

**THE EFFECT OF COMPANY SIZE AND LEVERAGE ON FIRM VALUE WITH  
COMPANY FINANCIAL PERFORMANCE AS AN INTERVENING VARIABLE  
(STUDY ON THE CONSUMER NON-CYCLICALS SECTOR LISTED ON THE  
INDONESIA STOCK EXCHANGE 2018-2021)**

**Shelomita Andriani<sup>1</sup>, Triyono<sup>2</sup>**

Fakultas Ekonomi dan Bisnis, Universitas Muhammadiyah Surakarta, Indonesia

Correspondence: Shelomita Andriani ([b200190216@student.ums.ac.id](mailto:b200190216@student.ums.ac.id))

<http://doi.org/10.35409/IJBMER.2023.3490>

**ABSTRACT**

This study aims to investigate whether there is an effect of company size and leverage on firm value and company financial performance as an intervening variable in consumer-non-cyclicals companies listed on the Indonesia Stock Exchange (IDX) in the 2018-2021 period. The results of this research show that the variable size and leverage have no effect on firm value. Variable size has a positive and significant influence on the company's financial performance. The leverage variable has a negative and significant effect on the company's financial performance. The company's financial performance variable has a positive and significant influence on firm value. The company's financial performance variable is able to mediate the relationship between size and leverage with firm value. Annual reports and financial reports are used as sources of data collection. The purposive sampling method was used to determine the data sample in this study.

**Keywords:** Firm Value, Company Size, Leverage, Company Financial Performance.

**1. INTRODUCTION**

Primary goods companies need to make adjustments in their operations and develop methodical strategies to be able to continue managing business operations and maximizing business value until the Covid-19 pandemic passes. Only then can they survive the pandemic and emerge stronger than ever. Firm value can be said to be the average price at which the company's equity and debt securities are traded in the market. The value of the company's shares is a factor that must be taken into account in determining the total value of the company (Anggriani, Amin, 2022).

Increasing the value of the company is an achievement led by the owner, so that the welfare of the owner also increases (Hery, 2017). Firm value is very important because high corporate value is associated with high shareholder wealth (Bringham and Houston, 2006). High stock prices make the market believe in the company's current performance and future prospects. The reason is that the value of the company can bring the maximum profit or wealth for shareholders while the company's stock price increases.

---

The higher the stock price, the higher the welfare of the shareholders, so that this situation remains in the eyes of investors because when demand for shares increases, the value of the company also increases. According to Mulianti (2010), company value reflects company performance which can affect investors' perceptions of the company. Riaqia et al. (2013) states that the factors that principally affect firm value are profitability, leverage, and size.

The variable size is the first factor that can affect the value of the company. The larger the size of the company, the tighter the financial decisions taken by the company to optimize the value of the company. In general, large companies tend to find it easier to gain the trust of creditors to obtain financing sources to increase company value (Pramana and Mustanda, 2016). Based on several previous studies by Martin et al. (2014), Moeljadi (2014), Angga and Wiksuana (2016), Hidayah (2014) and Rasyid et al. (2015) shows that size has a significant positive effect on firm value, but Rai and Merta (2016) show that size has a significant negative effect on firm value.

The second factor that can affect the value of the company is leverage. Leverage is very important because the decision to take on large amounts of debt can increase the value of the company because of the reduction in income taxes. Some of the results come from previous studies by Ramadan (2015), Kouki and Hatem (2011), Febrianti (2012), Angga and Wiksuana (2016), John O and Amarjit (2012), and Cheng and Zuwei (2011). The result is leverage significant positive effect on firm value. The opposite result was reported by OgoImagai (2013), Hartono et al. (2013), Kodongo et al. (2014) and Mahendra et al. (2012) found that leverage has a significant but negative effect on firm value, but Prastika's research (2012) found that leverage no significant effect on firm value.

Financial statements are a picture of a company's financial performance. Financial performance reflects the success or failure of a company in managing resources. The company's financial performance is a complex matter, because it involves the efficient use of capital and the efficiency of company operations (Kristianti, 2018). Investors see successful company results, sales and successful company results are within the scope of the initial planning. The company's financial performance can be measured using the ratios contained in financial reports that are published periodically (Solechan, 2017).

The financial performance of a company has a strong influence on company size, because the bigger the company, the greater the opportunity to obtain internal and external sources of financing. , Robert., Elizabeth K. & George A. 2019) found that company size has an impact on company financial performance. During the research (Sari, T.D., Kartika H.T. and Siti N. 2020) stated that company size did not affect the company's financial performance.

Dewi, N.W.A.M. & Ma de R.C. (2018) and Kajola, S.O., et al. (2019) found that results leverage significant effect on the company's financial performance. However, this contradicts the results of research (Putri, M.C. & Elizabeth S.D. 2020) and (Widyastuti, Maria. 2019) which state that leverage does not affect the company's financial performance. Corporate debt is a measure of whether a company can finance and manage its assets to generate profits that can add to the value of the company.

A company's financial performance can also have a direct impact on company value. Bringham & Houston (2010) stated that a company's financial performance is defined as the achievement of management in realizing company goals, namely maximizing profits to increase company value, and is a measure of a company's success in generating profits. The company's financial position

and condition may change each period depending on the company's daily operations.

Muliani (2014) shows that a company's financial performance has a positive effect on firm value. On the other hand, Carningsih (2009) explained in his research that a company's financial performance has a negative effect on firm value.

## **2. LITERATURE REVIEW AND HYPOTHESIS**

This research is based on signaling theory and pecking order theory. In signaling theory according to Brigham and Houston, 2011: 185, a signal is an action taken by a company to provide an indication of management's views to investors about the company's future prospects. Positive information to investors gives a signal about the company's future prospects and affects the increase in stock prices. When the stock price increases, so does the company's value. The market can use the information received from the company as a guide in making decisions which ultimately affect the value of the company (Hartono, 2015) in (Prajanto & Pratiwi, 2017).

According to the pecking order theory, the role of leverage is to help companies manage internal finances, because companies need external capital to run their business well, generate more profits and improve the company's financial performance (Pradana, 2019). Pecking order theory states that companies that exploit low debt levels can increase their company profits, thus improving financial performance (Haryati & Widyarti, 2016).

### **Hypothesis Development**

#### **2.1. Influence Company Size Against Firm Value**

Business size is a scale that can be used to assess company size. The size of the company shows that the company is growing well so that it increases the value of the company. (Oktavia et al., 2020). Large companies are preferred by investors because these companies have large assets that help increase the income generated by the company. Access to the capital market is easier for companies with high growth because investors receive positive signals for companies with high growth and this positive response reflects an increase in the value of the company. Studies by Pramana and Mustanda (2016), Pratama and Wiksuana (2016) and Putra and Lestari (2016) show that size has a clear positive effect on firm value. Based on the explanation and results of previous research, it can be hypothesized in this study that size has an effect on firm value.

#### **2.2. Influence Leverage Against Firm Value**

Leverage is a funding policy related to the company's decision to fund the company's investment. According to Pratama and Wiksuana (2016), the more debt capital used, the more efficient the company generates profits. Thus the use of debt capital can be a positive signal for company investors to increase the value of the company in the eyes of investors. Some of the results of previous research by Ramadan (2015), Kouki and Hatem (2011), Febrianti (2012), Angga and Wiksuana (2016), John O and Amarjit (2012) and Cheng and Zuwei (2011) found that increased leverage has a clear positive impact on company value. Based on the explanation and results of previous studies, this study can hypothesize that leverage has an effect on firm value.

---

### **2.3 Influence Company Size Against Company Financial Performance**

Company size is the size of the assets owned by the company (Indarti & Extaliyus, 2013). Based on Isbanah (2015), company size can be measured by the total assets acquired and the effect on the company's financial performance. The more optimal the company's assets, the maximum profit will be obtained because company assets are used for company operational activities that aim to generate profits (Ambarwati et al. (2015). Martsila and Meiranto (2013), Primadanti and Eko (2013) and Wijayati (2012) ) indicates that size has a positive effect on the company's financial performance. Based on the explanation and results of previous research, the hypothesis that can be put forward in this study is size effect on the company's financial performance.

### **2.4 Influence Leverage Against Company Financial Performance**

Leverage is a financial ratio used by the company to assess the company's ability to pay long-term debt (Lastri, Maidar & Muhajirin 2018). Pecking order theory states that companies that take on less debt can increase company profits thereby increasing financial performance (Haryati & Widyarti, 2016). Dewi and Candradewi (2018), Ludijanto et al. (2014) and Esthirahayu et al. (2014) who found that leverage has a positive and significant effect on financial performance. Based on the explanation and results of previous research, the hypothesis that can be put forward in this study is leverage effect on the company's financial performance.

### **2.5 Influence Company Financial Performance Against Firm Value**

Financial performance is the determination of certain metrics by which a company's success in generating profits can be measured (Tjahjono, 2014). Financial efficiency can be defined as the effectiveness of management in achieving organizational goals maximizing profits to increase the value of the company. Patricia, Bangun and Tarigan (2018), according to her, the company's financial performance has a positive and significant effect on company value. Based on the explanation and the results of previous research, the hypothesis that can be put forward in this study is that the company's financial performance affects the company's value.

## **3. MATERIAL AND METHODS**

### **3.1 Population and Sample**

This research is a quantitative research based on consumer non-cyclicals sector companies listed on the Indonesia Stock Exchange (IDX) during the 2018-2021 period. The population of registered companies is 113 companies per year, the sampling technique used in this study is purposive sampling method, based on certain criteria from 113 companies, a sample of 66 companies is obtained with four years of observation so that the number of observations is 264. However, there are several samples included in the sample category, so that the data processed in this study amounted to 200 observations.

### **3.2 Operational Variables and Instruments**

The dependent variable in this study is firm value. While the independent variables in this study are company size and leverage. And the intervening variable in this study is the company's financial performance.

**a. Firm Value**

Firm value is the dependent variable applied to this research. Company value is measured using Tobin's Q which measures the ratio of the market value of outstanding shares and debt to total assets (Dewi and Maulana, 2022). The formula used to calculate Tobin's Q (Dewi and Maulana, 2022) is:

$$TOBIN'S Q = \frac{(Market Value of Equity + Total Liabilities)}{Total Assets}$$

**b. Company Financial Performance**

According to Fahmi (2013: 239).” Financial performance is an analysis that is carried out to see how far a company has implemented the rules of financial implementation properly and correctly. The company's financial performance is measured using return on equity (ROE). Return on Equity (ROE) this ratio is also influenced by the size of the company's debt, if the proportion of debt is greater, this ratio will also be greater. In this study, financial performance is measured by return on equity (ROE). The formula used to calculate return on equity (ROE) (Syamsudin, 2011:65) are:

$$ROE = \frac{EAT}{Equity} \times 100\%$$

**c. Company Size**

The size of the company is seen from the total assets owned by the company that can be used for the company's operations. If the company has large total assets, management is more flexible in using the existing assets in the company. When viewed from the management side, the ease with which it controls the company will increase the value of the company (Suharli, 2006). Sudarsi (2002) explains that to determine company size is the natural log of total assets. The formula used to calculate company size (Sudarsi, 2002) is:

$$Company Size = Ln of Total Assets$$

**d. Leverage**

Ratio Leverage is to measure how much the company is financed with debt (Fahmi, 2013:127). This ratio measures how much the company's assets are financed by creditors. The higher debt to asset ratio (DAR) the greater the amount of loan capital used in generating profits for the company (Syamsudin, 2011:54). The formula used to calculate debt to asset ratio (DAR) (Syamsudin, 2011:54). is:

$$DAR = \frac{Total Debt}{Total Assets}$$

**3.2. Data Analysis**

The data analysis technique used in this study is multiple linear regression analysis and path analysis. Meanwhile, to test the intervening variables using the sobel test calculations. The multiple linear regression model is expressed in the structural equation as follows:

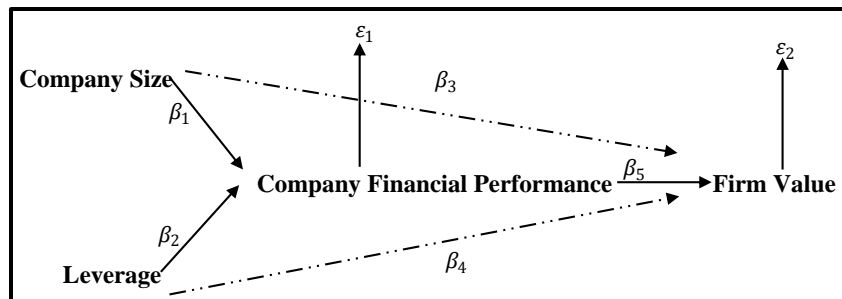
**ROE** =  $\alpha + \beta_1 \text{SIZE} + \beta_2 \text{DAR} + \varepsilon_1$ .....Equation 1

**TOBIN'S Q** =  $\alpha + \beta_3 \text{SIZE} + \beta_4 \text{DAR} + \beta_5 \text{ROE} + \varepsilon_2$ .....Equation 2

Information:

- $\alpha$  = Constant
- SIZE = Company Size ( $X_1$ )
- DAR = Leverage ( $X_2$ )
- ROE = Company Financial Performance ( $Z$ )
- TOBIN'S Q = Firm Value ( $Y$ )
- $\beta$  = Regressiion Coefficient
- $\varepsilon_1$  = Error for the Company Financial Performance Variable
- $\varepsilon_2$  = Error for the Firm Value Variable

The path analysis model is stated in the figure as follows:



**Figure 1.** Path Analysis Model

**4. RESULT AND DISCUSSION**

**4.1 Analysis Descriptive Statistics**

From the results of data analysis both descriptive statistical analysis, multiple linear regression analysis, path analysis, and the sobel test which will be explained in this study, the previous researcher has completed the classical assumption test. The normality test for equation 1 and equation 2 uses the Kolmogorov – Smirnov test with test results  $> 0,05$  where the data is said to be normally distributed. The multicollinearity test for equation 1 and equation 2 uses a Tolerance value  $> 0,10$  and a VIF value  $< 10$  where the data is said to be free from multicollinearity symptoms. The autocorrelation test for equation 1 and equation 2 uses the Durbin Watson test with a value of  $dw > du$  and a value of  $4-dw > du$  where the data is said to have no autocorrelation symptoms. The heteroscedasticity test for equation 1 and equation 2 uses the Spearman rank test with test results  $> 0,05$  where the data is said to have no symptoms of heteroscedasticity.

Previously this analysis was a statistical summary for a number of variables used in this study. Descriptive statistics provide an overview of the research object being sampled. In table 1 it can be seen the maximum, minimum, average and standard deviation values. The following table describes the results of the analysis:

**Table 1:** Descriptive Statistics

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
<b>TOBIN'S Q</b>	200	,365	4,747	1,63149	,951411
<b>SIZE</b>	200	25,231	32,820	28,98627	1,623475
<b>DAR</b>	200	,00010	,8090	,437025	,1881736
<b>ROE</b>	200	-,1780	,3080	,085605	,0923081
<b>Valid N (listwise)</b>	200				

*Source: Processed Data, 2023*

The minimum value of company value for non-cyclical consumer sector companies listed on the Indonesia Stock Exchange 2018-2021 is 36,5%, the highest value is 4747,7%. This shows that most companies in the consumer non-cyclicals sector have positive corporate values as measured by Tobin's Q. The average value is 163,149% and the standard deviation is 95,1411% where the average value is greater than the standard deviation value. This condition indicates that there are no large fluctuations in corporate value in the consumer non-cyclicals sector companies that are the sample.

Company size as measured by (Ln of Total Assets) the lowest value is 2.523,1% and the highest value is 3.282.8%, these conditions indicate that most companies in the consumer non-cyclicals sector have a positive company size value as measured by (Ln of Total assets). The average value is 2.898,627% and the standard deviation is 162,3475% where the average value is greater than the standard deviation value. This condition indicates that there are no large fluctuations in company size in the consumer non-cyclicals sector companies that are the sample

Leverage as measured by the debt to asset ratio (DAR) has the lowest value of 0,01% and the highest value of 80,90%, these conditions indicate that most companies in the consumer non-cyclicals sector have a positive leverage value as measured by the debt to asset ratio (DAR). The average value is 40,7025% and the standard deviation is 18,81736% where the average value is greater than the standard deviation value. This condition indicates that there are no large fluctuations in leverage in the consumer non-cyclicals sector companies that are the sample

The company's financial performance as measured by return on equity (ROE) has the lowest value of -17,8% and the highest value of 30,8%, these conditions indicate that most companies in the consumer non-cyclicals sector have a positive corporate financial performance value as measured by return on equity (ROE). The average value is 8,5605% and the standard deviation is 9,23081% where the average value is smaller than the standard deviation value. This condition indicates that there are large fluctuations in the company's financial performance in the consumer non-cyclicals sector companies that are the sample.

#### 4.2 Regression Analysis Results

This study uses two regression analyzes to determine the direction of the relationship between the independent variables, the dependent variable, and the intervening variables

**Table 2:** Multiple Linear Regression Test Result

Variabel	Equation 1			Equation 2		
	Coefficient	t-count	Sig.	Coefficient	t-count	Sig.
(Constant)		-4,799	,000		2,818	,005
SIZE	,356	5,740	,000	-,099	-1,490	,138
DAR	-,217	-3,498	,001	-,101	-1,611	,109
ROE				,517	7,790	,000
<i>R</i>		,400			,518	
<i>R</i> <sup>2</sup>		,160			,269	
<i>Adj R</i> <sup>2</sup>		,152			,258	
F		20,968			24,008	
Sig. F		,000			,000	

Source: Processed Data, 2023

Based on the regression results in table 2 it was found that the coefficient of determination ( $R^2$ ) shown by *Adjusted R*<sup>2</sup>. In equation 1 value *Adjusted R*<sup>2</sup> is equal to 0,152, that Company Size and Leverage are able to explain the company's financial performance by 15,6%, with the remaining (100% -15,6%) = 84,8% explained by other variables outside the research model. In equation 2 values *Adjusted R*<sup>2</sup> is equal to 0,258 that Company Size, Leverage, and the company's financial performance can explain the value of the company by 25,8%, with the remaining (100% -25,8%) = 74,2% explained by other variables outside the research model .

Simultaneous test (F test) is used to determine whether the regression model is feasible to use. To test the model, the F test is used with a significant level of 5% or a 95% confidence level. Based on table 2, the model equation 1 and model equation 2 have a significance level of 0,000. It can be seen that the significance value is less than 0,05 which indicates that the F test is significant. So it can be concluded that the model used in good fit research for analysis.



Based on path analysis the relationship between variables can be described as follows:

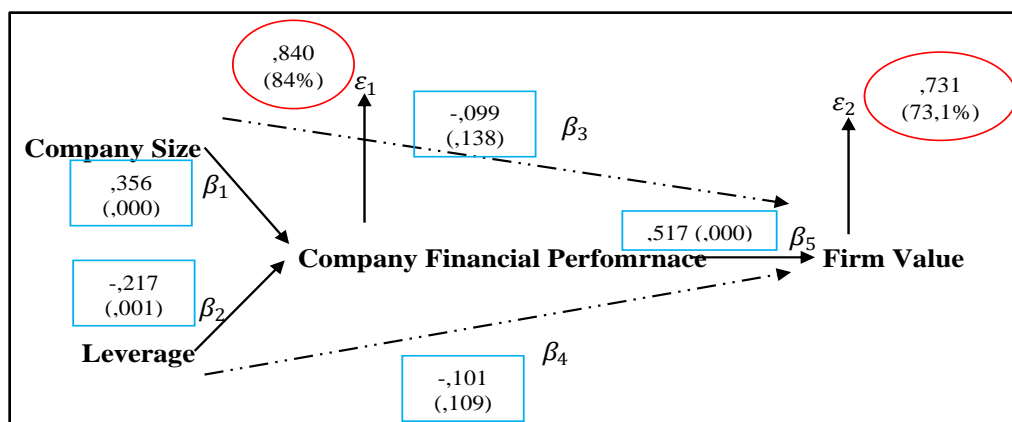


Figure 2. Path Analysis, Relationships Between Variables

Based on the results of the analysis, produce a research result as follows:

### 1. Effect of Company Size on Firm Value

From the results of table 2 above it can be concluded that the significance value (Sig.) of the SIZE variable is 0,138, and the value  $t_{count} > t_{table}$  is  $-1,490 > 1,972$ . Because the significance value is  $> 0,05$ , it can be concluded that  $H_0$  is accepted and  $H_a$  is rejected or based on the results of the first research hypothesis ( $H_1$ ) which suspects that Company Size has no effect on firm value. This means that it is easier for companies with many assets to manage their financing in the capital market, but a larger number of assets can reduce the value of the company because a large number of assets also require high costs to manage them. This slows down the circulation of assets. This situation arises from a conflict of interest between shareholders and managers, which leads to a conflict known as agency conflict (Jensen and Meckling, 1976). Entrepreneurs have an interest in the progress of the company with policies aimed at increasing the value of the company in order to maximize the welfare of the shareholders. At the same time, the purpose of managing the company is to achieve maximum profit for its own interests in the form of rewards or incentives for the results of managing the company, without considering the risk of loss. The results of this study are in line with research conducted by (Dwiastuti, Dillak, 2019) that size has no effect on firm value.

### 2. Effect of Leverage on Firm Value

From the results of table 2 above it can be concluded that the significance value (Sig.) of the DAR variable is 0,109, and the value  $t_{count} > t_{table}$  is  $-1,611 > 1,972$ . Because the significance value is  $> 0,05$ , it can be concluded that  $H_0$  is accepted and  $H_a$  is rejected or based on the results of the second research hypothesis ( $H_2$ ) which suspects leverage has no effect on firm value. In the results of this study, leverage has no effect on firm value. That is, companies usually finance their assets with equity (internal financing) which comes from retained earnings and equity capital not from debt. This shows that the company uses equity (internal financing) to finance its assets, which

---

comes from retained earnings and equity and not from debt. The Company's ability to adequately finance assets obtained from equity causes the Company to reduce its leverage ratio. Excessive use of debt will reduce the benefits of using debt because the profits received are not proportional to the costs incurred, so that a small portion of debt can increase the value of the company and conversely an increase in debt can reduce the value of the company. The results of this study are in line with research conducted by (Prasetyorini, 2013) that leverage has no effect on firm value

### **3. Effect of Company Size on The Company Financial Performance**

From the results of table 2 above it can be concluded that the significance value (Sig.) of the SIZE variable is 0,000, and the value  $t_{count} > t_{table}$  is  $5,740 > 1,971$ . Because the significance value is  $< 0,05$ , it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted or based on the results of the third research hypothesis ( $H_3$ ) which suspects size has an effect on the company's financial performance. This means that company size is another internal factor that can effectively improve a company's financial performance, because companies with large assets use the maximum available resources to achieve the best possible operating profit, and with small assets, of course, profits are proportional to assets. . they are relatively small (Rifai et al., 2015). Based on the results of this study it is known that changes in company size clearly have a positive effect on the company's financial performance. This is in accordance with the research of Shinta and Laksito (2014) which states that there is a significant influence between company size and EPS, because company size shows the company's financial performance, with large companies able to generate more profits, produce more and are more stable than companies. small Rifai et al. (2015) also concluded that company size has a positive effect on profitability (ROA), indicating that larger company size can explain and predict profitability growth and vice versa. The results of this study are in line with research conducted by (Kusumaningtyas, Milawati, 2016) that size has a positive and significant effect on the company's financial performance.

### **4. Effect of Leverage on The Company Financial Performance**

From the results of table 2 above it can be concluded that the significance value (Sig.) of the DAR variable is 0,001, and the value  $t_{count} > t_{table}$  is  $-3,498 > -1,971$ . Because the significance value is  $< 0,05$ , it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted or based on the results of the fourth research hypothesis ( $H_4$ ) which suspects leverage has a negative effect on the company's financial performance. Leverage has a negative effect on financial performance in the form of a company that can exacerbate the situation if it has debt. Through greater sources of financing to achieve more profits, but also to increase the risk of greater than the increase in profits. A statement (Sartono, 2010) strengthens this claim when all statements are true in a way that tends to conclude that companies have a tax position to make better use of larger debts. In contrast, the results of this study are inconsistent with the opinion of Abdulkadir (2016) and Mumtazatur (2020) explained that a company with high debt means that the higher the risk the company will face. This means that a company that is not good or lacking if it has large debts makes it possible that the company's burden is getting heavier in bearing its debts (creditors) because the assets that the company has become more than the debt it generates. The results of this study are in line with research conducted by (Hasti, Maryani, Makhsun, 2022) that leverage has a negative and

---

significant effect on the company's financial performance.

### **5. Effect of Company Financial Performance on Firm Value**

From the results of table 2 above it can be concluded that the significance value (Sig.) of the ROE variable is 0,000, and the value  $t_{count} > t_{table}$  is  $5,331 > 1,972$ . Because the significance value is  $< 0,05$ , it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted or based on the results of the third research hypothesis ( $H_5$ ) which suspects the company's financial performance influences firm value. That is, the profits generated by the company are able to provide the information needed by investors, or management wants to show investors that the company's profits are efficient. *Return on equity* is one of the profitability ratios that measure the rate of return on capital invested by shareholders. Usually, investors will perceive this ratio as a positive signal. The higher the level of this ratio, the higher the level of this ratio will be able to increase the welfare of shareholders and increase the demand for the company's shares, in other words, it will increase the value of the company. A good ROE number brings success to the company, which leads to a high share price and makes it easier to attract new funds. The results of this study are in line with research conducted by (Lumoly, Murni, Untu, 2018) that company financial performance has a positive and significant effect on company value

### **6. Effect of Company Size on Firm Value through Company Financial Performance**

The results of this study used path analysis and the Sobel test. Earned value  $t_{count} > t_{table}$  is  $4,715 > 1,972$  with a significance value of t table of 0,05, it can be concluded that there is a mediating effect, the company's financial performance variables are able to mediate the relationship between size and firm value. That is, the bigger the company, the easier it is for the company to access internal and external financing sources. Company size reflects the wealth of the company. Company size has an impact on profitability growth and company value growth (Setiadewi and Purbawangsa, 2015). The effect of firm size on firm value through the company's financial performance is greater than its direct effect. It is generally assumed that large companies have the ability to expand their market, have a successful business, have good future prospects and are well established in their business. This can attract investors to invest their money in the company. Investors and creditors prefer large companies that are able to maximize their wealth to maintain and grow their profits, because these companies tend to have a good strategy in using their wealth to generate large profits and offer good ideas to investors that can offer an increase in the company's stock price in the future. The results of this study are in line with research conducted by (Agustin, Made, Sari, 2022) company financial performance is able to mediate the relationship between size and firm value.

### **7. Effect of Leverage on Firm Value through Company Financial Performance**

The results of this study used path analysis and the Sobel test. Earned value  $t_{count} > t_{table}$  is  $-3,154 > 1,972$  with a significance value of t table of 0,05, it can be concluded that there is a mediating effect, the company's financial performance variable is able to mediate the relationship between leverage and firm value. The use of debt, which leads to increased income by reducing taxes, is less expensive in terms of interest on debt. The company's financial results are expected

---

to improve as a result of the prudent use of debt to improve operational activities. When a company's profitability is good, it sends a positive signal to investors, causing the share price to rise. The company's financial results can take advantage of the company's value by evaluating profitability as important information that influences the actions of investors. Sagala et al. (2019) and Ariyani & Wirakusuma (2018). The results of this study are in line with research conducted by (Dewi, Abundanti, 2019) company financial performance is able to mediate the relationship between leverage and firm value.

## **5. CONCLUSION**

The main finding of this study is that the company's financial performance is able to mediate the relationship between size and leverage with firm value. Data analysis shows varying results. The effect of size on firm value shows insignificant results. The effect of leverage on firm value shows insignificant results. The effect of size on the company's financial performance shows significant results. The effect of leverage on the company's financial performance shows significant results. The influence of the company's financial performance on firm value shows significant results. The company's financial performance mediates the relationship between size and leverage with firm value

The research results are not free from several weaknesses. First, the sample is only limited to non-cyclical consumer sector companies. Second, this variable is only limited to size and leverage, so it does not yet reflect the performance aspects that affect firm value. Based on these limitations, further researchers are advised to. First, expanding the object of research, such as the manufacturing sector, mining and others so that the object under study becomes more varied. Second, future research can use other measurement tools to assess research variables. Third, further research can add or use other variables.

---

**REFERENCES**

- [1] Pradanimas, A., & Sucipto, A. (2022). "Pengaruh Ukuran Perusahaan, Profitabilitas dan Leverage Terhadap Harga Saham Dengan Nilai Perusahaan Sebagai Variabel Intervening". *Briliant: Jurnal Riset dan Konseptual*, 7(1), 93-104. <http://repository.uin-malang.ac.id/10241/>
- [2] Dewi, I. P., & Maulana, H. (2022). "The Mediation Role of Sustainability Reporting Disclosure on Financial Performance and Firm Value". *The International Journal of Business Management and Technology*, Volume 6 Issue 4 July-August 2022. <https://www/theijbmt.com/archive/0946/1951241738>
- [3] Anggriani, A., & Amin, M. N. (2022). "Pengaruh Good Corporate Governance, Kinerja Keuangan dan Ukuran Perusahaan Terhadap Nilai Perusahaan". *Jurnal Ekonomi Trisakti*, Vol. 2 No. 2 Oktober 2022 : hal : 883-892. <http://dx.doi.org/10.25105/jet.v2i2.14739>
- [4] Dewi, N. W. A. M., & Candradewi, M. R. (2018). "Pengaruh Employee Stock Ownership Plan, Leverage, dan Ukuran Perusahaan Terhadap Kinerja Keuangan Perusahaan". *E-Jurnal Manajemen Unud*, Vol. 7, No. 9, 2018: 4774-4802. <https://doi.org/10.24843/EJMUNUD.2018.v7.i09.p6>
- [5] Hermuningsih, S. (2012). "Pengaruh Profitabilitas, Size Terhadap Nilai Perusahaan dengan Struktur Modal Sebagai Variabel Intervening". *Jurnal Siasat Bisnis*. Vol 16 N0 2, Juli 2012 Hal: 232 – 242. <https://journal.uui.ac.id/JSB/article/view/3304>
- [6] Prasetyorini, B. F. (2013). "Pengaruh Ukuran Perusahaan, Leverage, Price Earning Ratio dan Profitabilitas Terhadap Nilai Perusahaan". *Jurnal Ilmu Manajemen*. Volume 1 Nomor 1 . <https://ejournal.unesa.ac.id/index.php/jim/article/view/1505>
- [7] Apriyani, N. K. O., Endiana, I. D. M., & Pramesti, I. G. A. A. (2022). "Analisis Faktor – Faktor Yang Mempengaruhi Kinerja Saham Pada Perusahaan Consumer Non-Cyclicals Yang Terdaftar Di Bursa Efek Indonesia (BEI) Periode 2018-2020". *Kumpulan Hasil Riset Mahasiswa Akuntansi (KHARISMA)*, 4(1), 117-128. <https://ejournal.unmas.ac.id/index.php/kharisma/article/download/4546/3530>
- [8] Dwicahyani, D., Van Rate, P., & Jan, A. B. H. (2022). "Pengaruh Leverage, Profitabilitas, Ukuran Perusahaan, Kepemilikan Manajerial Dan Kepemilikan Institutional Terhadap Nilai Perusahaan Perusahaan Consumer Non-Cyclicals". *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 10(4), 275-286. <https://doi.org/10.35794/emba.v10i4.43790>
- [9] Irayanti, D., & Tumbel, A. L. (2014). "Analisis Kinerja Keuangan Pengaruhnya Terhadap Nilai Perusahaan Pada Industri Makanan dan Minuman di BEI". *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 2(3). <https://doi.org/10.35794/emba.2.3.2014.5896>
- [10] D Dwiastruti, D. S., & Dillak, V. J. (2019). "Pengaruh Ukuran Perusahaan, Kebijakan Hutang, dan Profitabilitas Terhadap Nilai Perusahaan". *Jurnal ASET (Akuntansi Riset)*, 11(1), 137-146. <https://ejournal.upi.edu/index.php/aset/article/view/16841>
- [11] Utama, D., & Lisa, E. (2018). "Pengaruh leverage dan profitabilitas terhadap nilai perusahaan. *JSMA (Jurnal Sains Manajemen Dan Akuntansi)*, 10(1), 21-39. <http://ojs.stan-im.ac.id/index.php/JSMA/article/view/26>

- 
- [12] Dewantari, N. L. S., Cipta, W., & Susila, G. P. A. J. (2019). "Pengaruh Ukuran Perusahaan dan Leverage Serta Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Food And Beverages di BEI". *Prospek: Jurnal Manajemen Dan Bisnis*, 1(2), 74-83. <https://doi.org/10.23887/pjmb.v1i2.23157>
- [13] Sari, N. M. W., Sukadana, I. W., & Widnyana, I. W. (2021). "Pengaruh Corporate Governance, Ukuran Perusahaan Dan Leverage Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Sektor Makanan Dan Minuman Yang Terdaftar Di Bursa Efek Indonesia". *Emas*, 2(1). <https://e-journal.unmas.ac.id/index.php/emas/article/view/1420>
- [14] Lestari, R. M., & Indarto, I. (2019). "Pengaruh Leverage, Fixed Asset Intensity, dan Firm Size Terhadap Nilai Perusahaan dengan Revaluasi Aset Sebagai Moderasi". *Jurnal Riset Ekonomi dan Bisnis*, 12(1), 1-16. <http://journals.usm.ac.id/index.php/jreb/article/view/1524>
- [15] Deffi, L. S. R., Cahyono, D., & Aspirand, R. M. (2020). "Pengaruh Enterprise Risk Management Disclosure, Intellectual Capital Disclosure dan Debt to Asset Ratio Terhadap Nilai Perusahaan". *BUDGETING: Journal of Business, Management and Accounting*, 1(2), 147-162. <https://doi.org/10.31539/budgeting.v1i2.806>
- [16] Sari, D. K., & Wahidahwati, W. (2021). "Pengaruh Pengungkapan Sustainability Report, Ukuran Perusahaan, Profitabilitas, dan Leverage Terhadap Nilai Perusahaan". *Jurnal Ilmu Dan Riset Akuntansi (JIRA)*, 10(4). <http://jurnalmahasiswa.stiesia.ac.id/index.php/jira/article/view/3870>
- [17] Patricia, P., Bangun, P., & Tarigan, M. U. (2018). "Pengaruh Profitabilitas, Likuiditas, dan Ukuran Perusahaan Terhadap Nilai Perusahaan Dengan Kinerja Keuangan Sebagai Variabel Intervening (Studi Empiris Pada Perusahaan Manufaktur Yang Terdaftar Di Bursa Efek Indonesia)". *Manajemen Bisnis Kompetensi*. <http://ejournal.ukrida.ac.id/ojs/index.php/MB/article/view/1614>
- [18] DP, R. T., & Monika, M. (2014). "Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur yang Terdaftar di Bursa Efek Indonesia". *Jurnal Manajemen dan Bisnis Sriwijaya*, 12(1), 1-16. <https://doi.org/10.29259/jmbs.v12i1.3136>