and industry regarding how much aspects affect the company's value, so that industry groups can encourage aspects that affect the company's value to be maximized.

Determination Coefficient Test (R2)

According to Gujarati (2019), the value of the determination coefficient is displayed with the adjusted value of R2 from the regression model. The results of the determination coefficient test are shown in the table below: The results obtained from the determination coefficient test with an adjusted value of R2 are 0.883814, meaning that 88.3814% of the variation in the Company's Value is influenced by Leverage, Profitability, Liquidity and Tax Planning. Furthermore, 11.6186% of the Company's Value is influenced by other aspects that are not examined in the study. Thus, the aspect of the dependent variable greatly affects the independent variable, where the influence is more than 80% which means that the company can maximize the dependent variable to increase the value of their company.

Effect of Leverage on Company Value

The results of this study state that leverage does not have a significant effect on the company's value. Leverage has a t-count that says negative direction. This states that the size of leverage has no effect on the value of the company because the industry in funding its industrial operations tends to use its own capital which starts from retained profits and share capital rather than using debt. The industry tends to reduce the proportion of its debt because it has enough funds to finance assets obtained from its own capital. Excessive use of debt can reduce the profits obtained because the benefits received are not proportional to the expenses paid. This is in line with research conducted by Lestari (2020), and Farizki, et al. (2022) who stated that leverage has no effect on the company's value. A high DER number does not automatically imply a poor company value. Likewise, a low DER number does not automatically increase the company's value. Therefore, investors look at financial reports from all sides. Leverage has no effect on the company's value because the industry tends to use its own capital rather than debt. However, the results of the study are not in line with Haryono's (2021) research, which states that leverage has an influence on the company's value.

The Effect of Profitability on Company Value

The results of this study state profitability on the value of the company. Profitability has a t-count that says a positive direction. This states that the value of the company can be influenced by the high

and low value of industrial profitability. Assets are funded by investors, so high profitability is considered a positive sign for investors because it can make the industry earn high profits and share profits for investors. With high profitability, it can be said that the industry has good opportunities in the future and affects the increase in stock prices in the capital market which can cause the development of the company's value. This is in line with research conducted by Ayu , Dewanari et al (2019), and Hidayat (2022) who said that profitability has an influence on company value, because industries that do not have high profitability are required to improve their performance, which results in a reduction in company value. Companies that succeed in developing profitability from year to year will attract investor intent. However, the results of the study are not in line with the research of Bagaskara, et al. (2021) and Warouw (2016) stating that profitability has no influence on the value of the company.

Effect of Liquidity on Company Value

The results of this study stated that liquidity did not have a significant influence on the company's value. Liquidity has a t-count that says a negative direction. This states that investors who invest in the industry do not pay attention to the liquidity of the industry because the ratio used only states the industry's ability to cover its short-term debt with the current assets of the industry. An investor does not care about the size or size of the current ratio because the investor's focus is on the industry's capabilities in generating profits. Because the company's value is based on the company's ability to manage assets, equity, and sales to generate profits that reflect the company's value calculated from its share price. This is in line with research conducted by Sadewo (2017), as well as Astusi and Yadnya (2019), stating that liquidity has no effect on the value of the company, because the high and low ratio does not affect investors' intention to invest their funds. However, the results of the study are not in line with the research of Sukarya and Baskara (2023) which stated that liquidity has an influence on the value of the company.

The Effect of Tax Planning on Company Value

The results of this study state that tax planning does not have a significant influence on the value of the company. Tax planning has a t-count that says a positive direction. This states that the high or low tax planning ratio does not affect the value of the company because each industry will definitely carry out tax planning, so investors do not worry too much about tax problems. Tax planning can also lead to conflicts, aligned with those described in agency theory. The profits from tax planning can be used for personal needs of management, such as for example, management will report lower commercial profits than they should take place and take incentives from reduced payment of tax liabilities resulting from reporting lower commercial profits. This action led to a lack of transparency carried out by management that was not detected by shareholders. The benefits of tax planning felt by the industry are reduced by opportunistic actions that prioritize personal needs over the needs of shareholders. This is in line with research carried out by khairunnisa (2024), and Yuliem (2018) stated that tax planning has no effect on the value of the company. The size of an industry's tax planning will not affect the value of the company because each industry will carry out tax planning to reduce its tax burden, so that investors who want to invest their capital not only look at the tax side of an industry but also see the profit side of the industry. However, the results of the study are not in line with Astuti (2022) who stated that tax planning has a significant influence on the value of the company.

CONCLUSION

Based on the results of the above research through analysis and discussion related to the influence of leverage, profitability, liquidity and tax planning on the value of companies in the manufacturing

industry in the field of consumer companies listed on the Indonesia Stock Exchange between 2019 and 2021, it can be concluded as follows: Leverage has no effect on the value of the company. The results of this study are in line with the research carried out by Lestari (2020), and Farizki, et al (2022), but not in line with the research of Haryono (2021). Profitability has a positive effect on the company's value. This is in line with the research carried out by Ayu (2017), Dewanari et al (2019), and Hidayat (2022), but it is not in line with the research of Bagaskara, et al (2021) and Warouw (2016). Liquidity has no effect on the value of the company. This is in line with the research carried out by Sadewo (2017), Astusi and Yadnya (2019), but not in line with the research of Sukarya and Baskara (2023). Tax planning has no effect on the value of the company. This is in line with the research carried out by Khairunnisa (2024), and Yuliem (2018), but not in line with Astuti's research (2022).

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