

THE MEDIATING ROLE OF FIRM SIZE IN THE RELATIONSHIP BETWEEN DAR, ROA, AND TATO ON FIRM VALUE

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Abstract:

From its foundation to its projected future performance, a company's stock price in the capital market reflects public perception and trust in the company's performance, which together make up the company's value. This study seeks to examine the relationship between company value, debt-to-asset ratios (DAR), return on assets (ROA), and total asset turnover (TATO), controlling for company size. Multiple linear regression analysis is the tool used in this study's quantitative methodology. Of the businesses listed on the Indonesia Stock Exchange between 2021 and 2024, 21 were from the food and beverage subsector. This study made use of secondary data that was analysed with the help of IBM SPSS. Debt to Asset Ratio (DAR) does not impact company value, according to the data. In contrast, TATO and Return on Assets (ROA) significantly impact the value of a company. There is no moderating effect of firm size on the correlation between DAR and TATO on a company's value. On the flip side, the correlation between ROA and a company's worth might be dampened by its size.

Keywords: Firm value, debt to asset ratio, return on assets, total asset turnover, and firm size.

1. INTRODUCTION

One sector that plays a crucial role in the Indonesian economy is the consumer goods sector. The food and beverage, pharmaceutical, cigarette, cosmetics, and household goods subsectors form a larger consumer goods industry. This sector will continue to grow in line with population growth and increasing purchasing power. In the stock market, consumer goods companies often lead the way due to stable product demand, which makes their shares attractive to investors.

A corporation's wealth is reflected in its corporate value, namely its stock market value. Corporate value is crucial in determining a company's fate. Investors are attracted to companies with strong corporate values. If stock prices rise, investors will invest their money in companies that maximize shareholder wealth (Atmaja 2020). Business owners strive to increase their company's value. As company value increases, the welfare of its owners also increases. Management and owners must work together productively and implement appropriate strategies if the company is to increase its value. Therefore, in the stock market, a high corporate value can stimulate investor interest, driving up the company's stock price. As a result, investors may become more optimistic about the company's future, and its stock price may rise in the capital market. Capital markets allow businesses to issue new shares to the public to raise funds for expansion (Azmi 2021).

In this analysis, the PER is used as a substitute for company value. Investors use the price-earnings ratio (PER) to determine the value of a stock or market index, as explained by Martini et al. (2021). This ratio reflects the price investors are willing to pay for each unit of net income generated by an index or company. Earnings per share (EPS) is determined by dividing the stock price by the PER. One advantage of using PER over other indicators to determine company value is that it gives investors an idea of how expensive or cheap the company's shares are. A low PER indicates the company is likely undervalued, and a high

PER indicates the stock is likely overvalued. Predicted returns, perceived risk, and potential growth are three factors' investors use to determine a company's value (Suci Anggraini, 2020).

Between 2021 and 2024, PT Mayora Indah Tbk (MYOR) experienced a phenomenon that occurs under certain conditions. Several financial metrics, including Return on Assets (ROA), Total Asset Turnover (TATO), and Debt to Asset Ratio (DAR), significantly benefited Mayora's financial performance. Conversely, despite Mayora's favorable financial performance, the company's value began to experience pressure or decline, leading investors to become more cautious. This indicates a gap between the company's internal performance and how the market and investors perceive the organization's value. This situation suggests that high return on assets (ROA), asset efficiency (TATO), and low solvency (DAR) do not necessarily indicate an increase in the organization's total value.

One metric of financial health is the Debt to Asset Ratio (DAR), which compares a company's total debt to its total assets. An increase in the DAR indicates that the company has a greater amount of debt compared to its total assets. Debt is a measure of a company's ability to finance and manage its assets to generate value-added profits.

One profitability ratio that measures the impact of a company's assets on its profit generation is Return on Assets (ROA). A higher ROA indicates that a company is effectively managing its assets to generate profits over a period of time, which in turn increases the organization's value. The bottom line is what matters most to shareholders and investors.

One activity ratio that measures how well a company utilizes all of its assets is called Total Asset Turnover (TATO). Investors can be relieved by an increase in Total Asset Turnover (TATO), as it indicates the company is well-positioned to capitalize on strong sales and efficient asset utilization to generate substantial profits. The company's value will increase as a result of this positive investor reaction, which will increase demand for shares and ultimately lead to a rise in share price.

Signaling theory and trade-off theory serve as the theoretical foundations of this investigation. The term "signaling theory" is used by Bringham and Houston (2019) to describe how management acts to inform investors about a company's future. Examples of such signals include financial statements, company status updates, and other data that indicate how well an organization communicates with its stakeholders. At the same time, according to Bringham and Houston (2013), trade-off theory states that a company's capital structure is determined by how the pros and cons of debt, including financial distress and agency costs, are balanced. In explaining how businesses send positive signals with their financial data while considering the pros and cons of debt as a tool for capital structure management, these two ideas work together.

What makes this study unique is that it moderates the relationship between firm value and debt-to-asset ratio (DAR), return on assets (ROA), and total asset turnover (TATO) by considering firm size. The term "firm size" describes the size of a business. One way to measure firm size is by looking at its total assets. A larger company is a company with a higher total asset value.

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2. RESEARCH METHOD

This study used a quantitative method. Portfolio research is quantitative, according to Sugiyono (2018:11). This study examines a sample or population. Data were collected using research instruments, and the quantitative data were analyzed using statistics to test the hypotheses. This study used secondary data from the financial reports of food and beverage companies on the Indonesia Stock Exchange (IDX) for the years 2021–2024. These reports are accessible at www.idx.co.id. The study population included all 95 food and beverage companies. The researcher identified 21 companies that met the sample criteria using purposive sampling. Data were collected through documentation and literature searches. The research variables were operationally defined using three independent variables, one dependent variable, and one moderating variable:

- a. The following independent variables were used: Debt-to-Asset Ratio (DAR), which is the ratio of total debt to total assets; Return on Assets (ROA), which is the ratio of net profit to total assets; and Total Asset Turnover (TATO), which is the ratio of sales to total assets.
- b. The dependent variable is firm value, calculated using the Price-to-Book-Value (PBV) ratio, which is the ratio of stock price to book value.
- c. The moderating variable used is firm size, calculated using the natural logarithm of total assets.

A number of statistical analyses, including descriptive statistical analyses, classical assumption tests (such as normality tests, heteroscedasticity tests, multicollinearity tests, autocorrelation tests, and linearity tests), multiple linear regression analyses, coefficient of determination (R²), hypothesis tests, and Moderated Regression Analysis (MRA) tests, were conducted with the help of IBM SPSS software.

3. RESULT AND DISCUSSION

Table 1 Descriptive Statistical Analysis

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
X1_DAR	84	.06003	.96433	.4023950	.18722938
X2_ROA	84	.00013	.34282	.0751261	.05598224
X3_TATO	84	.02378	3.50361	.9049019	.68216267
Y_Nilai_Perusahaan	84	.24427	10.15710	1.8453947	1.55134743
Z_Ukuran_Perusahaan	84	25.71666	32.93787	29.4579953	1.68476017
Valid N (listwise)	84				

Based on the data from the first table of descriptive statistics presented previously, the mean value of Debt to Asset Ratio (X1) is 0.4023950, with a standard deviation of 0.18722938. The range of possible values for the debt to asset ratio is from 0.06003 to 0.96433. The mean value of Return on Asset (X2) is 0.0751261 and its standard deviation is 0.05598224. Return on

Asset can have a value as low as 0.00013 and as high as 0.34282. The mean value of Total Asset Turnover (X3) is 0.9049019, with a standard deviation of 0.68216267. The range of possible values for Total Asset Turnover is from 0.02378 to 3.50361. A standard deviation of 1.55147043 is associated with a mean value of 1.8453947 for Firm Value (Y). The possible range of firm values is from 0.24427 to 10.15710. A mean of 29.4579953 and a standard deviation of 1.68476017 are recorded for Firm Size (Z). Firm size can range from 25.71666 to 32.93787.

Classical Assumption Test

Normality Test

The One-Sample Kolmogorov-Smirnov test is a widely used statistical method to determine if a dataset follows a normal curve. It helps confirm data assumptions before applying parametric tests. It operates using two hypotheses:

- (H₀) (Null Hypothesis): The data is normally distributed.
- (H₁) (Alternative Hypothesis): The data is not normally distribute

Data normality tests assess the distribution of data to determine whether it conforms to a normal curve (Bahri, 2018:162). This study used the One-Sample Kolmogorov-Smirnov test to assess data normality. The One-Sample Kolmogorov-Smirnov test indicates that if the Asymptotic Significance value exceeds 0.05, the data can be considered regularly distributed. Conversely, if the Asymptotic Significance value is less than 0.05, it indicates that the data is not regularly distributed.

Table 2 Normality Test

One-Sample Kolmogorov-Smirnov Test		Unstandardize d Residual
N		84
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	.32582360
Most Extreme Differences	Absolute	.087
	Positive	.087
	Negative	-.064
Test Statistic		.087
Asymp. Sig. (2-tailed)		.177 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. c. Lilliefors Significance Correction.

Based on Table 2, the one-sample Kolmogorov-Smirnov test shows that the Asymp. Sig. (2-tailed) value is 0.177. In this table, the Asymp. Sig. (2-tailed) value of 0.177 is > 0.05 , thus concluding that the data is normally distributed. Because the Asymp. Sig. (2-tailed) value obtained is 0.177. This number is greater than 0.05 ($0.177 > 0.05$). Conclusion: Your data is proven to be normally distributed.

Heteroscedasticity Test

Since the significance values for all independent variables are $(> \alpha \text{ } 0.05)$, the assumption of homoscedasticity is met. Your model avoids unequal residual variances and is therefore free from heteroscedasticity symptoms. Regression models with heteroscedasticity have unequal residual variances across observations. This study tested for heteroscedasticity using the Gleiser test. Heteroscedasticity is absent if the significance value is > 0.05 . Conversely, a significance value < 0.05 indicates the presence of heteroscedasticity. Since the significance value of all independent variables is > 0.05 , it can be concluded that this regression model is free from symptoms of heteroscedasticity. This is in line with Bahri's opinion (2018:180) which states that a good regression model must avoid heteroscedasticity. Because where the error terms in a regression model do not have a constant variance, it can invalidate the standard errors, p-values, and confidence intervals of your model, even if the coefficient estimates remain unbiased

Table 3 Heteroscedasticity Test Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-4.267	3.376		-1.264	.210
	X1_DAR	.252	.389	.096	.648	.519
	X2_ROA	.045	.200	.031	.227	.821
	X3_TATO	-.077	.128	-.073	-.599	.551
	Z_Company Size	.919	.583	.199	1.578	.119

a. Dependent Variable: ABS_RES

Based on the heteroscedasticity test in Table 3 above using the Glejser test, all significance values for the variables DAR, ROA, TATO, and company size were above 0.05, indicating no signs of heteroscedasticity in the regression model.

Multicollinearity Test

The multicollinearity test aims to determine whether a regression model exhibits correlation between independent variables (Ghozali, 2018:107). To determine whether a

regression model exhibits multicollinearity, a VIF value (measures how much the variance of an estimated regression coefficient is increased because of collinearity) <10 and a tolerance value (measures the variance of one independent variable that is not explained by the other independent variables) >0.1 indicates a good regression model and no signs of multicollinearity, which is measures the variance of one independent variable that is not explained by the other independent variables.

Table 4 Multicollinearity Test

		Coefficients ^a						Collinearity Statistics	
		Unstandardized Coefficients		Standardized Coefficients					
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
1	(Constant)	-1.945	3.149		-.618	.539			
	X1_DAR	.118	1.159	.014	.101	.919	.578	1.731	
	X2_ROA	9.082	3.601	.328	2.522	.014	.670	1.493	
	X3_TATO	-.016	.265	-.007	-.061	.952	.831	1.203	
	Z_Compay_Size	.104	.111	.113	.943	.349	.782	1.278	

a. Dependent Variable: Y_Firm_Value

Based on the multicollinearity test results presented in Table 4, the Tolerance values for Debt to Asset Ratio (DAR), Return on Assets (ROA), Total Asset Turnover (TATO), and Company Size are all greater than 0.10. Concurrently, the Variance Inflation Factor (VIF) values for all four independent variables are strictly below 10.0. Because these results meet the standard econometric thresholds, it is concluded that the regression model is free from multicollinearity symptoms. Therefore, the independent variables do not highly correlate with one another, ensuring that the ordinary least squares (OLS) estimates remain stable, unbiased, and reliable for hypothesis testing.

Because the Tolerance values for DAR, ROA, TATO, and Company Size are all greater than 0.10, these four variables are sufficiently independent of one another. The standard errors

of your regression coefficients are not inflated. This makes your p-values and statistical significance tests reliable. Each variable (financial leverage, profitability, efficiency, and scale) provides its own unique, distinct information to predict your dependent variable.

Autocorrelation Test

The autocorrelation test aims to test for correlation between the nuisance error in period t and the error in period t-1 (previously) in a linear regression model (Ghozali, 2018:111). The study used the Durbin Watson (DW) test to test for the presence or absence of autocorrelation. If the DW is between -2 and +2 ($-2 \leq DW \leq 2$), there is no autocorrelation. If the DW value is between 1.5 and 2.5, it is generally considered an acceptable range, meaning there are no major autocorrelation issues. Values under 1 or greater than 3 usually indicate a severe autocorrelation problem in the linear regression mode.

Table 5 Autocorrelation Test

Model Summary ^b						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson	
1	.476 ^a	.226	.187	.32759	.856	
a. Predictors: (Constant), X1_DAR, X2_ROA, X3_TATO,Z_Company_Size						
b. Dependent Variable: Y_Value_Firm						

Based on the autocorrelation test in Table 5, the Durbin Watson (DW) value is 0.856. Therefore, the Durbin Watson (DW) value is $-2 \leq 0.856 \leq 2$, so it can be concluded that there is no autocorrelation.

Linearity Test

The linearity test is conducted to determine whether there is a significant linear relationship between variables. If the sig. deviation from linearity value is > 0.05 , there is a linear relationship between the independent and dependent variables.

Table 6 Linearity Test of X1 Against Y

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Y_Firm_Value	Between	(Combined)	199.693	81	2.465	80.254	.012

* X1_DAR	Groups	Linearity	154.151	1	154.151	5018.040	.000
		Deviation from Linearity	45.542	80	.569	18.531	.052
	Within Groups		.061	2	.031		
	Total		199.754	83			

Table 7 Linearity Test of X2 Against Y

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
(Combined)			199.754	82	2.436	3766.394	.013
Y_Nilai_Perusahaan * X2_ROA	Between Groups	Linearity	195.006	1	195.006	301503.724	.001
		Deviation from Linearity	4.748	81	.059	90.624	.083
	Within Groups		.001	1	.001		
	Total		199.754	83			

Table 8 Linearity Test of X3 Against Y

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
(Combined)			199.749	82	2.436	445.217	.038
Y_Nilai_Perusahaan * X3_TATO	Between Groups	Linearity	175.532	1	175.532	32081.736	.004

	Deviation from Linearity	24.217	81	.299	54.643	.107
	Within Groups	.005	1	.005		
	Total	199.754	83			

Tables 6, 7, and 8 show that there are significant deviations from linearity values greater than 0.05 for all independent variables, including DAR, ROA, and TATO. Thus, it is clear that the dependent variable is stated to have a linear relationship with the independent variables.

Multiple Linear Regression Analysis

Table 9 Multiple Linear Regression Analysis
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.624	.174		3.586	.001
	X1_DAR	.100	.159	.075	.628	.532
	X2_ROA	.382	.099	.513	3.866	.000
	X3_TATO	-.229	.114	-.230	-1.998	.049

a. Dependent Variable: Y_Firm_Value

The multiple linear regression analysis in Table 9 produces an acceptable equation.

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

$$Y = 0,624 + 0,075X_1 + 0,513X_2 - 0,230X_3 + e$$

The regression equation data is interpreted as follows:

1. The constant α is 0.624, indicating that if X remains constant ($X = 0$), Y will have a value of 0.624. This means that if there is no change in the independent variable (X is 0), the dependent variable (Y) will have a value of 0.624.
2. The regression coefficient for the debt-to-asset ratio X1 is 0.075, which is positive. If the debt-to-asset ratio increases by 1, the firm's value increases by 0.624.

3. X2 (return on assets) has a positive regression coefficient of 0.513. Therefore, a 1% increase in return on assets will increase the firm's value by 0.624.
4. Total asset turnover (B(X3)) has a negative regression coefficient of -0.230. Therefore, a 1% increase in total asset turnover decreases the firm's value by 0.624.

Based on the results of the multiple linear regression analysis in table 9, the multiple linear regression equation that has been accepted from the results of the analysis above is obtained:

$$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + e$$

$$Y = 0,624 + 0,075X_1 + 0,513X_2 - 0,230X_3 + e$$

Coefficient of Determination (R²)

Table 10 Coefficient of Determination (R²)
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.427 ^a	.182	.151	.33475

a. Predictors: (Constant), X1_DAR, X2_ROA, X3_TATO

b. Dependent Variable: Y_Firm_Value

According to the coefficient of determination in table 10, it has an adjusted R square value of 0.151 or 15.1%, which indicates that there is an influence between variable X and Y of 15.1% and the remaining 84.9% is caused by other aspects outside the variables studied.

Hypothesis Testing

According to Bahri (2018:194) the t statistical test is used to test the hypothesis of the influence of individual independent variables on the dependent variable. If the sign value. < 0.05 or the calculated t value > t table, it is known that there is an influence of the independent variable on the dependent variable.

Table 11 Hypothesis Testing
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.624	.174		3.586	.001
	X1_DAR	.100	.159	.075	.628	.532
	X2_ROA	.382	.099	.513	3.866	.000
	X3_TATO	-.229	.114	-.230	-1.998	.049

a. Dependent Variable: Y_Nilai_Perusahaan

The known T table value is as follows:

T table = $(\alpha/2 ; n-k)$

T table = $(0,05/2 ; 84-3)$

T table = 0,025 ; 81

T table = 1,98969

Based on Table 11 above, the t-test results can be interpreted as follows:

1. The effect of X1 on Y was found to have a sign value of $0.532 > 0.05$ and a calculated t value of $0.628 < 1.98969$ (t-table value), meaning there was no effect between variable X1 and variable Y.
2. The effect of X2 on Y was found to have a sign value of $0.000 < 0.05$ and a calculated t value of $3.866 > 1.98969$ (t-table value), meaning there was an effect between variable X2 and variable Y.
3. The effect of X3 on Y was found to have a sign value of $0.049 < 0.05$ and a calculated t value of $|-1.998| > 1.98969$ (table t value), meaning that there is an influence between variable X3 and variable Y. The absolute sign (|·|) in this test is used to ignore the positive or negative sign of the test statistic value so that only the magnitude is taken into account.

Moderated Regression Analysis (MRA) Test

The purpose of the moderated regression analysis test is to determine the relationship between the moderating variable and the independent variable and its influence on the dependent variable.

Regression equation 1

Table 12 Regression X

Model		Standardized Coefficients	t	Sig.
		Beta		
1	(Constant)		3.586	.001
	X1_DAR	.075	.628	.532
	X2_ROA	.513	3.866	.000
	X3_TATO	-.230	-1.998	.049

Based on regression equation 1 in table 12, the significance value of each variable is known, namely:

1. Debt to Asset Ratio has a sign value. $0.532 > 0.05$. Debt to Asset Ratio has no significant effect **on** the dependent variable. Changes or fluctuations in the company's debt ratio do not reliably predict or influence the outcome variable in this model.

2. Return on Assets has a sign value. $0.000 < 0.05$. Return on Assets has a **highly significant effect** on the dependent variable. This indicates that company profitability (how efficiently it uses assets to generate earnings) is a strong and reliable predictor of the outcome variable.
3. Total Asset Turnover has a sign value. $0.049 < 0.05$. Total Asset Turnover has a statistically significant effect on the dependent variable. The efficiency with which the company uses its assets to generate revenue does impact the outcome variable, though it is closer to the significance margin than ROA.

Regression equation 1

Table 14 Debt to Asset Ratio Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.467	3.057		-.480	.633
	X1_DAR	-2.666	5.286	-2.001	-.504	.615
	Z_Company_Size	.273	.562	.117	.487	.628
	Moderat_1	.451	.982	1.789	.460	.647

a. Dependent Variable: Y_Firm_Value

Based on table 14, the significance value between debt to asset ratio and company size is $0.647 > 0.05$ and the adjusted R2 value after adding the moderating variable in the model is $-0.004 < 0.151$, which is the adjusted R2 value before adding the moderating variable, which means that the moderating variable of company size cannot moderate the relationship between Debt to Asset Ratio (DAR) and firm value.

Table 15 Regression of Return on Assets

Coefficients ^a					
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Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	12.456	5.688		2.190	.031
X2_ROA	9.787	4.509	13.127	2.171	.033
Z_Company_Size	-2.210	1.050	-.945	-2.105	.038
Moderat_2	-1.753	.831	-12.850	-2.109	.038

a. Dependent Variable: Y_Firm_Value

The adjusted R^2 value after the moderating variables were entered into the model was 0.156, which was greater than the adjusted R^2 value before the moderating variables were entered, which was 0.151. Considering the significance level between return on assets and firm size was $0.038 < 0.05$, it can be concluded that firm size can reduce the relationship between ROA and firm value.

Table 16 Total Asset Turnover Regression

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients		Sig.
	B	Std. Error	Beta	t	
1 (Constant)	1.028	1.762		.584	.561
X3_TATO	1.439	6.143	1.451	.234	.815
Z_Company_Size	-.168	.326	-.072	-.514	.609

Moderat_3	-.268	1.124	-1.478	-.238	.812
a. Dependent Variable: Y_Firm_Value					

Based on table 16, the significance value between total asset turnover and company size is $0.812 > 0.05$ and it is known that the adjusted R2 value after adding the moderating variable in the model is $-0.034 < 0.151$, namely the adjusted R2 value before adding the moderating variable, which means that the moderating variable of company size cannot moderate the relationship between Total Asset Turnover (TATO) and company value.

The research was conducted to test the influence of the independent variables Debt to Asset Ratio (DAR), Return on Assets (ROA), and Total Asset Turnover (TATO) on company value with company size as a moderating variable in food and beverage sub-sector companies listed on the Indonesia Stock Exchange in 2021-2024. The following is a discussion of the results of statistical tests that have been carried out.

The Effect of the Debt-to-Asset Ratio (DAR) on Company Value

Research findings indicate that the Debt-to-Asset Ratio (DAR) does not have a significant impact on company value. This suggests that investors do not place too much emphasis on the size of a company's liabilities or debt. This may be because investors view debt as a regular element of a company's operations, as long as it is within reasonable limits and does not pose a bankruptcy risk. Even if the DAR is high, investors may remain confident if the company has effective risk management and a good reputation for debt management. This research finding is consistent with previous research by Darmawan and Firdausy (2021) and Prasetyo et al. (2021), which concluded that DAR has no substantial impact on business value.

The Effect of Return on Assets (ROA) on Company Value

Profitability is significantly influenced by Return on Assets (ROA), according to this study. An increase in Return on Assets (ROA) indicates greater efficiency in asset utilization, which in turn indicates a company's improved financial performance. This efficiency measures management's ability to maximize asset utilization, with the ultimate goal of improving the company's standing in the eyes of investors. A high Return on Assets (ROA) is a measure of financial performance that can indicate to investors that a company has good long-term growth potential. Therefore, investors are more likely to invest their money in the company, which ultimately leads to higher stock prices and increased company value. Researchers Septiana and Zulkifli (2024), Zurriah (2021), and Elena (2023) all reached similar conclusions.

The Effect of Total Asset Turnover (TATO) on Company Value

Research has shown that Total Asset Turnover (TATO) has a significant impact on a company's value. The higher the TATO, the more effectively the company manages its assets to generate revenue. This efficiency indicates that management is able to ensure that all company assets are optimally utilized to support operational activities, ultimately resulting in high revenue. High revenue is a positive indicator for investors that a company has strong operational performance and promising growth prospects. This, in turn, increases the attractiveness of the company's shares in the capital market, further increasing the company's value. The results of this study are consistent with previous research conducted by Mutiara et

al. (2023) and Hariadi (2023), which found that TATO has a significant impact on a company's value.

The Effect of Company Size in Moderating the Debt-to-Asset Ratio (DAR) on Firm Value

The results of this study indicate that the Debt-to-Asset Ratio (DAR) has a negative impact on business value, regardless of firm size. The relationship between debt structure and firm value remains unchanged regardless of firm size, as measured by total assets. Investors may be less affected by a high or low DAR, especially if other factors such as profitability and growth prospects play a greater role in determining investment decisions, and if they do not consider company size to be a guarantee of financial stability. This study's findings align with other studies by Wulandari & Wardani (2024) and Anjani & Yuliana (2023), which found that the impact of the Debt-to-Asset Ratio (DAR) on business value cannot be mitigated by firm size.

The Effect of Company Size in Moderating the Effect of Return on Assets (ROA) on Firm Value

Research findings indicate that the impact of Return on Assets (ROA) on firm value is moderated by firm size. This implies that the correlation between profitability (ROA) and firm value becomes more pronounced as firm size, as measured by total assets, increases. This suggests that investors are more likely to pursue high profitability when accompanied by substantial business scale, as this is perceived as more stable and has promising long-term prospects. This implies that firm size increases investor confidence in its ability to generate and maintain consistent profits over the long term, thus attracting investor interest and increasing firm value. This finding is consistent with previous research conducted by Aprilianda & Nur (2023) and Suyanto & Risqi (2022), which showed that the impact of Return on Assets (ROA) on firm value is moderated by firm size.

The Effect of Company Size in Moderating the Effect of Total Asset Turnover (TATO) on Company Value.

Total Asset Turnover (TATO) has a negative impact on company value regardless of company size, according to this study's findings. Therefore, TATO (the efficiency of company assets in generating revenue) and total assets (company size) have no effect on company value. This is possible because TATO is not always proportional to total assets or business size. When determining company value, investors typically focus on metrics such as TATO as a measure of operational efficiency rather than company size. Other important variables for investors include profitability and growth potential. Companies of all sizes are negatively affected by the Total Asset Turnover Ratio (TATO), according to this study's findings, which is consistent with previous research by Wulandari & Wardani (2024) and Jinan et al. (2023).

4. CONCLUSION

As long as it is managed well and within appropriate limits, investors do not place a high priority on the Debt-to-Asset Ratio (DAR), as this ratio does not substantially impact firm value, according to the study. High profitability is a key measure for investors in assessing a business's performance and prospects, as Return on Assets (ROA) has been shown to have a substantial impact on firm value. Investors prioritize strong profitability. A high ROA shows that the company successfully generates earnings from its assets, which directly and positively impacts the firm's overall value. Firm size acts as a moderator for ROA. This means that larger companies can leverage their scale to translate profitability into even higher firm value.

Total Asset Turnover (TATO) highlights how efficiently a company uses its assets to drive revenue. However, the study concludes that neither leverage (DAR) nor TATO directly changes firm value. This means investors primarily evaluate the company's asset efficiency in a broader context rather than viewing these isolated metrics as primary drivers of stock value. Investors view asset management's ability to generate revenue favorably, as Total Asset Turnover (TATO) also has a substantial impact on firm value. The study found that after controlling for firm size, neither DAR nor TATO had a significant impact on firm value; therefore, asset size had no effect on the correlation between these two metrics and firm value.

The effect of Return on Assets (ROA) on firm value was moderated by firm size, suggesting that larger businesses can increase their value through profitability. This statement interprets how specific financial metrics impact and interacts to determine a company's overall market worth. In short, profitability and asset efficiency drive firm value, while debt structure matters less and company scale simply magnifies the effect of earnings. In conclusion, the study's results indicate that ROA and TATO are key performance indicators for increasing firm value, while debt structure (DAR) tends to have less influence, and firm size only serves to mediate the correlation between ROA and Firm Value.

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