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The efficiency asset utilization financial performance and capital structure on manufacturing firm value on the Indonesia stock exchange (IDX)

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ABSTRACT

This research was conducted to determine the effect of asset utilization efficiency, financial performance and capital structure on firm value. Specifically to test whether financial performance is able to mediate asset utilization on firm value and test whether capital structure contributes to the relationship between asset utilization - firm value. We conducted research on manufacturing companies listed on the IDX that are listed on the Indonesia Stock Exchange (IDX) in 2019 – 2021. Secondary data obtained from www.idx.co.id. The results of the study show that the efficiency of asset utilization has a significant effect on firm value, financial performance is able to mediate the relationship between asset utilization and firm value. In addition, the relationship between asset utilization and firm value becomes stronger with capital structure. The implication of our research is that good asset utilization efficiency can increase company profits so that it can increase company value, and the company's capital structure can strengthen the effect of asset utilization on company value. The benefit of this research for companies are expected to provide understanding to company management about the role of company growth, asset utilization, capital structure in determining company financial performance and company value.

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INTRODUCTION

This study raises the phenomenon that occurs in the Indonesian capital market. Where investment growth in the manufacturing industry is not accompanied by an increase in firm value in the manufacturing sector. the explanation is that during the 2020 pandemic, the development of the manufacturing industry experienced an investment increase of 30.4% or the equivalent of a total investment of IDR 64 trillion, this investment came from domestic investors (PMDN) of IDR 19.8 trillion and the amount of foreign investment (PMA) of IDR 44.9 trillion (Admin LinovHR, 2021). However, in 2021 the government will succeed in increasing the growth rate of the manufacturing

sector in order to stabilize the wheels of the economy. According to (Ministry of Industry of the Republic of Indonesia, 2021) even though since 2020 the pressure of the Covid-19 pandemic has entered Indonesia, a number of manufacturing sub-sectors have grown very high including the transportation equipment industry by 45.7%, the basic metal industry by 18.03%, the machinery industry and equipment 16.35%, the rubber industry, rubber and plastic goods 11.72%, and the chemical, pharmaceutical and traditional medicine industries 9.15%.

The following is the average company value data for manufacturing sector companies for the 2019-2021 period is known that the company value in the 2019 period from each of the PBV indicators, Tobin's Q and the closing stock price was 1.69; 4.52 and 26.24. then in the following two years, the Tobin's Q indicator successively decreased to 4.33; 4.26 This was also experienced by the closing PBV indicator which decreased for two consecutive years by 1.59 and 1.36. different from the PER indicator in 2020 it decreased by 13.58 but the following year it increased by 35.45. From the data above it can be seen that there is a business phenomenon between the rate of economic growth which has increased because it is supported by the growth of the manufacturing sector with a decrease in company value in the manufacturing industry sector itself. Based on the development of the average company value in the manufacturing sector industry above, it shows that there is a decline in company value which is inversely proportional to the data phenomenon previously described that the manufacturing sector industry is the highest contributor to increasing the rate of economic growth. The above business phenomenon which indicates a decrease in company value in the manufacturing sector industry listed on the Indonesia Stock Exchange (IDX) for the 2019 – 2021 period is caused by several factors, one of the factors that influences the rise and fall of company value is the efficiency of asset utilization ((Mangesti Rahayu, 2019); (Miswanto & Oematan, 2020)); capital structure ((Bagus Angga Pratama & Bagus Wiksuana, 2016); (Hamidy et al., 2015)) and financial performance ((Purnamasari & Baskara, 2019); (Widnyana et al., 2020)).

Business in Indonesia experiences growth every year. Companies continue to compete in order to maintain the survival of the company which in turn can increase shareholder wealth by maximizing company value ((Miswanto & Oematan, 2020)). In general, the company's goal is to obtain maximum profit. To obtain maximum profit, financial managers are required to be able to manage finances properly. The financial manager is in charge of making decisions related to funding (financing) and making decisions related to the allocation of these funds to fund the purchase of assets (investment). In addition, financial managers also make decisions related to short-term financial management (liquidity). These three decisions then lead to the goal of financial management, which is to maximize firm value ((Hanafi, 2016)).

Company value has been studied a lot in recent times, this is done to understand the factors that influence the company's value. Utilization of company assets affects the company's market value. The theory (Modigliani & Miller, 1958) explains that the success of a company's investment determines the value of the company, including operational activities in the production of goods and services that provide income or company profits. The profit from the sale adds to the wealth of the company owner. In conclusion, the main purpose of using company assets is to obtain higher company profits so as to increase company value. This is in line with research ((Adita & Mawardi, 2018); (Kahfi et al., 2018); (Kurniasari & Wahyuwati, 2017); (Lumentut & Mangantar, 2019); (Nofitasari et al., 2018)). However, it is different from research ((Erni Irawati, 2016)) which states that the efficiency of effective utilization of company assets does not necessarily increase company profits or income, so that it is less of a consideration for investors in investment decisions.

Financial performance affects firm value as described in signaling theory ((Ross, 1977)), the information conveyed in financial performance describes the company's financial condition.

Investors believe that companies that have better financial performance tend to have good prospects in the future so as to increase the value of the company. In addition, companies that earn high profits tend to use internal funds to finance company development and dividends are expected to increase the owner's wealth. This is in line with research ((Hamidy et al., 2015); (Mangesti Rahayu, 2019); (Miswanto & Oematan, 2020); (Sutama & Lisa, 2018); (Widnyana et al., 2020)).

According to the trade-off theory expressed by ((Myers, 2001)), companies will owe up to a certain debt level, where the tax savings (tax shields) from additional debt equal the cost of financial distress (financial distress). The cost of financial distress (financial distress) is the cost of bankruptcy or reorganization, and agency costs that increase due to the decline in the credibility of a company. In other words, an increase in the ratio of debt to the capital structure will increase the value of the company. This explains that when the capital structure is above the optimal target point, it indicates more debt than the total equity owned by the company. This creates a high risk, because the company does not have the ability to pay sufficient debt, the company will provide a less than optimal return risk so that shareholders will give a negative response making the stock price fall followed by a decrease in company value ((Sofiamira & Asandimitra, 2017)). In contrast to research conducted by ((Ramadhani & dan Kuswantoro, 2018)) that companies with high DER ratios are actually considered companies that are able to control financial risks well so as to increase company value which is in line with signaling theory.

Regarding the current theories and the results of previous research, there is no agreement (gaps still exist) on the variables that determine the financial performance and market value of companies. This research was conducted on the belief that there is agreement whether a company's decision to invest maintains, decreases or increases asset utilization, maintains company liquidity appropriately, manages business risk effectively and how it affects it. low-cost capital structure and how it determines the market value of a company. It is assumed that there is a comprehensive relationship between asset utilization, financial performance, capital structure and market value of the company. Thus, this research involves these four aspects as research variables that are examined based on existing theories and previous research.

Weaknesses of previous studies, which only measure the relationship between asset utilization, profitability and firm value. The novelty of this research can be seen from the direct relationship between the use of company assets and the value of the company and measuring the relationship between capital structure variables as a moderation between asset utilization and company value. The phenomenon that occurs in the manufacturing sector is that there is a decrease in financial performance in 2019 to 2021, this will affect the decline in company value. By increasing the company's financial performance, investors will increase demand for shares so that they can increase company value ((Angelita & Tri Hastuti, 2019); (Hidayat, 2019); (Khairiyani et al., 2019)). Different research was submitted by ((Fajar & Fitria Husnatarina, 2018); (Umam & Hartono, 2019)).

Based on the findings from previous research, there are inconsistent findings from the effect of asset utilization, capital structure and financial performance on firm value. This is a consideration in conducting recent research related to firm value and the determinant variables that influence it. In addition, the business phenomenon of the rate of economic growth which is influenced by the manufacturing sector industry with a decrease in company value is also a separate consideration in choosing the manufacturing sector as a research study.

The contribution of the manufacturing industry sector to Gross Domestic Product (GDP) shows an increase from year to year. Since 2010, the industrial sector has continued to make the largest contribution to national GDP, even when the peak of the pandemic occurred in 2020-2021. In 2021, the industrial sector recorded a GDP of IDR 2,946.9 trillion, an increase from 2020 which reached IDR 2,760.43 trillion. Throughout 2021, investment in the manufacturing sector will reach IDR 325.4 trillion. This figure exceeds the manufacturing investment achievement target projected by the Ministry of Industry of Rp. 280 trillion to Rp. 290 trillion, and an increase of 19% from 2020 (Rp. 272.9 trillion). As a comparison, in 2019, investment realization in this sector amounted to IDR

215.9 trillion. During the pandemic, the industrial sector was still operating even though there was a decline in utilization. In December 2021, the average utilization of the industrial sector reached 66.7%, an increase from the condition at the beginning of the year which was 60.30%. ((Siaran Pers Kementrian Perindustrian, 2022)).

RESEARCH METHOD

In this study the population used is a manufacturing company listed on the IDX. We use the research base year, which is 2019. The sampling technique uses the purposive sampling method. Selection of samples with this method is based on certain considerations or criteria. The criteria for determining the sample are:

1. Manufacturing companies listed on the Indonesia Stock Exchange from 2019 to 2021,
2. Manufacturing companies that publish consecutive financial reports for the period 2019 to 2021,
3. Available company data needed in this study. The data taken is secondary data originating from the Indonesian capital market directory and the company's annual reports for the 2019-2021 period which can be accessed on the IDX website or www.idx.co.id.

A total sample of 134 manufacturing companies listed on the IDX was obtained in 2019-2021. The research variables used are grouped into two types, namely exogenous variables (independent variables) and endogenous variables (dependent variables).

Related Literature and Hypothesis Development

First, we examine the relationship between the efficiency of asset utilization and company value explained by ((Adita & Mawardi, 2018)), that the more efficient a company is in managing its assets, the more effective the use of assets will be, so that it can increase sales and will earn profits that can increase company value. ((Miswanto & Oematan, 2020)), the higher the TATO ratio indicates the company's ability to manage assets more efficiently, which is indicated by increased sales and increased profits. ((Lumentut & Mangantar, 2019)), the efficiency of using company assets is reflected in the company's ability to use funds and assets for investment so that companies are able to increase profits and cash flow which will attract investors to invest capital thereby increasing company value. (Kahfi et al., 2018)), a good company is a company that is very effective in using its assets to generate high enough sales. Because of the company's effectiveness in using its assets, this is what investors use as a reference to buy company shares. So the level of investor confidence in the effectiveness of the company in using its assets to generate very high net sales can positively affect the value of the company. ((Laili & Salainti, 2019)) that the efficiency of asset utilization is able to obtain sales effectively and efficiently so that investors like the company because the company is able to manage its assets to the maximum.

H1: Asset utilization has a significant positive effect on firm value

Second, we examine financial performance as a mediating variable for asset utilization on firm value. This study proposes that financial performance is able to mediate the asset utilization variable on firm value. According to ((Miswanto & Oematan, 2020)), the more effective the company is in managing the utilization of company assets, the more sales and profits of the company will increase which will support the company's financial performance. generate higher profits and a stronger contribution to the wealth of company owners ((Mangesti Rahayu, 2019)), high profitability will provide an indication of good company prospects thereby triggering investors to participate in increasing demand for shares. The increased demand for shares will cause the company's value to also increase ((Sutama & Lisa, 2018)). An increase in net income can increase profitability, because of this increase in profitability, the stock price increases thereby increasing the value of the company. This is explained by signaling theory, where investors will increase demand for shares if profitability

increases, and on the other hand it also increases company value ((Hamidy et al., 2015)). Good financial performance for issuers is a signal for investors to be interested in investing in the corporation. . With the number of investors investing in the company increasing, there will be an increase in the company's stock price, where the stock price reflects the company's value. ((Widnyana et al., 2020).

H2: Financial performance has a significant positive effect on firm valueH3: Financial performance is able to mediate the use of assets on firm value

Third, we examine capital structure as a moderating variable in the relationship between asset utilization efficiency and firm value. This study proposes that the capital structure is able to strengthen the relationship between asset utilization - firm value, because investors assess that companies that obtain debt from outsiders are companies that are trusted to have the ability. In addition, a capital structure that places more emphasis on debt reflects that the company is in a growth condition where the company is in a condition that requires large funding for its various investments. Such conditions are considered by investors to be able to cause losses to equity from shareholders so that share prices will experience a decrease which has the potential to reduce PBV. However, in many companies the use of good DER will actually increase the value of the company. ((Avita & Aeni, 2019); (Chusnitah & Retnani, 2017); (Isnaeni et al., 2021); (Siregar et al., 2019); (Utomo et al., 2017)).

H4 : Asset utilization and firm value are moderated by capital structure. Therefore, the negative relationship between asset utilization and firm value is stronger because of the capital structure of companies listed in the manufacturing sector.

Variable Measurement and Empirical Specifications
Dependent Variable

Variables To measure company value, we use PBV (Price To Book Value). PBV is comparing the stock price with the book value per share, the higher the stock price, the higher the company value, in other words, a large number of shares shows the prosperity of the company ((Franita, 2018)). A good company is a company that has a PBV value of more than one.

The variable for measuring financial performance in this study is measured by the Return On Assets (ROA) indicator. Return on Assets is a profitability ratio to assess the percentage of profits (profits) obtained by a company related to resources or total assets so that the efficiency of a company in managing its assets can be seen from the percentage of this ratio. With an increase in return on assets in a company, investors believe that the company has good corporate value, so that the company's value, which is reflected through its stock market price, will increase. By increasing the return on assets in a company, investors believe that the company has good company value, so that the company's value, which is reflected through its stock market price, will increase (Angelita & Tri Hastuti, 2019).

Independent Variables

Intensive use of company assets reflects the company's effectiveness and efficiency in managing its assets, reducing the amount of costs that result in higher profits and a stronger contribution to the wealth of company owners ((Mangesti Rahayu, 2019)). Company assets must be utilized in the most effective and efficient way because they provide maximum benefits for the company. Better utilization of company assets requires good planning, controlling the use of company assets including current assets and fixed assets as well as the right amount of funds allocated to each asset element. An inadequate amount of funds allocated for operational activities can hamper the company's liquidity and continuity, while an excessive amount of funds will lead to a higher number of idle funds. The company's effectiveness in managing its current assets, fixed assets and asset structure increases the return on investment. The activity ratio is used to measure

the effectiveness of operational activities carried out by a company. The activity ratio reflects the extent to which a company takes advantage of this aspect to increase its sales in order to obtain higher profits. More effective and efficient use of company assets increases sales, resulting in higher profits ((Miswanto & Oematan, 2020)).

The company's capital structure can be analyzed based on the Debt to Equity Ratio (DER). The DER ratio reflects the risk level of the company. DER shows the composition of the company's own capital in fulfilling the company's liabilities. A high DER reflects the high risk faced by investors who invest their funds in the company concerned. ((Fajar & Fitria Husnatarina, 2018); (Isnaeni et al., 2021); (Rovita et al., 2014); (Sofiamira & Asandimitra, 2017); (Utomo et al., 2017)) suggests that there is a significant negative relationship between capital structure and company value. ((Chusnitah & Retnani, 2017)) suggests that the higher the DER, the greater the composition of the total debt compared to the total capital of the company itself, so that the impact on the company's burden on outsiders (creditors) is greater.

Model Specifications

This study uses mediation and moderation analysis with the following equation:

(1) $PBV = \beta0 + \beta1\ TATO + \beta2\ ROA + e$

(2) $PBV = \beta0 + \beta1\ TATO + \beta2\ DAR + \beta2\ TATODAR + e$

For the first hypothesis we define a financial performance relationship that is able to mediate between asset utilization and firm value. Regression moderation equations 2 we defined to examine the moderating effect of capital structure on the relationship between asset utilization and firm value. We also use this equation to determine the shape of the moderating variable.

RESULTS AND DISCUSSIONS

Descriptive Statistics

This study uses manufacturing companies for the 2019-2021 period. A total sample of 134 manufacturing companies listed on the IDX was obtained in 2019-2021. In addition, all variables are winsor at 1% and 99% levels to mitigate outliers. Table 1 summarizes the descriptive statistics for a sample of manufacturing firms.

Table 1. Descriptive statistics

Variable		Mean	Std. Dev.	Min	Max	Observation	
PBV	Overall	1.545174	4.479341	.63	60.67	N =	402
	Between		4.387005	.7766667	51.24667	n =	134
	within		.9563846	-13.42149	10.96851	T =	3
TATO	Overall	.937163	.6823276	.0004427	6.949369	N =	402
	Between		.6528974	.0224054	5.166695	n =	134
	within		.2066887	-.5617625	2.719791	T =	3
ROA	Overall	3.845625	10.61597	-63.11944	60.71678	N =	402
	Between		8.968328	-31.85317	40.37238	n =	134
	within		5.715685	-36.02886	35.30369	T =	3
DAR	Overall	47.3874	51.18875	.17	516.7738	N =	402
	Between		50.45837	.18	503.0305	n =	134
	within		9.324089	-18.07072	135.7435	T =	3

Based on the data presented, it is reflected that the company's mean value (PBV) is 1.545174. This means that the total investment value represented by the share price is 1.545174. The value of the standard deviation (std deviation 4.479341 > 1.545174 means that the data varies. The minimum value of PBV is 0.63 while the maximum value of PBV is 60.67. The mean value of the profitability variable (ROA) is 3.845625. This reflects the capability The 134 samples produced or earned a profit of 3.845625. The value of the standard deviation (std deviation) was 10.61597 > the mean, meaning that the data was spread heterogeneously. The mean value of capital structure (DAR) was 47.3874, which means that the average the average ability of the sample companies to manage debt to equity is 47.3874 so whether the capital structure is optimal or not can reflect the standard deviation value (std deviation) of 51.18875 which is greater than the mean, which means that the data is spread relatively heterogeneous. DAR is 0.17 while the maximum value is 516.7738.

Correlation Analysis

Table 2. Correlation analysis

	PBV	TATO	ROA	DAR
PBV	1.0000			
TATO	0.1501	1.0000		
ROA	0.2615	0.2117	1.0000	
DAR	-0.1114	0.0292	-0.2598	1.0000

It is known from the data above that each variable has a value of <0.8 so that the data is free of multicollinearity.

Research Results

Table 3 presents the results of the baseline model regression from the hypothesis test. The first hypothesis shows that there is a significant positive relationship between asset utilization and firm value in manufacturing companies. Column (1) shows the results of Equation (1) for the asset utilization variable. The asset utilization coefficient is positive (0.2298) and significant at the 5% level. The second hypothesis shows that there is a significant positive relationship between asset utilization and financial performance in manufacturing companies. In column (2) equation (2) shows the results of equation (2) for the asset utilization variable. The asset utilization coefficient is positive (4.1619) and significant at the 1% level. The third hypothesis shows that financial performance is able to mediate the relationship between asset utilization and firm value. Column (3) shows the results of Equation (3) for the variable asset utilization and financial performance. The asset utilization coefficient is positive (0.119) and significant at the 5% level while the financial performance coefficient is positive (0.0266) and significant at the 10% level.

The fourth hypothesis shows that there is a significant positive relationship between asset utilization, but capital structure as a moderator variable shows a significant negative relationship in manufacturing companies. In column (4) equation (4) shows the results of equation (4) for the variable asset utilization and capital structure. The coefficient of asset utilization is positive (0.2204) and significant at the 5% level while the capital structure is negative (-0.0075) and significant at the 5% level. The fifth hypothesis, Column (5) presents the results of Equation (5) which includes the independent variable (asset utilization), the moderator variable (capital structure), and the interaction between the moderator variable and the independent variable. We find that the relationship between asset utilization and firm value remains positive (0.5425) and is significant at the 5% level. Column (5) in Table 3 presents the moderating effect of capital structure on the relationship between asset utilization and firm value. Following the moderate hierarchical regression, the interaction model in Column (5) is negative (-0.0093) and significant at the 10% level, indicating that capital structure is a moderator variable. Equations (4) and (5) are examined to

determine whether the dividend policy is pure or quasi-moderator. Column (4) shows that capital structure has a negative relationship (-0.0075) and is significant at the 5% level with firm value, and we find that capital structure has a negative effect (-0.0074) and is significant at the 5% level on firm value in Column (5). These results indicate that capital structure acts as a pure moderator and quasi-moderator in the relationship between asset utilization and firm value.

Table 3. Baseline model

	(1) PBV_w	(2) ROA_w	(3) PBV_w	(4) PBV_w	(5) PBV_w
_cons	1.0558***	.1704***	1.0513***	1.4008***	1.3641***
	(.0288)	(.0138)	(.0296)	(.0405)	(.0588)
TATO_w	.2298**	4.1619***	.119**	.2204**	.5425**
	(.0295)	(.0141)	(.0155)	(.0293)	(.0793)
ROA_w			.0266*		
			(.0066)		
DAR_w				-.0075**	-.0074**
				(.0015)	(.0016)
TATODAR					-.0093*
					(.0022)
Observations	402	402	402	402	402
R-squared	.0265	.0796	.0938	.1151	.1181
Firm Dummy	YES	YES	YES	YES	YES
Year dummy	YES	YES	YES	YES	YES
Std err clustered by firm and year	YES	YES	YES	YES	YES

Standard errors are in parentheses
**** p<.01, ** p<.05, * p<.1*

Robustness Test (*Intervening*)

We used Receivable Turnover (RTO) as our alternative Aset utilization measurement, and Columns (2) in Table 4 present the results. We used Return on Investment (ROI) as our alternative Financial Performances measurement, and Columns (3-4) in Table 4 present the results. With respect to the mediating role of Financial Performances shows that the results remained similar to the main findings:

1. **Columns 2** : Positive and significant—with a coefficient of 0,0168 and significant at 10%(RTO, ROA),
2. **Columns 3** : Positive and significant—with a coefficient of 0,1227 and significant at 1% (TATO,ROI),
3. **Columns 4** : Positive and significant—with a coefficient of 0,0169 and significant at 10%(RTO,ROI),

This implies that the ROI is a mediator variable in the relationship between Aset Utilization and firm value.

Table 4. Robustness test using alternative measurement of asset utilization (RTO) and alternative financial performance (ROI).

	(1) PBV_w	(2) PBV_w	(3) PBV_w	(4) PBV_w
TATO_w	.119**		.1227***	
	(.0155)		(.007)	
ROA_w	.0266*	.0288*		
	(.0066)	(.0072)		
RTO_w		.0168*		.0169*
		(.0046)		(.0049)
ROI_w			.0258**	.0276**
			(.0052)	(.0059)
_cons	1.0513***	.9948***	1.0558***	1.0027***
	(.0296)	(.0417)	(.0294)	(.0482)
Observations	402	402	402	402
R-squared	.0938	.1177	.0838	.1052
Firm Dummy	YES	YES	YES	YES
Year dummy	YES	YES	YES	YES
Std err clustered by firm and year	YES	YES	YES	YES

Standard errors are in parentheses
*** $p<.01$, ** $p<.05$, * $p<.1$

Robustness Test (*Moderasi*)

We used Current Aset Turnover(CATO) as our alternative Aset utilization measurement, and Columns (2) in Table 4 present the results. We used Working Capital Turnover (WCTO) as our alternative Aset utilization measurement, and Columns (4) in Table 4 present the results. We used the log value of the firm's stock price (LnHargaSaham) at the end of the year as our alternative firm value measurement, and Columns (3-5) in Table 4 present the results. With respect to the moderating role of Capital Structure shows that the results remained similar to the main findings:

4. **Columns 2** : Negative and significant—with a coefficient of -0,4147 and significant at 10%(CATO,PBV),
5. **Columns 3** : Negative and significant—with a coefficient of -0,0128 and significant at 10%(TATO,LnHargaSaham),
6. **Columns 4** : Negative and significant—with a coefficient of -0,0002 and significant at 10%(WCTO,LnHargaSaham),
7. **Columns 5** : Negative and significant—with a coefficient of -0,0008 and significant at 5%(WCTO,LDAR & LnHargaSaham),

This implies that the LDAR is a moderator variable in the relationship between Aset Utilization and firm value. These results indicate that capital structure acts as a pure moderator and quasi-moderator in the relationship between asset utilization and firm value.

Table 5. Robustness test using alterative measurement of firm value (LnHargaSaham), alternative Aset Utilization (CATO, WCTO) and alternative Capital Structure (LDAR).

	(1) PBV_w	(2) PBV_w	(3) LnHargaSaham_w	(4) LnHargaSaham_w	(5) LnHargaSaham_w
TATO_w	.5425**		.6865**		
	(.0793)		(.1158)		
DAR_w	-.0074**	-.0079**	-.0171***	-.0174***	
	(.0016)	(.0017)	(.0009)		
TATODAR	-.0093*		-.0128*		
	(.0022)		(.0036)		
CATO_w		12.5933*			
		(4.2759)			
CATODAR		-.4147*			
		(.1412)			
WCTO_w				.0181*	.0172*
				(.0052)	(.0044)
WCTODAR				-.0002*	
				(.0001)	
LDAR_w					-.0086**
					(.0018)
WCTOLDAR					-.0008**
					(.0001)
_cons	1.3641***	1.7489***	6.9658***	7.2071***	6.5106***
	(.0588)	(.1213)	(.0463)	(.047)	(.0469)
Observations	402	402	402	402	402
R-squared	.1181	.0978	.1932	.1945	.0156
Firm Dummy	YES	YES	YES	YES	YES
Year dummy	YES	YES	YES	YES	YES
Std err clustered by firm and year	YES	YES	YES	YES	YES

Standard errors are in parentheses
**** p<.01, ** p<.05, * p<.1*

Effect of Asset Utilization on company value

The results of testing the H1 hypothesis show that the utilization of assets proxied by TATO has a significant positive effect on firm value (PBV) of manufacturing companies on the Indonesia Stock Exchange in 2019-2021. This means that the company is able to optimize the company's assets effectively so as to generate sales. Because of the company's ability to optimize its assets, it generates high sales, causing investors to trust and increase the value of the company. The results of this study are in accordance with research conducted by I (Adita & Mawardi, 2018; Kahfi et al., 2018; Kurniasari & Wahyuwati, 2017; Laili & Salainti, 2019; Nofitasari et al., 2018).

Effect of Asset Utilization on Financial Performance

The results of testing the H2 hypothesis show that the utilization of assets proxied by TATO has a significant positive effect on financial performance (ROA) of manufacturing companies on the Indonesia Stock Exchange in 2019-2021. This means that more effective and efficient utilization of company assets increases sales, resulting in higher profits (Mangesti Rahayu, 2019; Miswanto & Oematan, 2020; Nofitasari et al., 2018).

Effect of Asset Utilization, Financial Performance on Firm Value

The results of testing the H3 hypothesis show that asset utilization (TATO) has a significant positive effect on company value (PBV) which is mediated by financial performance (ROA) for manufacturing companies on the Indonesia Stock Exchange in 2019-2021. This means that in manufacturing companies the utilization of company assets has been carried out optimally so that

they are able to increase sales effectively and efficiently and generate high profits so that they can increase the value of the company. In other words, optimal utilization of company assets reflects the effectiveness and efficiency of the company in managing its assets, reducing the total costs that result in higher profits and a stronger contribution to the wealth of company owners. The results of this study are in accordance with research conducted by (Adita & Mawardi, 2018; Hamidy et al., 2015; Mangesti Rahayu, 2019; Miswanto & Oematan, 2020; Nofitasari et al., 2018; Sutama & Lisa, 2018).

Effect of Asset Utilization, Capital Structure on Firm Value

The results of testing the H4 hypothesis show that asset utilization (TATO) has a significant positive effect on firm value (PBV) but capital structure (DAR) as a moderator variable has a significant negative effect on manufacturing companies on the Indonesia Stock Exchange in 2019-2021. This means that a high DER ratio indicates more debt than the total equity owned by the company. This creates a high risk, because the company does not have the ability to pay sufficient debt, the company will provide a less than optimal return risk so that shareholders will give a negative response making the stock price fall followed by a decrease in company value. The results of this study are in accordance with (Dwita & Kurniawan, 2019); (Fajar & Fitria Husnatarina, 2018); (Isnaeni et al., 2021); (Rovita et al., 2014); (Siregar et al., 2019); (Sofiamira & Asandimitra, 2017); (Utomo et al., 2017)).

The results of testing the H5 hypothesis indicate that the capital structure is able to moderate the asset utilization - firm value relationship both purely and quasi moderator.

CONCLUSION

This study examines the relationship between asset utilization, financial performance, capital structure and firm value and the mediating effect of financial performance and the moderating effect of capital structure on manufacturing companies in the Indonesian capital market. By using moderate hierarchical analysis, the results show that asset utilization is a positive factor that increases firm value, financial performance is able to mediate the relationship between asset utilization and firm value and capital structure strengthens the relationship between asset utilization and firm value. This study provides several practical implications for investors, company management, and regulators. First, because we prove significant findings about asset utilization on firm value. Second, our findings are important for investors and shareholders of Indonesian manufacturing companies because they may perceive capital structure and financial performance as a signal for them when assessing company performance. Third, we also suggest that our findings are very important for the decision makers of a company in determining the company's investment steps. We have to overcome some limitations in this study, it would be interesting to expand the evidence by adding a sample of listed manufacturing companies from other countries and examining whether capital structure has an impact on the firm's asset-value utilization relationship in a larger sample of international capital markets. The benefit of this research for companies are expected to provide understanding to company management about the role of company growth, asset utilization, capital structure in determining company financial performance and company value. Meanwhile for readers it is hoped that this research can provide knowledge to investors before investing in shares in manufacturing companies listed on the IDX.

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