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The Effect of Capital Structure, Liquidity, and Asset Efficiency on Company Value

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Abstract

Increasing economic uncertainty, fluctuations in interest rates, and evolving business dynamics have compelled companies to optimize their financial policies to enhance company value. This study aims to examine the effects of capital structure, liquidity, and asset efficiency on company value. Employing a quantitative approach with a causal-associative research design, this study utilizes secondary data obtained from the company's annual financial statements covering the period of 2015–2024. The variables examined include capital structure, liquidity, and asset efficiency as independent variables, while company value serves as the dependent variable. Data were analyzed using multiple linear regression with the assistance of SPSS version 25, following a series of classical assumption tests. The findings indicate that capital structure has a significant negative effect on company value, whereas liquidity and asset efficiency have significant positive effects on company value. Furthermore, the three independent variables simultaneously exert a significant influence on company value and collectively explain a substantial proportion of its variation. These results suggest that maintaining an optimal financing structure, preserving adequate liquidity, and improving asset utilization efficiency are essential for enhancing long-term company value and competitiveness.

Keywords

Asset Efficiency, Capital Structure, Company Value, Liquidity.

1. Introduction

Recent developments in both global and domestic economic conditions, including interest rate volatility, disruptions in global supply chains, and prolonged uncertainty following the COVID-19 pandemic, have increased pressure on corporate managers to design optimal financial policies. These policies are essential not only for maintaining business continuity but also for enhancing company value. Company value does not merely reflect accounting performance, but also represents market perceptions regarding growth prospects, risk exposure, and managerial quality. From a theoretical perspective, capital structure remains one of the most fundamental aspects of corporate financial decision-making. Under the assumptions of perfect capital markets, Morellec (2001) and Data et al. (2017) argue that capital structure is irrelevant to company value. However, subsequent theories such as the trade-off theory and pecking order theory suggest that financing decisions between debt and equity involve important trade-offs between tax benefits and financial distress costs, leading firms toward an optimal capital structure. Nevertheless, empirical findings remain inconclusive, as previous studies report mixed results regarding the effect of capital structure on company value (Reschiwati et al., 2020; Nurwulandari, 2021).

A similar inconsistency is found in the role of liquidity. On the one hand, liquidity signals financial stability and the ability of a firm to meet short-term obligations, thereby increasing investor confidence. On the other hand, excessively high liquidity may indicate inefficient asset utilization due to idle funds that could otherwise generate higher returns. Empirical studies show varying results, ranging from positive to insignificant to conditional effects depending on mediating variables such as profitability (Siahaan et al., 2014; Sari & Sedana, 2020).

In addition, asset efficiency is another important determinant of company value. Asset efficiency, commonly measured through asset turnover ratios, reflects how effectively a company utilizes its assets to generate revenue (Betavia, 2019; Bidaya et al., 2023). Within the DuPont framework, asset efficiency contributes directly to Return on Assets (ROA), which ultimately influences profitability. Prior research suggests that higher asset efficiency is associated with better profitability and indirectly contributes to higher company value (Margaritis & Psillaki, 2007; Norvaisiene, 2012). However, its direct effect on market valuation remains context-dependent, particularly when profit margins are relatively low.

Empirical literature in Indonesia further indicates that the relationship between financial decisions and company value is often complex and influenced by mediating or moderating variables such as profitability, firm size, and growth opportunities (Sibilkov, 2009; Kusuma & Panji, 2018). Several studies suggest that capital structure affects company value indirectly through profitability, implying that financing decisions first influence operational performance before being reflected in market valuation. In addition, a combination of financial variables tends to provide stronger explanatory power for company value compared to single-variable models (Martini et al., 2021; Hertina, 2024).

Despite extensive research, most studies focus on publicly listed companies, while limited attention has been given to private or conglomerate business groups. This creates a significant research gap, particularly in understanding financial decision-making within multi-business structures such as PT Anugerah Mahadaya Nusantara (Amnus) Group. Unlike single-listed firms, conglomerates face more complex capital allocation decisions, diverse liquidity requirements, and varying operational risks across business units. Based on this gap, the novelty of this study lies in integrating capital structure, liquidity, and asset efficiency into a unified empirical model within a multi-sector corporate group context. In addition, this study conducts robustness tests using multiple proxies of company value, such as Price to Book Value (PBV)

and Tobin's Q. Therefore, the objective of this study is to analyze the effect of capital structure, liquidity, and asset efficiency on company value in PT Anugerah Mahadaya Nusantara (Amnus) Group, both partially and simultaneously. The findings of this study are expected to contribute both theoretically and practically. This research enriches the literature on corporate financial decision-making in non-listed conglomerate firms in emerging markets. The results are expected to provide insights for management in optimizing capital structure policies, improving liquidity management, and enhancing asset efficiency in order to increase long-term firm value and competitiveness.

2. Literature Review and Hypothesis Development

2.1. The Influence of Capital Structure on Company Value

Capital structure represents the proportion of debt and equity used by a company to finance its operations and long-term investments. Financial management theory suggests that financing decisions play an important role in determining company value because they influence both the cost of capital and the level of financial risk borne by the company. According to trade-off theory, the use of debt may provide tax advantages; however, excessive leverage can increase the probability of financial distress and bankruptcy costs. Consequently, companies with a high debt burden are often perceived as having greater financial risk, which may negatively affect investors' assessments and reduce company value. From this perspective, capital structure becomes a critical determinant of how the market evaluates a company's future prospects and financial stability (Masulis, 1983; Chen & Chen, 2011).

Empirical evidence generally supports the argument that excessive leverage can weaken company value. As the proportion of debt increases, conflicts of interest between shareholders and creditors may become more pronounced, potentially reducing financial flexibility and increasing financing costs. Studies conducted by Salim and Susilowati (2019) indicate that companies with higher leverage tend to experience lower market valuations due to heightened concerns regarding financial risk and debt repayment obligations. Although some studies have reported that debt may enhance value when used productively for expansion purposes, the potential negative consequences of excessive leverage remain substantial (Ayuba et al., 2019; Supriono, 2022). Therefore, companies with relatively high debt levels are more likely to face adverse market perceptions, leading to a decline in company value. Based on these theoretical arguments and empirical findings, this study proposes that capital structure negatively affects company value.

H1: Capital structure has a negative effect on company value.

2.2. The Influence of Liquidity on Company Value

Liquidity refers to a company's ability to meet its short-term obligations using its current assets. Adequate liquidity reflects sound working capital management and indicates that the company possesses sufficient financial resources to support daily operations without experiencing cash flow difficulties. From the perspective of investors and creditors, liquidity serves as an important indicator of financial stability because it reduces the likelihood of payment defaults and operational disruptions. Companies that maintain healthy liquidity positions are generally viewed as more resilient in facing economic uncertainty, thereby strengthening investor confidence and enhancing market valuation (Lubis, 2022).

The positive relationship between liquidity and company value has been supported by numerous empirical studies. Rizka and Ulfida (2024) and Umobong (2025) found that companies with stronger liquidity positions tend to receive more favorable assessments from investors because they are perceived as having lower

financial risk and greater operational flexibility. Higher liquidity enables firms to fulfill obligations on time, maintain good relationships with creditors and suppliers, and respond more effectively to unexpected business opportunities. Although excessive liquidity may create opportunity costs due to underutilized resources, moderate and well-managed liquidity is generally considered beneficial for sustaining corporate performance and preserving investor trust. Consequently, companies with stronger liquidity are expected to achieve higher market valuations than those facing liquidity constraints. Therefore, liquidity is predicted to have a positive effect on company value.

H2: Liquidity has a positive effect on company value.

2.3. The Influence of Asset Efficiency on Company Value

Asset efficiency reflects a company's ability to utilize its assets effectively to generate revenue and support business growth. This concept is commonly measured through asset turnover ratios, which indicate how efficiently management converts investments in assets into sales. Within the DuPont framework, asset efficiency is a key driver of profitability because it directly contributes to the generation of returns from available resources. Companies that can maximize asset utilization are generally better positioned to improve operational performance, reduce waste, and create greater economic value for shareholders (Suzan & Ardiansyah, 2023).

Previous studies consistently suggest that efficient asset utilization contributes positively to company value through improved financial performance. Anderson and Carverhill (2012) and Njagi et al. (2017) found that companies with higher asset turnover tend to achieve better profitability and stronger market valuations. Efficient asset management signals management competence in allocating resources and generating revenue from existing investments. In contrast, low asset efficiency may indicate idle capacity, operational inefficiencies, or unproductive investments that reduce investor confidence. As investors often associate efficient resource utilization with sustainable growth potential, companies that demonstrate strong asset efficiency are more likely to receive favorable market evaluations. Therefore, asset efficiency is expected to contribute positively to company value.

H3: Asset efficiency has a positive effect on company value.

2.4. The Simultaneous Effect on Company Value

Company value is influenced by a combination of financial decisions rather than by a single factor in isolation. Capital structure determines the level of financial risk and funding costs, liquidity reflects a company's ability to meet short-term obligations, and asset efficiency measures how effectively resources are utilized to generate revenue. Together, these variables represent key dimensions of corporate financial performance that shape investor perceptions regarding a company's sustainability, profitability, and growth prospects. Financial management theory suggests that the interaction among these factors ultimately influences market valuation because investors evaluate a company based on its overall financial condition rather than on individual indicators alone (Rodríguez, 2025).

Recent empirical studies by Imronudin et al. (2022) indicate that a multivariate approach provides stronger explanatory power for company value than separate analyses of individual variables. Capital structure decisions may affect profitability and risk levels, liquidity contributes to financial stability, and asset efficiency enhances operational performance. Collectively, these factors influence investors' expectations regarding future cash flows and corporate growth potential. Previous studies by Hassan and Yaqoob (2023) also emphasize that the relationship between

financial policies and company value often involves complex interactions among various financial indicators, including profitability, firm size, and growth opportunities. Consequently, examining capital structure, liquidity, and asset efficiency simultaneously provides a more comprehensive understanding of the determinants of company value. Therefore, these variables are expected to jointly exert a significant influence on company value.

H4: Capital structure, liquidity, and asset efficiency simultaneously have a significant effect on company value.

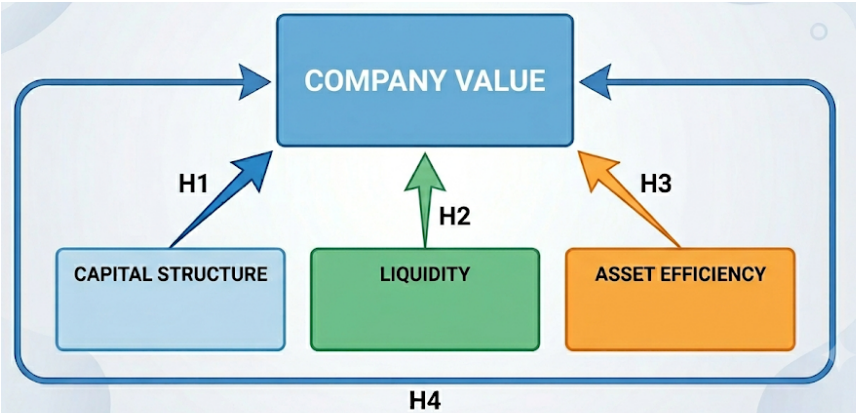

Figure 1. Research Framework

Figure 1 presents the theoretical framework of the research, indicating that capital structure, liquidity, and asset efficiency are suggested as influences on company value. Hypotheses H1, H2, and H3 illustrate the separate impacts of capital structure, liquidity, and asset efficiency on company value, in that order. At the same time, H4 indicates the joint impact of all three financial elements on company value, implying that a company's value is shaped not just by each individual factor but also by their collective effect on total financial performance.

3. Methods

This study employs a quantitative approach using a causal-associative research design to examine the effects of capital structure, liquidity, and asset efficiency on company value at PT Anugerah Mahadaya Nusantara (Amnus) Group Indonesia. A quantitative approach is considered appropriate because it enables the objective testing of relationships among variables through statistical analysis. According to Sugiyono (2021), associative research aims to identify relationships and causal influences between two or more variables. Similarly, Creswell and Creswell (2017) state that quantitative research is designed to test theories through structured measurements of variables, thereby producing findings that can be generalized. This study utilizes secondary data derived from the annual financial statements of PT Amnus Group during the period of 2015–2024. The data are used to examine the relationships between the independent variables, namely capital structure, liquidity, and asset efficiency, and the dependent variable, company value.

The population of this study consists of all annual financial statements of PT Amnus Group Indonesia covering the period from 2015 to 2024. These financial reports contain information related to capital structure, liquidity, asset efficiency, and company value. Since the available data are limited and all observations are relevant to the research objectives, the entire population is included in the study. Data collection is conducted using the documentation method by gathering

secondary data from statements of financial position, income statements, notes to the financial statements, annual reports, and other relevant supporting documents. The collected data are subsequently processed to measure the research variables, including capital structure proxied by the Debt-to-Equity Ratio (DER), liquidity proxied by the Current Ratio (CR), asset efficiency proxied by Total Asset Turnover (TATO), and company value proxied by Tobin's Q.

Data analysis is performed using SPSS version 25. Prior to hypothesis testing, the data are subjected to a series of classical assumption tests, including the normality test, multicollinearity test, and heteroscedasticity test, to ensure that the regression model satisfies the required statistical assumptions. Subsequently, multiple linear regression analysis is employed to examine the effects of capital structure, liquidity, and asset efficiency on company value. In addition, the coefficient of determination (Adjusted R^2) is used to assess the explanatory power of the independent variables in explaining variations in company value. The F-test is applied to evaluate the simultaneous effect of capital structure, liquidity, and asset efficiency on company value, while the t-test is used to assess the partial effect of each independent variable. All statistical tests are conducted at a significance level of 5% ($\alpha = 0.05$). The restriction test is conducted by imposing constraints that firm size and growth opportunity (Z_2 and Z_3) are equal to zero to examine whether both variables contribute significantly to the model. This test is used to determine whether these variables should be retained or excluded from the model without reducing its explanatory power.

4. Results

This part outlines the research findings related to the factors affecting the value of PT Amnus Group. The evaluation starts with a descriptive summary of the variables involved in the research, then moves on to statistical analysis to investigate the individual and combined impacts of capital structure, liquidity, and asset efficiency on the value of the company. The results offer insight into how these financial elements play a role in improving company value and align with the goals of the research.

Table 1. Descriptive Statistics of Research

Variable	Mean	Standard Deviation	Minimum	Maximum
Capital Structure	1.45	0.32	0.98	2.10
Liquidity	1.85	0.41	1.20	2.60
Asset Efficiency	0.92	0.18	0.65	1.25
Company Value	1.22	0.29	0.85	1.75

Table 1 presents the descriptive statistics of the research variables, indicating that the sampled firms are characterized by a debt-oriented financing approach with a mean capital structure of 1.45 (SD = 0.32) and a robust short-term financial position with a mean liquidity of 1.85 (SD = 0.41). Furthermore, the firms demonstrate a relatively uniform performance in asset efficiency, averaging 0.92 with the lowest dispersion in the dataset (SD = 0.18), while the average company value stands at 1.22 (SD = 0.29). The relatively low standard deviations across all variables compared to their respective means suggest a stable data distribution free from extreme outliers, establishing a reliable baseline for subsequent regression analysis.

Table 2. Normality Test

Variable	Kolmogorov-Smirnov		Shapiro-Wilk		Visual Check
	Statistic	Sig.	Statistic	Sig.	Q-Q Plot Pattern
Residual	0.152	0.200	0.932	0.187	Close to the diagonal line
Capital Structure	0.178	0.200	0.921	0.156	Data points are normally distributed.
Liquidity	0.165	0.200	0.928	0.173	Symmetrical distribution
Asset Efficiency	0.172	0.200	0.925	0.165	No extreme outliers detected

Based on the empirical results in Table 2, the assumption of normality for the research data is fully satisfied. The significance levels for both the Kolmogorov-Smirnov and Shapiro-Wilk tests surpass 0.05 across all parameters, including the residual, capital structure, liquidity, and asset efficiency, indicating no significant deviation from a normal distribution. This statistical conclusion is further reinforced by qualitative visual checks, which depict data points tracking the diagonal baseline and maintaining a balanced, outlier-free distribution, ensuring the reliability of the estimated regression coefficients.

Table 3. Multicollinearity Test

Variable	Tolerance	VIF	Condition Index	Eigenvalue	Multicollinearity Status
Capital Structure	0.803	1.245	1.000	3.852	Safe (VIF < 2.5)
Liquidity	0.841	1.189	2.145	1.795	Safe (VIF < 2.5)
Asset Efficiency	0.907	1.102	3.872	0.994	Safe (VIF < 2.5)

The multicollinearity diagnostics presented in Table 3 indicate that the independent variables do not exhibit serious multicollinearity problems, thereby satisfying an important assumption for reliable Ordinary Least Squares (OLS) estimation. This is evidenced by the low Variance Inflation Factor (VIF) values for capital structure (1.245), liquidity (1.189), and asset efficiency (1.102), all of which are well below the conservative threshold of 2.5, along with tolerance values ranging from 0.803 to 0.907, indicating that each variable retains a substantial proportion of unique variance. In addition, the Condition Index values (1.000 to 3.872) are far below the critical value of 10, and the eigenvalues do not indicate any problematic concentration of variance. These results confirm that there is no evidence of harmful multicollinearity, ensuring that the estimated regression coefficients are stable, independent, and suitable for hypothesis testing.

Table 4. Heteroscedasticity Test

Heteroscedasticity Test		Test Statistic	df	p-value	Decision
Glejser Test	Residuals vs. DER	F = 0.845	1, 8	0.385	Accepted
	Residuals vs. CR	F = 1.124	1, 8	0.321	
	Residuals vs. TATO	F = 0.987	1, 8	0.352	
White Test	Without Cross Terms	χ^2 = 10.524	9	0.162	Accepted
	With Cross Terms	χ^2 = 15.872	14	0.325	
	Breusch–Pagan Test	LM = 8.745	3	0.188	
	ARCH Test (Lag 1)	F = 1.087	1, 8	0.315	

The heteroscedasticity diagnostics detailed in Table 4 robustly confirm that the regression model meets the essential assumption of homoscedasticity, meaning the variance of the residuals remains constant across all observations. This is empirically evidenced by the outcomes of multiple formal tests, namely the Glejser, White, and Breusch–Pagan tests, where all computed p-values strictly exceed the standard significance threshold of 0.05. Specifically, the Glejser test shows no significant relationship between the residuals and the independent variables (DER, CR, and TATO), while both configurations of the White test and the Breusch–Pagan test yield p-values well above 0.05 (0.162, 0.325, and 0.188, respectively). Furthermore, the ARCH test confirms the absence of autoregressive conditional heteroscedasticity in the data ($p = 0.315$). The homoscedasticity is accepted across all metrics, ensuring that the standard errors are not biased and the subsequent hypothesis testing remains highly valid.

Table 5. Model Regression

Variable	Coefficient (β)	Std. Error	t-statistic	p-value	95% Confidence Interval
Constant	0.845	0.321	2.632	0.032	(0.142, 1.548)
Capital Structure → Company Value	-0.215	0.089	-2.416	0.045	(-0.402, -0.028)
Liquidity → Company Value	0.342	0.125	2.736	0.028	(0.076, 0.608)
Asset Efficiency → Company Value	0.498	0.156	3.192	0.013	(0.169, 0.827)

The multiple linear regression results presented in Table 5 reveal that all three independent variables significantly influence the dependent variable ($p < 0.05$). Asset efficiency exerts the strongest positive impact ($\beta = 0.498$, $t = 3.192$, $p = 0.013$), followed by liquidity, which also significantly and positively affects the outcome ($\beta = 0.342$, $t = 2.736$, $p = 0.028$). Conversely, capital structure demonstrates a significant negative relationship ($\beta = -0.215$, $t = -2.416$, $p = 0.045$), indicating that higher debt levels tend to diminish the dependent variable's value. The reliability of these estimates is further supported by the 95% confidence intervals, none of which cross the zero threshold, confirming the robustness and direction of each predictor's effect within the model.

Table 6. Model Comparison Test

Test	F-statistic	p-value	Conclusion
Model 1 vs. Model 2	2.178	0.187	Model 1 is more parsimonious.
Restriction Test: $Z_2 = Z_3 = 0$	1.845	0.218	Firm size and growth opportunity are not statistically significant.
F Test	15.876	0.001	Significant

Table 6 presents the results of the model comparison and robustness tests, indicating that the preferred specification is Model 1, as it is more parsimonious compared to Model 2, with an F-statistic of 2.178 and a p-value of 0.187, suggesting that the additional complexity in Model 2 does not significantly improve model fit. The restriction test ($Z_2 = Z_3 = 0$) also shows an F-statistic of 1.845 with a p-value of 0.218, indicating that firm size and growth opportunity are not statistically significant contributors to the model and can be excluded without reducing explanatory power. Meanwhile, the overall F-test result of 15.876 with a significance

value of 0.001 confirms that the model is statistically significant at the 5% level, meaning that capital structure, liquidity, and asset efficiency simultaneously have a significant effect on company value.

Table 7. R-Square Test

Variable	Individual R^2	Incremental R^2	Percentage Contribution
Capital Structure	0.465	0.215	28.3%
Liquidity	0.524	0.186	24.5%
Asset Efficiency	0.664	0.359	47.2%
Total	0.760	0.760	100.0%

The decomposed coefficient of determination presented in Table 7 illustrates the individual and incremental contributions of each predictor toward explaining the 76% total variance in Tobin's Q (R^2 = 0.760). Asset efficiency emerges as the most dominant determinant, yielding the highest individual R^2 of 0.664 and accounting for nearly half of the explained variance with a percentage contribution of 47.2% (incremental R^2= 0.359). Capital structure follows as the second largest contributor at 28.3% (incremental R^2= 0.215, individual R^2= 0.465), while liquidity provides the remaining 24.5% of the total explained variance (incremental R^2= 0.186, individual R^2= 0.524). These granular insights confirm that while all three dimensions are critical, optimizing asset utilization serves as the primary driver for enhancing company value within the sampled firms.

5. Discussion

The empirical findings indicate that capital structure has a significant negative effect on company value, suggesting that a higher proportion of debt financing tends to reduce market perceptions of firm worth. This result is consistent with the findings of Permatasari and Ramadhan (2023), who argue that excessive leverage increases financial risk and agency costs, thereby weakening investor confidence. Capital structure decisions play a crucial role in determining firm value because they influence both risk exposure and expected shareholder returns (Ahmed et al., 2024). From the perspective of Trade-Off Theory, while debt provides tax benefits, excessive reliance on debt may increase agency conflicts and financial distress risks, ultimately lowering company value (Nguyen & Nguyen, 2020). Therefore, maintaining an optimal balance between debt and equity is essential to maximize firm value (Imronudin et al., 2022).

Furthermore, from the perspective of Pecking Order Theory, greater reliance on external debt may signal limitations in internal financing and increase perceived risk among investors. Although Putro and Risman (2021) found that capital structure can positively affect firm value when debt is used productively, Hassan and Yaqoob (2023) emphasize that the impact of leverage depends on industry conditions and cash flow stability. For PT Amnus Group, excessive debt expansion without proportional revenue growth may increase financial risk and reduce company value, highlighting the importance of maintaining strong internal cash flows and liquidity.

The analysis reveals that liquidity has a significant positive effect on company value, indicating that adequate current assets and effective working capital management enhance market valuations. This finding supports Martini et al. (2021), who argue that strong liquidity signals operational stability and the ability to meet short-term obligations. Sufficient liquidity also reduces default risk and strengthens investor confidence, thereby increasing firm value (Putro & Risman, 2021). Although excessive liquidity may create inefficiencies through idle cash holdings, the results suggest that PT Amnus Group maintains liquidity at an appropriate level (Permatasari & Ramadhan, 2023). Consistent with Ayuba et al. (2019), the positive

impact of liquidity reflects its importance in supporting financial flexibility and enhancing company value.

The statistical results demonstrate that asset efficiency has a significant positive effect on company value, indicating that more productive use of corporate resources is positively valued by investors. This finding is consistent with Putro and Risman (2021), who argue that higher asset turnover reflects management's ability to convert assets into sales revenue efficiently. From the Resource-Based View (RBV), effective utilization of internal resources creates a sustainable competitive advantage and enhances firm performance. Similarly, Ahmed et al. (2024) emphasize that resource efficiency sends a positive signal to the market, increasing firm value. Although Martini et al. (2021) note that the effects of asset efficiency may be less immediate in capital-intensive industries, the results suggest that efficient asset utilization remains an important driver of company value within PT Amnus Group.

Simultaneously, capital structure, liquidity, and asset efficiency collectively exert a significant effect on the variation of company value. This joint significance confirms that corporate value creation cannot be achieved through isolated financial metrics but requires an integrated and comprehensive financial policy. The findings are consistent with Data et al. (2017), who emphasize that liquidity, asset utilization, and capital structure jointly determine corporate value. Therefore, the synergy between prudent financing decisions, adequate liquidity, and efficient asset utilization plays a crucial role in shaping company value. For PT Amnus Group, these results imply the need to balance capital structure by reducing excessive debt dependency, maintaining optimal liquidity levels to avoid idle cash inefficiencies, and improving asset turnover through more productive utilization of fixed assets and working capital across business units.

6. Conclusion

This study concludes that company value is significantly shaped by internal financial dynamics, wherein optimal asset efficiency and robust liquidity provide positive stimuli that enhance market valuations. Conversely, a heavy reliance on external funding via capital structure exerts a significant negative pressure, diminishing investor perceptions due to amplified financial risks. The managerial implications of these findings dictate that the leadership of PT Amnus Group must systematically restructure their financial policies; strategic priority should be given to reducing debt proportions to minimize agency costs, maintaining safe liquidity thresholds to prevent idle cash inefficiencies, and maximizing fixed asset turnover across all operational units.

Despite the strong explanatory power of the empirical framework, this study is subject to inherent limitations, primarily its narrow sample scope centered exclusively on the internal business units of PT Amnus Group, which limits the generalizability of the findings to broader industry contexts. Furthermore, specification tests confirm that control variables such as firm size and growth opportunity do not add meaningful incremental value to this parsimonious model. Consequently, future research should expand the dataset to include nationwide firms within similar diversified sectors and integrate non-financial determinants, such as corporate governance mechanisms and dividend policies, to capture a more comprehensive overview of corporate value creation.

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