



## ANALYSIS OF THE EFFECT OF CURRENT RATIO, DEBT TO EQUITY RATIO, AND RETURN ON EQUITY ON FIRM VALUE IN TRANSPORTATION SECTOR COMPANIES

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### ABSTRACT

**Introduction:** This study aims to analyze the influence of the Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) on firm value, which is proxied by Price to Book Value (PBV), in transportation sector companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2024 period.

**Methods:** A quantitative, associative design was employed, using secondary data from annual financial reports. The analysis was conducted using multiple linear regression after fulfilling classical assumption tests, including normality, multicollinearity, heteroscedasticity, and autocorrelation tests.

**Results:** Based on the results of data analysis and discussion regarding the influence of Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) on Firm Value (PBV) in transportation sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2020–2024, it can be concluded that the financial condition of transportation sector companies shows quite high variation. The average Current Ratio (CR) of 1.25 indicates a relatively good short-term liquidity capability, although there is substantial variation between companies. The average Debt to Equity Ratio (DER) of 1.06 indicates a balanced capital structure between equity and debt, yet with a large variation among the companies. The average Return on Equity (ROE) of -0.039 shows that, in general, transportation companies still have low profitability performance, even tending to be negative in several companies. Meanwhile, the average firm value (PBV) of 1.62 indicates that the market still provides a positive valuation of companies' prospects in this sector, although the internal financial condition has not yet been fully stable. Overall, it can be concluded that the Debt to Equity Ratio (DER) is the most influential variable affecting the firm value of transportation sector companies. This demonstrates that capital structure plays an important role in investors' perception of firm value, while liquidity (CR) and profitability (ROE) have not yet become the main indicators in determining the market value of transportation companies in Indonesia.

**INTRODUCTION**

Firm value reflects the extent to which the market appreciates the company’s performance and future prospects. In corporate finance, firm value is often influenced by managerial decisions related to investment, financing, and dividend policy (Brigham & Daves, 2021). Firm value serves as an indicator that represents a company’s performance and prospects in the eyes of investors. The higher the firm value, the greater the investor confidence in the company’s ability to generate long-term profits. In the capital market context, firm value is commonly proxied by the Price to Book Value (PBV) ratio, which reflects how much the market values a company relative to its book value.

Financial ratios are analytical tools used to assess a company’s financial condition by comparing figures presented in the financial statements. Financial statements are not sufficient when read merely in nominal terms; instead, they must be processed into comparative indicators (ratios) to provide economic meaning and a sound basis for decision-making. In other words, figures such as total assets, liabilities, profits, and equity become informative only when they are proportionally compared, enabling a more accurate reflection of a company’s performance and financial position.

Through the ratio approach, researchers do not simply observe the magnitude of assets or profits in transportation companies, but also evaluate the relationships among financial components that reflect the company’s operational capability and strategic decisions. The Current Ratio (CR) represents the comparison between current assets and current liabilities. Based on financial ratio theory, CR is used to assess liquidity, namely the company’s ability to meet its short-term obligations. The Debt to Equity Ratio (DER) is the comparison between total liabilities and equity, illustrating the company’s capital structure, specifically the extent to which it relies on debt financing relative to its own capital. Meanwhile, Return on Equity (ROE) is the comparison between net income and equity, reflecting the company’s profitability in generating returns from the capital invested. In line with financial ratio theory, ROE provides information on management efficiency in utilizing shareholders’ funds.

This theory explains that the use of CR, DER, and ROE in research is not merely a selection of statistical variables, but rather a systematic analytical approach to understanding how the financial condition of transportation companies is translated into firm value. By comparing elements of financial statements through ratios, researchers can identify which financial factors most significantly influence market perception, thereby providing deeper insights into the dynamics of firm value in the transportation sector.

The transportation sector is one of the essential industries in Indonesia’s economy, contributing significantly to logistics, tourism, and national mobility. Companies within this sector have experienced considerable performance fluctuations, especially in the post-COVID-19 pandemic period. Below is the firm value of companies in the transportation and logistics sector for the period 2020–2022:

**Table 1. Firm Value of Transportation and Logistics Companies (2020–2022)**

No.	Kode	Nama Perusahaan	Tahun		
			2020	2021	2022
1	AKSI	Mineral Sumberdaya Mandiri Tbk	279.91	329.36	117.51
2	BIRD	Blue Bird Tbk	62.13	67.08	65.93
3	CMPP	AirAsia Indonesia Tbk	-67.55	-37.85	-30.10
4	GIAA	Garuda Indonesia Tbk	-2.03	-0.33	-1.32
5	LRNA	Eka Sari Lona Transport Tbk	0.05	0.06	0.06
6	MIRA	Mitra International Resources Tbk	91.96	97.44	115.64
7	MITI	Mitra Investindo Tbk	0.00	574.59	60.92
8	SDMU	Sidomulyo Selaras Tbk	0.84	-4.09	2.23
9	TAXI	Express Trasindo Utama Tbk	-98.24	671.96	832.13
10	TMAS	Temas Tbk	73.49	506.85	498.58
11	WEHA	WEHA Transportasi Indonesia Tbk	93.65	322.76	95.92
12	HELI	Jaya Trishindo Tbk	134.75	89.97	102.69
13	TRUK	Guna Timur Raya Tbk	314.22	349.71	209.43
14	TNCA	Trimuda Nuansa Citra Tbk\	934.20	962.52	630.20
15	BPTR	Batavia Prosperindo Trans Tbk	55.24	315.43	112.07
16	SAPX	Satria Antaran Prima Tbk	718.41	639.97	364.02
17	DEAL	Dewata Freightinternational Tbk	75.95	-163.88	-120.59

18	JAYA	Armada Berjaya Trans Tbk	61.80	66.35	117.52
19	PURA	Putra Rajawali Kencana Tbk	1.52	0.30	64.70
20	SAFE	Steady Safe Tbk	-164.20	-198.29	-236.24
21	IMJS	Indomobil Multi Jasa Tbk.	79.72	95.40	61.83
22	ASSA	Adi Sarana Armada Tbk	42.42	67.35	11.09
23	BLTA	Berlian Laju Tanker Tbk	4.48	3.90	3.16
24	NELY	Pelayaran Nelly Dwi Putri Tbk	57.97	154.78	119.96
25	SMDR	Samudra Indonesia Tbk	67.73	42.89	25.33
26	KJEN	Krida Jaringan Nusantara Tbk	136.81	883.70	145.38
Rata-Rata			113.66	224.54	129.54

Source: idx.co.id

Based on Table 1, it can be observed that the firm value of transportation and logistics companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2022 period experienced fluctuations. In 2021, the average firm value increased by 224.54, while in 2022 it declined by 129.54. Therefore, it is important to examine how financial performance—specifically CR, DER, and ROE—affects firm value in the transportation sector.

The study conducted by Merien Savira and Romi Ferdian (2024) in *JIBEMA: Jurnal Ilmu Bisnis, Ekonomi, Manajemen, dan Akuntansi* found that simultaneously, the Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) have a significant effect on firm value (PBV). However, partially, the results differ, where CR and ROE have a significant effect, while DER has no effect on firm value.

Furthermore, the research by Anggi Dwi Andini and Iwan Firdaus (2022) in the *Journal of Fundamental Management* shows that CR and DER have a positive and significant effect on stock returns, while Return on Assets (ROA) has no effect. This study indicates that liquidity and solvency ratios are more considered by investors than profitability in the context of stock returns.

The study by Gusti Antung Novalina Ramadhani in the *Jurnal Ilmu dan Riset Manajemen*, focusing on the transportation and logistics sector, found that CR, DER, and ROA partially and simultaneously have a positive and significant effect on firm value, with a coefficient of determination (R square) of 0.605. This means that 60.5% of the variation in firm value can be explained by these three variables.

Meanwhile, research conducted by Maulida Magfhira, Nurmatias, and Ardhiani Fadila (2020) in the *BIEMA Proceedings* found that DER has a positive and significant effect on firm value, while ROE does not have a significant effect. Firm size also does not affect firm value.

Similarly, the study by Didit Fachri Rifai Bongaya in the *Bongaya Journal of Research in Management* indicates that DER has a positive and significant effect on firm value, while ROE does not have a significant effect.

Based on the findings of previous studies, there are inconsistencies (research gaps) in empirical results regarding the effect of financial ratios on firm value, particularly for the variables CR, DER, and ROE.

First, there are differences in findings regarding the effect of the Current Ratio (CR). The study by Savira & Ferdian (2024) shows that CR has a significant effect on firm value, while other studies do not consistently identify CR as a dominant factor influencing firm value.

Second, the effect of the Debt to Equity Ratio (DER) also shows inconsistent results. Some studies, such as Magfhira et al. (2020) and Bongaya, find that DER has a positive and significant effect on firm value, while Savira & Ferdian (2024) indicate that DER has no partial effect.

Third, the Return on Equity (ROE) variable also presents mixed results. In Savira & Ferdian (2024), ROE has a significant effect on firm value, whereas other studies, such as Magfhira et al. (2020) and Bongaya, show that ROE has no significant effect.

The objectives of this study are as follows, 1). To analyze the effect of the Current Ratio (CR) on firm value in transportation sector companies listed on the Indonesia Stock Exchange (IDX). 2). To analyze the effect of the Debt to Equity Ratio (DER) on firm value in transportation sector companies listed on the IDX. 3). To analyze the effect of Return on Equity (ROE) on firm value in transportation sector companies listed on the IDX. 4). To analyze the simultaneous effect of the Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) on firm value in transportation sector companies listed on the IDX.

**LITERATURE REVIEW**

**A. Theoretical Framework**

**1. Current Ratio**

The Current Ratio is a financial ratio used to measure a company’s ability to meet its short-term obligations using its current assets (Kasmir, 2019). Harahap also explains that the Current Ratio is an instrument to assess a company's short-term liquidity and is highly important for creditors and investors (Harahap, 2015).

The Current Ratio reflects a company's capacity to cover its current liabilities using its liquid assets such as cash, receivables, and inventory. This ratio is crucial because it signals whether the company can survive short-term financial pressure without selling fixed assets or seeking additional funding.

**2. Debt to Equity Ratio**

Debt to Equity Ratio (DER) is a ratio used to determine the extent to which shareholders' equity can cover total liabilities and indicates the proportion of debt financing to equity (Kasmir, 2019). Meanwhile, Harahap explains that DER is useful in assessing a company’s capital structure and the level of financial risk faced by investors and creditors (Harahap, 2015).

The first statement emphasizes that DER shows the ability of equity to cover liabilities. This ratio is important in determining whether a company relies too heavily on debt. A high DER may serve as a warning sign for investors and creditors due to increased interest burden and default risk. According to Harahap, DER is a tool used to analyze a company’s capital structure. By evaluating DER, investors can determine the balance between external financing (debt) and internal financing (equity).

**3. Return on Equity**

Return on Equity (ROE) is used to measure the efficiency of a company’s own capital in generating profit. The higher the ROE, the more efficient the company's use of equity capital (Hery, 2020). ROE indicates the extent to which a company successfully utilizes its own capital to generate profit and is an essential ratio in profitability analysis (Munawir, 2014).

ROE is one of the most important financial ratios in assessing a company’s performance, particularly regarding the efficiency of using shareholders’ equity to produce profits. ROE measures how much net income the company can generate from each unit of equity invested by shareholders.

**4. Firm Value**

Firm value is reflected through the company’s stock price in the capital market and serves as an indicator of management success in increasing shareholder wealth (Brigham & Houston, 2010). Firm value represents the market’s perception of the company’s overall performance, which is reflected through stock prices and other market indicators. The higher the firm value, the greater the shareholders’ prosperity.

Thus, firm value is an important metric in finance and investment because it reflects how the market perceives the company’s performance and future prospects. This value is closely linked to stock price in the capital market, which serves as the main proxy for assessing how highly investors value the company.

**B. Previous Studies**

The following data presents prior research that serves as the foundation for this study.

**Table 2. Summary of Related Previous Research**

No	Research Title, Researcher, and Journal Name	Explanation of Previous Research Findings
1	Pengaruh <i>Current Ratio, Debt To Equity Ratio dan Return On Equity</i> Terhadap Nilai Perusahaan. Merien Savira <sup>1</sup> , Romi Ferdian <sup>2*</sup> JIBEMA: Jurnal Ilmu Bisnis, Ekonomi, Manajemen, dan Akuntansi Volume 1, No. 4, April 2024, p. 274-285	The results show that the Current Ratio, Debt to Equity Ratio, and Return on Equity have a low influence on firm value. Simultaneously, the variables Current Ratio, Debt to Equity Ratio, and Return on Equity have a significant effect on Price to Book Value. Meanwhile, the partial test indicates that the Current Ratio has a significant influence on Price to Book Value, the Debt to Equity Ratio has no effect on Price to Book Value, and the Return on Equity has an effect on Price to Book Value.
2	Pengaruh <i>Current Ratio, Debt To Equity Ratio Dan Return On Assets</i> Terhadap <i>Return Saham</i> . Anggi Dwi Andini <sup>1</sup> ; dan Iwan Firdaus <sup>2</sup> . JFM :	The research findings indicate that the Current Ratio and Debt to Equity Ratio have a positive and significant effect on stock returns. Meanwhile, Return on Assets has no effect on stock returns.

	Journal of Fundamental Management Volume 2 Nomor 3   November 2022	
3	Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Pada Sektor Transportasi Dan Logistik. Gusti Antung Novalina Ramadhani Jurnal Ilmu dan Riset Manajemen	The hypothesis testing results (t-test) show that liquidity (Current Ratio), solvency (Debt to Equity Ratio), and profitability (Return on Assets) have a positive and significant effect on the firm value of transportation and logistics companies. The coefficient of determination (R square) is 0.605, which means that 60.5% of the dependent variable, namely firm value, can be explained by the three independent variables: liquidity (Current Ratio), solvency (Debt to Equity Ratio), and profitability (Return on Assets). Meanwhile, the remaining 39.5% is explained by other variables or factors outside the model.
4	Determinan Nilai Perusahaan Pada Perusahaan Subsektor Transportasi Di Bursa Efek Indonesia. Maulida Magfhiral), Nurmatias <sup>2</sup> , Ardhiani Fadila <sup>3</sup> ) PROSIDING BIEMA Business Management, Economic, and Accounting National Seminar Volume 1, 2020   Hal. 425 - 439	Based on the hypothesis testing results using a significance level of 0.05, the final findings indicate that firm size (Size) does not have a significant effect on firm value (PBV). Debt policy (DER) has a positive and significant effect on firm value, while profitability (ROE) does not have a significant effect on firm value (PBV).
5	Analisis Struktur Modal Dan Pertumbuhan Perusahaan Terhadap Nilai Perusahaan Pada Perusahaan Transportasi Yang terdaftar di BEI. Didit Fachri Rifai <i>Bongaya Journal of Research in Management</i> Volume 7 Nomor 1. Hal 56 - 65. e-ISSN: 2615 8868 Homepage: <a href="https://ojs.stiem-bongaya.ac.id/index.php/BJRM">https://ojs.stiem-bongaya.ac.id/index.php/BJRM</a>	Based on the hypothesis testing results using a significance level of 0.05, the final findings indicate that firm size (Size) does not have a significant effect on firm value (PBV). Debt policy (DER) has a positive and significant effect on firm value, while profitability (ROE) does not have a significant effect on firm value (PBV).

### C. Hypotheses from Previous Research

Based on the theoretical framework regarding the influence of financial ratios on firm value and previous empirical findings that show varying results, the research hypotheses are formulated as follows:

H1: The Current Ratio (CR) has a significant effect on firm value. *Rationale:* CR reflects the company's liquidity capability, and several studies, such as Savira & Ferdian (2024) and Ramadhani (2021), found that CR affects PBV.

H2: The Debt to Equity Ratio (DER) has a significant effect on firm value. *Rationale:* DER reflects the company's capital structure and financial risk. Several studies have found a significant influence (Rifai, 2020; Ramadhani, 2021), although other studies reported different results. Therefore, the influence is assumed to be significant in accordance with financial theory and prevailing empirical findings.

H3: Return on Equity (ROE) has a significant effect on firm value. *Rationale:* ROE measures the company's ability to generate profit using its own capital. Studies such as Savira & Ferdian (2024) found a significant relationship between ROE and PBV, although some other studies reported contrary findings.

H4: The Current Ratio (CR), Debt to Equity Ratio (DER), and Return on Equity (ROE) simultaneously have a significant effect on firm value. *Rationale:* Theoretically, liquidity, capital structure, and profitability are fundamental factors influencing investor perceptions of a company's market value. Several studies (e.g., Savira & Ferdian, 2024) found that these three variables simultaneously affect PBV.

Thus, based on financial theory and prior empirical evidence, it can be assumed that the Current Ratio, Debt to Equity Ratio, and Return on Equity influence firm value. Therefore, this study proposes the following hypotheses:

1. The Current Ratio has a significant effect on firm value;
2. The Debt to Equity Ratio has a significant effect on firm value;
3. Return on Equity has a significant effect on firm value; and

4. The Current Ratio, Debt to Equity Ratio, and Return on Equity simultaneously have a significant effect on firm value.

## RESEARCH METHOD

### A. Research Type

This study is an associative quantitative research, which aims to examine the influence of several independent variables (CR, DER, and ROE) on the dependent variable (firm value) in transportation sector companies. This study also applies a causal-comparative approach, as it analyzes cause-and-effect relationships among variables based on historical company data.

### B. Research Variables

Table 3. Variables and Indicators

Variable	Indicator/Measurement	Symbol
Current Ratio	Total Current Assets / Total Current Liabilities	CR
Debt to Equity Ratio	Total Debt / Total Equity	DER
Return on Equity	Net Income / Total Equity	ROE
Firm Value	Price to Book Value (Stock Price / Book Value)	PBV

### C. Research Location and Time

This research was conducted using secondary data obtained from the Indonesia Stock Exchange (IDX) and the official websites of transportation sector companies. The research period is planned to take place from May to September 2025.

### D. Population and Sample

Population: All transportation sector companies listed on the IDX.

Sample: The sample was selected using purposive sampling, with the following criteria:

1. Transportation sector companies actively listed on the IDX during the 2020–2024 period.
2. Companies that consistently published annual financial reports during the period.
3. Companies with complete financial ratio data and firm value information.

### E. Types and Sources of Data

- a. Type of data: Secondary quantitative data.
- b. Data sources: The official IDX website ([www.idx.co.id](http://www.idx.co.id)) and company annual reports.

### F. Data Collection Technique

Data were collected using the documentation method by retrieving financial ratio data (CR, DER, ROE) and firm value data (PBV) from the companies' annual financial statements.

### G. Data Analysis Technique

1. Descriptive Statistics: To describe the characteristics of each variable, including maximum, minimum, mean, and standard deviation values.
2. Classical Assumption Tests:
  - a. Normality Test
  - b. Multicollinearity Test
  - c. Heteroscedasticity Test
  - d. Autocorrelation Test (if time-series data are used)
3. Multiple Linear Regression Analysis

Regression model:

$$PBV = \alpha + \beta_1(CR) + \beta_2(DER) + \beta_3(ROE) + \varepsilon$$

4. Statistical Significance Tests:
  - a. t-test (partial): To examine the effect of each independent variable on the dependent variable.
  - b. F-test (simultaneous): To examine the simultaneous influence of all independent variables on the dependent variable.
5. Coefficient of Determination ( $R^2$ ): To determine the extent to which PBV variation can be explained collectively by CR, DER, and ROE.

## RESULTS AND ANALYSIS

### A. Research Location Description

The following table explains that this study uses six transportation sector companies listed on the Indonesia Stock Exchange (IDX) as research samples. The six companies are:

1. PT Blue Bird Tbk (BIRD)
2. PT Batavia Prosperindo Trans Tbk (BPTR)
3. PT Transkon Jaya Tbk (TRJA)
4. PT Guna Timur Raya Tbk (TRUK)
5. PT Jaya Trishindo Tbk (HELI)
6. PT Kencana Energi Lestari Tbk (KJEN)

Each company was analyzed based on its annual financial statements over four consecutive years, namely from 2021 to 2024. Thus, a total of 24 observational data units (6 companies × 4 years) were used in this study.

The selection of the 2021–2024 period was based on the consideration that this timeframe represents the recovery period of the transportation sector following the COVID-19 pandemic, during which many companies began to demonstrate significant changes in their financial structure, profitability, and market value.

The financial data used include the statement of financial position (balance sheet), income statement, and stock market data to calculate financial ratios such as Current Ratio (CR), Debt to Equity Ratio (DER), Return on Equity (ROE), and Price to Book Value (PBV) as an indicator of firm value.

### B. Descriptive Statistics

Based on the SPSS output for the observed sample, the descriptive statistical test results are as follows:

Table 4. Descriptive Statistics

Descriptive Statistics	N	Minimum	Maximum	Mean	Std. Deviation
CR	24	0.31	4.57	1.2521	1.03283
DR	24	0.07	3.13	1.0583	0.98634
ROE	24	-1.56	0.14	-0.0392	0.33036
VarY_PBV	24	0.52	6.05	1.6221	1.39362
Valid N (listwise)	24				

Source: SPSS Output

#### a. Current Ratio (CR)

The average Current Ratio of 1.25 indicates that, on average, transportation companies have the ability to meet their short-term liabilities by 1.25 times their current assets. However, the relatively high standard deviation (1.03) demonstrates considerable differences in liquidity among companies — some companies are highly liquid, while others have low liquidity capacity.

#### b. Debt to Equity Ratio (DER)

The average DER value of 1.06 suggests that, overall, transportation companies have a balanced proportion of debt to equity (approximately 1:1). However, the wide range of values (0.07 to 3.13) indicates high variation in capital structure among companies. Some companies adopt a conservative approach (low debt), while others apply a more aggressive strategy (high debt).

#### c. Return on Equity (ROE)

The negative average ROE value (-0.0392) shows that, in general, the profitability performance of transportation companies during the research period tends to be unprofitable or yields a low return on equity. The minimum value of -1.56 indicates that some companies experienced substantial losses. The standard deviation of 0.33 reflects significant variation in profitability levels across companies.

#### d. Firm Value (PBV)

The average Price to Book Value (PBV) of 1.62 indicates that, on average, the market value of transportation companies' shares is approximately 1.6 times higher than their book value. This suggests that the market still gives a positive valuation of transportation companies' prospects, although there are notable disparities among companies (as reflected by the high standard deviation of 1.39).

Based on the descriptive analysis results, the liquidity condition (CR) and capital structure (DER) of transportation companies show considerable variation across firms. Profitability performance (ROE) remains generally low or even negative, indicating that the efficiency of capital utilization has not yet reached optimal levels. Nevertheless, firm value (PBV) demonstrates a relatively favorable market assessment, suggesting that investors still believe in the long-term potential of the transportation sector.

**C. Classical Assumption Test**

1. Multicollinearity Test

Table 5. Multicollinearity Test

Coefficients <sup>a</sup>	Unstandardized Coefficients	Standardized Coefficients	t	Sig.	Collinearity Statistics
Model (Constant)	B .240	Std. Error .731	Beta	.328	.746
CR	.315	.316	.233	.997	.331
DR	.907	.353	.642	2.569	.018
ROE	-.722	.813	-.171	-.888	.385

<sup>a</sup> Dependent Variable: VarY\_PBV

Analysis Based on the Table

a. Current Ratio (CR): The tolerance value = 0.570 > 0.10 and the VIF value = 1.754 < 10 indicate that multicollinearity does not occur. This means that the Current Ratio variable does not have a strong linear correlation with other independent variables, and therefore can be safely included in the regression model.

b. Debt to Equity Ratio (DER): The tolerance value = 0.501 > 0.10 and VIF = 1.996 < 10 indicate no multicollinearity. This implies that the Debt to Equity Ratio remains independent from other variables and does not cause distortion in the regression model.

c. Return on Equity (ROE): The tolerance value = 0.841 > 0.10 and VIF = 1.188 < 10 also indicate no multicollinearity. This means the ROE variable does not exhibit high correlation with other independent variables and its contribution to the dependent variable can be assessed independently.

Based on the test results using Tolerance and VIF values, all three independent variables (CR, DER, and ROE) have:

- a. Tolerance values above 0.10, and
- b. VIF values below 10.

Thus, it can be concluded that there is no indication of multicollinearity among the independent variables in the regression model. This suggests that each independent variable has a relatively independent influence on firm value (PBV).

2. Normality Test

Table 6. One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test	Unstandardized Residual
N	24
Normal Parameters <sup>a, b</sup>	Mean
	Std. Deviation
Most Extreme Differences	Absolute
	Positive
	Negative
Test Statistic	.162
Asymp. Sig. (2-tailed)	.103 <sup>c</sup>
Test distribution is Normal.	
Calculated from data.	
Lilliefors Significance Correction	

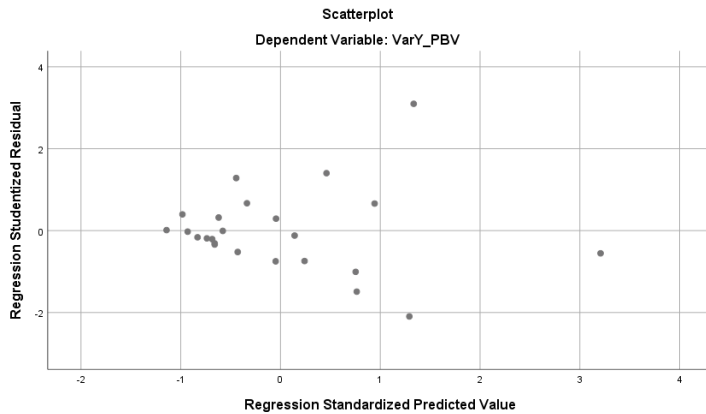
Source: SPSS Output

Based on Table 6, the Asymp. Sig. (2-tailed) value is 0.103. Since 0.103 > 0.05, the residual data are normally distributed. This indicates that the distribution of residuals from the regression model meets the normality assumption.

The residual mean value of 0.0000000 indicates that the average prediction error of the model is close to zero, which is considered a good indicator in regression. The residual standard deviation of 1.102 demonstrates that the variation of residuals from the predicted value is relatively small and reasonable for a sample size of 24. The Test Statistic value (0.162), along with the relatively balanced positive and negative distribution, further confirms that the residual distribution does not show skewness.

3. Heteroscedasticity Test

Figure 1. Heteroscedasticity Test



Source: SPSS Output

Based on the scatterplot, the residual points appear to be randomly distributed above and below the horizontal line (zero axis). There is no visible pattern (such as a fan shape, funnel, or wave pattern). The points are irregularly scattered on both the positive and negative sides and spread across the entire graph area.

Based on the visual observation of the scatterplot, there is no specific pattern in the distribution of residuals. Therefore, it can be concluded that the regression model does not experience heteroscedasticity and is considered to exhibit homoscedasticity.

1. Autokorelasi Test

Table 7. Autocorrelation Test

Model Summary <sup>b</sup>					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.665 <sup>a</sup>	.443	.359	2.47587	1.883
a. Predictors: (Constant), ROE, CR, DR					
b. Dependent Variable: LN_RES					

Source: SPSS Output

Based on the table, the Durbin-Watson value is 1.883, which falls within the acceptable range of 1.5 to 2.5. Therefore, it can be concluded that there is no autocorrelation in the regression model. The Durbin-Watson value of 1.883, which is close to 2, further indicates that the model does not exhibit autocorrelation.

D. Multiple Linear Regression Analysis

Table 7. Regression Model Coefficients

Variabel	B (Unstandardized Coefficients)	t	Sig.
(Constant)	0.240	0.328	0.746
CR	0.315	0.997	0.331
DR	0.907	2.569	0.018
ROE	-0.722	-0.888	0.385

Based on the table, the multiple linear regression equation can be written as:

$$Y = 0.240 + 0.315(CR) + 0.907(DR) - 0.722(ROE)$$

Interpretation of the Regression Equation

- Constant (0.240): This indicates that if CR, DR, and ROE are equal to zero, the firm value (PBV) is estimated to be 0.240.
- CR Coefficient (0.315): Each increase of one unit in the Current Ratio will increase firm value by 0.315, assuming other variables remain constant. However, because the significance value is 0.331 (> 0.05), the effect is not statistically significant.

- c. DR Coefficient (0.907): Each increase of one unit in the Debt to Equity Ratio will increase firm value by 0.907, assuming other variables remain constant. The significance value of 0.018 ( $< 0.05$ ) indicates that the effect is statistically significant and positive. This suggests that a higher proportion of debt relative to equity is associated with a higher market valuation—possibly because increased leverage enhances potential returns.
- d. ROE Coefficient (-0.722): Each increase of one unit in Return on Equity decreases firm value by 0.722. However, the effect is not statistically significant (Sig. = 0.385  $> 0.05$ ). This finding suggests that profitability has not yet played a strong role in determining market value for transportation companies.

**Coefficient of Determination (R<sup>2</sup>)**

Statistic	Value
R	0.612
R Square	0.375
Adjusted R Square	0.281

The R Square value of 0.375 indicates that 37.5% of the variation in firm value (PBV) can be explained by the variables CR, DR, and ROE. Meanwhile, the remaining 62.5% is explained by other factors outside the model, such as market conditions, revenue growth, management performance, and other external factors.

Simultaneously, CR, DR, and ROE have a significant effect on firm value (PBV) (Sig. F = 0.022). Partially, the results show that:

- a. CR has a positive but not significant effect on PBV.
- b. DR has a positive and significant effect on PBV.
- c. ROE has a negative but not significant effect on PBV.

The Adjusted R<sup>2</sup> value of 0.281 indicates that the model's ability to explain variations in firm value is categorized as adequate. The findings of this study indicate that within the transportation sector, leverage (DER) is a key determinant in increasing firm value, possibly because investors perceive the use of debt as a signal of business expansion. Meanwhile, liquidity (CR) and profitability (ROE) are not yet strong enough to influence market valuation, potentially due to financial fluctuations and unstable operational efficiency within the sector.

**E. Significance Test**

Simultaneous Significance Test (F-Test)

Table 8. Simultaneous Significance Test

Source of Variation	Sum of Squares	df	Mean Square	F	Sig.
Regression	16.737	3	5.579	3.995	0.022
Residual	27.933	20	1.397		
Total	44.670	23			

The F-value is 3.995 with a significance value (Sig.) of 0.022. Since Sig. 0.022  $< 0.05$ , the null hypothesis (H<sub>0</sub>) is rejected and the alternative hypothesis (H<sub>1</sub>) is accepted. This means that Current Ratio (CR), Debt to Equity Ratio (DR), and Return on Equity (ROE) simultaneously have a significant effect on Firm Value (PBV) in transportation-sector companies.

Partial Significance Test (t-Test)

Table 9. Partial Significance Test

Variable	B	Std. Error	Beta	t	Sig.
(Constant)	0.240	0.731		0.328	0.746
CR	0.315	0.316	0.233	0.997	0.331
DR	0.907	0.353	0.642	2.569	0.018
ROE	-0.722	0.813	-0.171	-0.888	0.385

- a. Current Ratio (CR): Sig. value = 0.331  $> 0.05$ , indicating no significant effect. Thus, liquidity level (ability to cover short-term obligations) does not significantly influence firm value.
- b. Debt to Equity Ratio (DR): Sig. value = 0.018  $< 0.05$ , meaning a significant effect. Capital structure (proportion of debt to equity) has a significant positive influence on firm value. A higher DER reflects greater perceived risk and also potential return, which may attract investors.
- c. Return on Equity (ROE): Sig. value = 0.385  $> 0.05$ , indicating no significant effect. Company profitability does not significantly influence the firm value in the transportation sector, possibly due to unstable profit fluctuations or limited market confidence.

Coefficient of Determination (R<sup>2</sup>)

Statistic	Value
R	0.612
R Square	0.375
Adjusted R Square	0.281

The R<sup>2</sup> value of 0.375 indicates that 37.5% of the variation in firm value (PBV) can be explained by the independent variables (CR, DR, and ROE). The remaining 62.5% is influenced by other factors outside the model, such as firm size, sales growth, market dynamics, or macroeconomic factors.

Based on the F-Test (Sig. = 0.022 < 0.05), the regression model is considered appropriate, since all independent variables collectively have a significant effect on firm value. Meanwhile, based on the t-Test, only the Debt to Equity Ratio (DR) has a significant partial effect on firm value.

The R<sup>2</sup> value of 0.375 further indicates that the model explains 37.5% of the variation in firm value, while the remaining 62.5% is determined by variables outside the study.

**Table Hypothesis Testing Results Table**

No	Hypothesis	Hypothesis Statement	Sig. Value	Description	Decision
H1	Effect of CR on PBV	Current Ratio affects Firm Value	0.331	Not significant (>0.05)	Rejected
H2	Effect of DER on PBV	Debt to Equity Ratio affects Firm Value	0.018	Significant (<0.05)	Accepted
H3	Effect of ROE on PBV	Return on Equity affects Firm Value	0.385	Not significant (>0.05)	Rejected
H4	Simultaneous effect of CR, DER, ROE on PBV	CR, DER, and ROE simultaneously affect Firm Value	0.022	Significant (<0.05)	Accepted

The results indicate that not all financial variables have a significant effect on firm value, either partially or simultaneously. The detailed explanations are as follows:

**a. Effect of Current Ratio (CR) on Firm Value**

The partial test results show that the Current Ratio (CR) does not have a significant effect on firm value, thus the first hypothesis (H1) is rejected. Although the regression coefficient shows a positive direction, the significance value of 0.331 (>0.05) indicates that liquidity is not a primary factor considered by investors in evaluating transportation sector companies.

This may be explained by the fact that investors tend to focus more on long-term performance and growth potential rather than the company's ability to meet short-term obligations. Additionally, excessively high liquidity may indicate the presence of idle assets that are not utilized efficiently.

This finding is consistent with the study by Merien Savira and Romi Ferdian (2024), which suggests that CR is not always a dominant factor influencing firm value, reinforcing the idea that liquidity is not the main indicator in market valuation.

**b. Effect of Debt to Equity Ratio (DER) on Firm Value**

The results show that the Debt to Equity Ratio (DER) has a positive and significant effect on firm value, thus the second hypothesis (H2) is accepted. The significance value of 0.018 (<0.05) indicates that capital structure plays an important role in determining firm value.

This suggests that the use of debt in the capital structure is perceived by investors as a signal of business expansion and potential profit growth. In the transportation sector, which is capital-intensive, optimal use of debt can accelerate company growth.

This finding is consistent with studies by Maulida Magfira et al. (2020) and Didit Fachri Rifai Bongaya, which also found that DER has a positive and significant effect on firm value. This result supports the trade-off theory, which states that the use of debt can increase firm value as long as its benefits outweigh the associated risks.

**c. Effect of Return on Equity (ROE) on Firm Value**

The partial test results indicate that the Return on Equity (ROE) does not have a significant effect on firm value, thus the third hypothesis (H3) is rejected. The significance value of 0.385 (>0.05) suggests that profitability has not yet become a determining factor in increasing firm value in the transportation sector.

This may be due to the transportation sector experiencing profit fluctuations and unstable performance, leading investors not to rely heavily on profitability as a primary basis for investment decisions.

This finding is consistent with studies by Maulida Magfhira et al. (2020) and Didit Fachri Rifai Bongaya, which also found that ROE does not significantly affect firm value. This indicates that although profitability is theoretically important, in practice it may not always be the main consideration for investors in certain sectors.

#### d. Simultaneous Effect of CR, DER, and ROE on Firm Value

The simultaneous test (F-test) shows that CR, DER, and ROE collectively have a significant effect on firm value, thus the fourth hypothesis (H4) is accepted. The significance value of 0.022 ( $<0.05$ ) indicates that the combination of these three variables can explain variations in firm value.

The coefficient of determination ( $R^2$ ) of 0.375 indicates that 37.5% of the variation in firm value can be explained by CR, DER, and ROE, while the remaining 62.5% is influenced by other factors such as macroeconomic conditions, company growth, firm size, and other external variables.

This finding suggests that although not all variables are significant individually, collectively they still play a role in shaping investors' perceptions of firm value.

## CONCLUSION

Based on the results of the analysis, it can be concluded that the financial condition of transportation sector companies tends to vary, reflecting differences in liquidity, capital structure, and profitability across firms. Overall, the market still shows a positive perception of this sector, although internal financial performance is not yet fully stable.

The findings indicate that Debt to Equity Ratio (DER) is the most influential variable in determining firm value. This suggests that capital structure plays a key role in shaping investors' perceptions, where the use of debt is often viewed as a signal of business expansion and growth potential.

In contrast, Current Ratio (CR) does not significantly influence firm value, indicating that liquidity is not a primary consideration for investors in this sector. Investors tend to focus more on long-term prospects rather than short-term financial capability.

Similarly, Return on Equity (ROE) does not show a significant effect on firm value, suggesting that profitability has not yet become a strong signal for investors. This may be due to fluctuating financial performance and unstable earnings within the transportation sector.

Overall, although liquidity and profitability are important aspects of financial performance, this study shows that capital structure is the most decisive factor influencing firm value in transportation sector companies.

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