Managerial Ownership, Financial Performance, and Firm Size as Drivers of Company Value: Empirical Evidence from the Indonesian Food and Beverage Industry (2019–2023)

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Introduction: As a priority sector for 'Making Indonesia 4.0,' the essential and highly competitive food and beverage (F&B) industry requires consistent performance optimization. Recent declines in Consumer Non-Cyclicals stock prices highlight the critical need to measure company value using Price Book Value (PBV), which assesses how well stock prices reflect a firm's fundamentals and future prospects. This value is primarily driven by five internal factors: managerial ownership, which aligns decision-makers with shareholders; liquidity (Current Ratio), indicating short-term solvency; leverage (Debt to Equity Ratio), reflecting debt dependency; Return on Assets (ROA), measuring profitability; and firm size, where larger total assets often attract greater investment.

Methodology: This research was conducted in F&B sector companies on the Indonesia Stock Exchange for the period 2019-2023 by accessing data on the website www.idx.co.id. The variables used in this study are firm value, managerial ownership, leverage, profitability, and company size. The population of this study were all F&B companies listed on the IDX, totaling 129 companies. Determination of the sample using purposive sampling method, with the criteria that the company is registered consecutively during the observation year, presents the annual financial statements in full and in rupiah currency, and discloses managerial ownership structure information. Based on these criteria, 20 companies were obtained as samples with a total of 100 observations during the five years of observation.

Results: The results indicate that only leverage and Return on Assets (ROA) significantly positively affect firm value, suggesting that optimal external financing and efficient asset profitability are key performance drivers for investors. In contrast, managerial ownership, liquidity, and company size showed no significant impact, implying that neither management's equity stake, high current ratios, nor total asset volume necessarily translate to the operational efficiency or financial performance expected by shareholders.

Conclusion: A study of the F&B sector on the Indonesia Stock Exchange (2019–2023) found that only leverage and return on assets (ROA) positively affect firm value, while managerial ownership, liquidity, and company size have no significant impact.

Practical Value: This study provides practical guidance for the management of food and beverage companies to focus on managing leverage and efficient use of assets, as both proven to be significant in increasing firm value. The findings are also useful for investors as a basis for making investment decisions.

Direction for Future Research: Future research should incorporate external factors such as macroeconomic conditions, interest rates, and inflation to assess their impact on firm value. Additionally, studies should examine diverse industrial sectors, longer timeframes, or panel data from other developing countries to verify the consistency of these findings and offer deeper comparative insights.

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