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The Effect Of Good Corporate Governance, Leverage, Profitability And Company Size On The Value Of Manufacturing Companies In The Food And Beverage Sub-Sector Listed On The Indonesia Stock Exchange In 2021-2023

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Abstract
This study aims to analyze the effect of Good Corporate Governance (GCG), leverage, profitability, and company size on the value of manufacturing companies in the food and beverage subsector listed on the Indonesia Stock Exchange (IDX) in the period 2021-2023. This research examines the influence of several independent variables, including Good Corporate Governance (GCG), leverage, profitability, and firm size, on firm value. The study utilizes secondary data sourced from company financial statements. The data were analyzed using panel data regression to assess the relationship between these variables and firm value. The findings reveal that GCG, leverage, profitability, and firm size significantly impact the value of the company. These findings contribute to the literature related to company value and can be a reference for company management and stakeholders in making strategic decisions to increase company value.

INTRODUCTION

Manufacturing firms are commercial organizations that handle the transformation of semi-finished or raw resources into completed goods that are prepared for customer consumption. This commercial activity encompasses a number of sub-sectors, including textiles, metals, chemicals, food & beverage, and medicines. This research focuses on the food and beverage industry category, which includes businesses that manufacture, market, and distribute food and beverage products and is listed on the Indonesia Stock Exchange (IDX). In Indonesia, the food and beverage industry is the biggest non-oil and gas industrial sector. This industry plays a crucial part in the expansion of the national economy. Rapid productivity gains, investment development, increasing export activity, and notable contributions to job absorption are all examples of its continuously strong performance. In 2021, Indonesia's food and beverage sector had a notable uptick in performance, expanding by 2.54% to IDR 775.1 trillion over the year before. The Central Statistics Agency (BPS) reports that in 2021, this industry's gross domestic product (GDP) based on current prices (ADHB) was IDR 1.12 quadrillion. This amount made up 6.61 percent of the country's GDP, which came to IDR 16.97 quadrillion, and 38.05 percent of the non-oil and gas processing sector (kemenkeu.go.id). This highlights the importance of the food and beverage industry in generating national economic growth.

Growing competitiveness in a number of industrial areas is influenced by economic conditions. As a result, every business must be fiercely competitive in its sector. Professional firm management is required in light of Indonesian companies' growing competitiveness. In addition to the fierce rivalry in the business sector, corporate management must successfully plan and run the organization to meet the established goals. (Hasbiah et al., 2022)

Recent years have seen notable changes in the valuation of food and beverage companies, particularly when the Price to Book Value (PBV) ratio is applied. The industry's PBV of 3.36 in 2021 indicates a high market valuation of the firms' stock. PBV, however, dropped to 2.55 in 2022, which can be a sign of shifting business performance or a drop in market confidence. PBV rose little to 2.62 in 2023, which was higher than the previous year but still fell short of the 2021 number. The company's internal and external dynamics, such as shifts in management, market circumstances, or macroeconomic reasons, are reflected in this PBV variation. According to Azamat et al. (2023), firm value is a measure of the whole worth that a business possesses, including the market value of its shares, asset value, and intangible values like patents, trademarks, and personnel competences. One important aspect of fundamental analysis is corporate value (Tarczynski et al., 2020).

Since they show the firm's operational effectiveness, competitiveness in the market, and financial health, good corporate governance (GCG), leverage, profitability, and size are important characteristics that have a big impact on company value. Transparency, accountability, and fairness principles are ensured by effective GCG implementation, which eventually boosts stakeholder and investor trust and raises the company's market value. When used appropriately, leverage the use of debt for financing may be a useful tool for raising a company's value, but when used excessively, it can raise the danger of bankruptcy. One important measure of a company's financial health and investment appeal is its profitability, which demonstrates its capacity to turn a profit. In the meanwhile, a company's size indicates its scope of activities and capacity for expansion; larger businesses often have more stability and simpler access to financing markets. All things considered, these four elements contribute significantly to the development of a company's value as they show a solid operational basis and affect how investors see risk and investment prospects. A strategy, procedure, framework, and technique used to run a business as efficiently as possible to maximize performance while avoiding harm to stakeholders is known as good corporate governance (Indah, 2024). The Minister of State-Owned Enterprises' Good Corporate Governance (GCG) Decree Number KEP-117/M-MBU/2002 includes the framework and procedures that state-owned companies have put in place to improve corporate responsibility and business performance. When it is implemented, the goal is to maximize long-term shareholder value while morally respecting the rights of other stakeholders and adhering to the laws. (Putri & Trisnaningsih, 2023)

Constant application of good corporate governance (GCG) has a major influence on raising the organization's worth. In order to increase the confidence of stakeholders and shareholders, GCG provides a crucial basis for ensuring that the administration of the business is conducted in an ethical, transparent, and accountable manner. Because management choices are more in line with shareholder interests, the danger of agency problems can be reduced with sound governance. Additionally, businesses that successfully use GCG are typically more competitive, which enhances the company's worth by raising stock prices, boosting profitability, and improving its standing in the marketplace. (Novatiani et al., 2019)

The capacity of a business to maximize the use of money from financing sources, such debt or preferred shares, to assist the accomplishment of the business's objectives in raising investor wealth is known as leverage. Another definition of leverage is when a business uses debt to finance its operations, resulting in fixed expenses for the business (Suhardi, 2021). When examining financial statements, leverage is a metric that indicates how much collateral is available to creditors. One metric used to assess a company's level of debt financing is the leverage ratio (Kolamban et al., 2020). A high degree of leverage indicates how much the business depends on debt to support its operations. The corporation can benefit from the tax shield, which is a decrease in the tax burden through debt interest, the more leverage it has. Leverage may increase the company's net profitability because it might be a tax deductible cost (Lutfiana and Hermanto, 2021). Leverage-driven increases in profitability can raise a company's worth since better financial results often draw in investors. However, overuse of leverage can increase the firm's financial fragility by exposing it to significant financial risks, particularly in the case of decreased sales or rising interest rates. Investor trust may be weakened by this circumstance, which might also hurt the company's market worth. Low leverage, on the other hand, indicates a stronger dependence on stock, which lowers financial risk. However, it may also restrict the company's capacity to use debt financing, which may spur growth and raise its total worth. Consequently, a key factor in assessing the company's worth is the efficient and appropriate management of leverage.

A company's capacity to use its resources to turn a profit is reflected in its profitability, which makes it a crucial metric for evaluating its overall success. According to Ass (2020), a high degree of profitability signifies that the business has managed its activities effectively and appropriately, utilizing its current resources to generate profits. Because it demonstrates the company's capacity to continue earnings, high profitability is frequently regarded by investors as a positive sign. A high degree of profitability indicates that the company has successfully carried out its business plan. Additionally, because it shows the business's potential for development, financial stability, and appeal to stakeholders, profitability has a significant influence on corporate value. Because high profits are a sign of strong performance and promising development, businesses with high profitability typically have higher corporate values. Furthermore, more lucrative businesses are better equipped to pay out dividends or reinvest in order to fund growth, which makes them more appealing to investors and boosts their total worth.

The size of a company is determined by the total assets it possesses, and this information is used by investors to evaluate potential investments. The idea behind the relationship between firm size and value is that larger businesses are better able to manage risk, produce revenue, and draw in investors. Mujiyati and Aprillando, 2022). Large businesses often have an edge when it comes to the availability of resources, broader access to capital, and the capacity to manage operations effectively on a large scale. These elements enable them to boost market competitiveness and considerably raise the company's worth. However, small businesses can suffer a number of constraints, particularly with regard to operational capacity, risk management, and capital. Due to these limitations, investors find small businesses less appealing, particularly as their development potential is viewed as being more constrained. Because of this, small businesses are frequently worth less than larger ones that are more stable and appealing. As a result, there is frequently a positive correlation between firm size and value, with larger organizations typically having greater values because of their potential for expansion, stability, and capacity to effectively compete in the market.

This study builds upon many previous investigations that look at the relationship between company value and good corporate governance (GCG), leverage, profitability, and firm scale. According to a research by Putu and Astiti (2024), GCG has a favorable effect on business value, underscoring the importance of sound governance procedures. However, Rukmana and Widyawati (2022) discovered conflicting findings, pointing out that corporation value is not much impacted by institutional ownership, audit quality, or the presence of independent commissioners. Results on leverage are not entirely consistent. Leverage influences capital structure choices that determine a company's value, according to research by Rejeki & Haryono (2021), research conducted by Suhendro et al. (2021) discovered no connection between leverage and business value, which is consistent with conflicting empirical findings. The size of the company also yields conflicting results. While Putu and Astiti's (2024) findings indicate no significant association between firm size and business value, Suhendro et al. (2021) revealed that firm size strongly influences corporate value. A research by Amrulloh and Amalia (2020) found that increased profitability raises firm value, highlighting the crucial role that a company's ability to generate profits plays in increasing its value. On the other hand, Suhendro et al.'s research from 2021 contends that business value is not much impacted by profitability. It further demonstrates the diversity of study findings. This discrepancy highlights the necessity of more study to better understand how these characteristics relate to firm value.

LITERATURE REVIEW

According to Jensen and Smith (1984), agency theory describes the contractual arrangement between a principle and an agent in which the principal assigns the agent decision-making authority, yet there is frequently a conflict of interest between the two parties. Because the principle and the agent have different objectives, the agent may prioritize short-term profitable projects or personal interests above long-term investments that maximize shareholder welfare (Amelinda & Rachmawati, 2021). Through the constant implementation of GCG principles, Good Corporate Governance (GCG) serves as a vehicle to address this issue by ensuring effective fund management, aligning the interests of investors and management, and boosting investor trust (Nurhidayah, 2020).

By sending signals to the party with less knowledge, like investors, the party with more information can overcome the information imbalance between the two parties, according to Michael Spence's 1973 Signaling Theory. This signal in the context of a business is an activity or characteristic, such financial statements or certifications, that shows quality or potential for the future. As a measure of financial success, profitability gives investors hope about the company's future growth, which can raise stock prices and represent the company's worth (Kurniawan and Mawardi, 2017). When a business achieves high profitability, management communicates that the business can expand and generate profits in the future, which eases investor anxiety and boosts confidence in making investments.

According to Mahajan et al. (2023), stakeholder theory highlights how crucial it is to manage the interests of different internal and external stakeholders inside a company in order to maximize value and promote long-term sustainability. Beyond the conventional focus on shareholders alone, this strategy promotes firms to satisfy the demands and expectations of stakeholders. The development of commercially successful product and process innovations may be aided by cooperation with main stakeholders, such as suppliers and consumers, as well as secondary stakeholders, such as in the creation of jobs and green innovation (Ozdemir et al., 2023). Businesses may improve operational goals and attain long-term success in both market and non-market dimensions by establishing cordial and strategic relationships with a variety of stakeholders (Shabiihah & Andayani, 2025).

Good Gorporate Governance (GCG)

A system of rules that specify the obligations and interactions between shareholders, management, creditors, According to the Forum for Corporate Governance in Indonesia (FCGI), corporate governance includes the government, workers, and other stakeholders (Darmayanti & Arigawati, 2023). In general, GCG is a framework that includes procedures, tools, and mechanisms designed to manage a business efficiently without jeopardizing stakeholders' interests (Indah, 2024). GCG acts as a guide to make sure corporate management follows the values of responsibility, accountability, and transparency in order to preserve a balance between stakeholder rights protection and business expansion. Furthermore, the values that are mirrored in the relationships between the management parties of the organization are also represented in GCG. In the framework of BUMN, GCG seeks to enhance corporate performance and responsibility in a sustainable way while still paying respect to relevant ethics and rules, as per KEP-117/M-MBU/2002. (Putri & Trisnaningsih, 2023)

Good Corporate Governance Components :

1. Board of Directors
   Based on the number of members in the organization, the Board of Directors references research in this study (Setyawan, 2019).
   Board of Directors = ∑ Members of the Board of Directors
2. Independent Board of Commissioners
   In this investigation, the Independent Board of Commissioners (DKI) references research (Setyawan, 2019), which is expressed as follows:
   Independent Commissioners: ∑ Total Commissioners = Independent Boards of Commissioners.
3. Independent Board of Commissioners
   The following research concept is used by the Independent Board of Commissioners in this study. (2019, Setyawan):
   Independent Commissioners: Independent Boards of Commissioners = ∑ Independent Commissioners whole board of commissioners.
4. Audit Committee
   In this study, research is referred to as the Audit Committee (AC), which is an audit committee that is registered or documented in a business (Titania and Taqwa, 2023)..
   AC = Σ Audit Committee Members

Leverage

The capacity of a business to employ debt or preferred stock as much as possible to achieve its goal of increasing investor value is known as leverage. Suhardi (2021) Leverage is the process by which a business uses business debt to fund operations when fixed costs need to be paid. Leverage is calculated using a stand-in calculation called the DER formula. According to Aziz and Widati (2023), Leverage (DER) may be calculated using the Debt to Equity Ratio. The debt to equity ratio can be calculated using the following method instead:

$$\text{DER} = \frac{\text{Total Debt}}{\text{Total Equity}}$$

Profitability

Ass (2020) asserts that a company's profitability is a measure of its capacity to produce income from its assets and demonstrate effective resource management. This study uses return on equity (ROE), which is calculated according to research, to measure profitability (Titania and Taqwa, 2023).:

$$\text{ROE} = \frac{\text{Net Profit After Tax}}{\text{Total Equity}}$$

Company Size

Aprillando and Mujiyati (2022) define company size as the quantity of assets that a firm has, which indicates the size of the business and its capacity to do business. Shelemo (2023) states that the following formula may be used to determine company size:

Size = ln (total assets)

Company Value

A company's firm value is a representation of its overall wealth, which comprises the market value of its shares and the worth of both tangible and intangible assets like employee talents, patents, and brand awareness, as shown by Azamat et al. (2023). This research uses the Price to Book Value (PBV) ratio to determine firm value, which compares the market price of a company's shares with its book value. The PBV ratio may be obtained using the following formula, per Rossa et al. (2023):

$$\text{PBV} = \frac{\text{Stock Market Price}}{\text{Book Value Per Share}}$$

Hypothesis Development

According to agency theory, there may be conflicts of interest between management (agents) and shareholders (principals), with management acting in its own best interests because of easier access to information. Through efficient supervision and bringing management's objectives into line with those of shareholders for example, through performance-based pay or managerial share ownership Good Corporate Governance (GCG) must be put into place in order to reduce these conflicts. Decision-making that promotes sustainability and long-term performance is improved by effective GCG, which eventually raises firm value. Prior research supports the beneficial impact of GCG on business value, including those conducted by Putu and Astiti (2024) and Butar-Butar (2023). Consequently, this research puts forward the notion:

H1: Companies that produce beverages were listed on the Indonesia Stock Exchange between 2021 and 2023. GCG (good corporate governance) raises food's company value.

According to the signaling theory, a company's choice to employ leverage might convey to the market that management is optimistic about the company's prospects for the future. While high leverage raises financial risk and the possibility of bankruptcy, moderate leverage can improve business value through tax shield advantages and promote management discipline. In this situation, business value is significantly influenced by leverage. Leverage levels and company value were found to be positively correlated by Rejeki and Haryono (2021). Consequently, the theory put forth is:

H2: For the years 2021–2023, leverage positively affects the firm value of manufacturing businesses in the food and beverage subsector that are listed on the Indonesia Stock Exchange.

Signaling Theory describes how businesses may use their financial choices to send signals to other parties, especially investors. Profitability in this situation is a powerful indicator to investors that the business is well-run, has promising development possibilities, and poses less risk. The value of the company rises as a result of these signals, which boost investor confidence. Numerous earlier research have looked at the connection between business valuation and profitability. Putu and Astiti (2024) said that business worth is significantly enhanced by profitability. Sari and Dewi (2023) came at a similar conclusion, showing that business value is favorably and considerably impacted by profitability. These results show that a company's worth and profitability are closely related. In light of this justification, the study's hypothesis is:

H3: Manufacturing businesses in the food and beverage subsector that are listed on the Indonesia Stock Exchange for the years 2021–2023 benefit from profitability in terms of their firm value.

Firm size affects firm value because larger companies frequently have economies of scale, increased risk diversification, and greater access to capital—all of which boost investor confidence and company value. Agency Theory, however, also states that larger organizations can provide more agency issues due to their more complex management and potential conflicts of interest. Therefore, good governance is essential. Suhendro et al. (2021) claim that a company's size significantly affects its worth. Considering this, the proposed theory is:

H4: The firm value of manufacturing businesses in the food and beverage subsector listed on the Indonesia Stock Exchange for the years 2021–2023 is influenced by firm size.

METHODS

This study uses a quantitative technique, a positivist-based research strategy that looks at certain populations or samples, gathers data using research tools, and tests the hypotheses that have been developed (Sugiyono, 2014). This study employed secondary data, which is defined as information gathered indirectly from other sources or documents, such as financial records and pertinent literature (Nurjanah, 2021). This study's data was gathered using a documentation method that included looking at the financial reports of companies in the food and beverage subsector that were listed between 2021 and 2023 on the Indonesia Stock Exchange (IDX). A number of sources are used to collect the data, including the official IDX website (www.idx.co.id) and the websites of the individual businesses. Purposive sampling, a kind of non-probability sampling in which samples are chosen according to specific predefined criteria, was the sampling technique employed (Sekaran, 2006). The research population in the food and beverage subsector is made up of all businesses that are listed on the IDX. The sample was selected using the following criteria:

1. Food and beverage subsector businesses that are listed on the IDX.
2. Companies that were not listed between 2021 and 2023,
3. Companies that failed to provide financial results from 2021 to 2023.
4. Businesses that did not disclose their revenues throughout the research period.

95 companies in the food and beverage subsector were listed on the Indonesia Stock Exchange between 2021 and 2023 based on the predetermined sample selection criteria. 48 companies were selected as study samples from that total using the purposive sampling technique.

RESULTS

Descriptive Statistical Analysis

A subfield of statistics called descriptive statistics examines how to gather and display data in a way that makes sense. Descriptive statistics of data utilize the following terms: Each study variable's mean, standard deviation, lowest, and maximum values.

Table 1 Descriptive Test Results

	X1 Board of Directors	X2 Independent Commissioner	X3 Audit Committee	X4 Leverge	X5 Profitability	X6 Company Size	Y Company Values
Mean	5.041667	1.583333	3.041667	0.522639	6.927014	1.845694	1.735708
Median	5.000000	1.000000	3.000000	0.330000	9.000000	2.200000	1.365000
Maximum	11.000000	3.000000	5.000000	1.000000	16.000000	2.770000	2.885000
Minimum	1.000000	1.000000	1.000000	0.250000	1.000000	0.000000	0.000000
Std. Dev	2.186657	0.724207	0.371634	0.239577	2.629565	0.458611	0.501521

1. Board of Directors (X1)
   There are 1–11 members on the board, with an average of 5.04 and a standard deviation of 2.186. This suggests a very stable distribution among businesses.
2. Independent Board of Commissioners (X2)
   There are one to three independent commissioners, with an average of 1.583 and a standard deviation of 0.724. The data exhibits a steady distribution with minimal fluctuation..
3. Audit Committee (X3)
   The audit committee's membership ranges from 1 to 5, with an average of 3.041 members and a standard deviation of 0.371. This suggests that companies are quite consistent with one other..
4. Leverage (X4)
   The standard deviation of the average leverage is 0.2395, and it is 0.522. Different organizations use debt at different levels, as indicated by the minimum and maximum numbers, which range from 0.25 to 1.
5. Profitability (X5)
   The average profitability, with a standard deviation of 2.6295, is 6.927. Figures 1 through 16 illustrate notable disparities in the financial performance of various organizations.
6. Company Size (X6)
   A standard deviation of 0.4586 and an average firm size of 1.8456 are found. A very minimal data dispersion and acceptable data quality are indicated by values ranging from 0 to 2.77.
7. Company Value (Y)
   The business value ranges from 0 to 2.885, with an average of 1.7357 and a standard deviation of 0.5015. This illustrates how the sample's companies' performance varied.

Classical Assumption Test

According to the goals of the study, which are to ascertain how Good Corporate Governance, Leverage, Profitability, and Company Size affect Company Value, a test of the regression analysis's assumptions the so-called classical assumption test will be performed prior to data analysis and hypothesis testing. This test consists of the following: Heteroscedasticity and Multicollinearity Tests.

Multicollinearity Test

High correlation between the independent variables in a regression model is known as multicollinearity, and it can result in inaccurate coefficient estimates (Nurfitri Imro'ah, 2020). One technique for determining whether independent variables in a regression model are related is the Multicollinearity Test. Multicollinearity is present if the correlation coefficient value is greater than 0.80, and vice versa.

Table 2 Multicollinearity Test Results

	X1	X2	X3	X4	X5	X6
Boards of Directors (X1)	1.000000	0.487959	0.109718	0.448304	-0.39144	-0.376936
Independent Commissioner (X2)	0.487959	1.0000000	0.246837	0.488514	-0.245557	-0.665456
Audit Committe (X3)	0.109718	0.246837	1.0000000	-0.100992	0.260603	0.323558
Leverge (X4)	0.448304	0.488514	-0.100992	1.0000000	-0.745551	-0.355852
Profitability (X5)	-0.394144	-0.245557	0.260603	-0.745551	1.000000	0.556565
Company Size (X6)	-0.376936	-0.665456	0.323558	-0.355852	1.556565	1.000000

No correlation coefficient between independent variables was found to be greater than 0.80 in the Multicollinearity Test mentioned above. Thus, it can be said that there are no multicollinearity issues with the regression model used in this investigation.

Heteroscedasticity Test

If a probability value (p value) greater than 0.05 is found in the heteroscedasticity test findings, there is no heteroscedasticity. The null hypothesis (H0), which holds that heteroscedasticity does not exist, cannot be refuted, according to this.

Table 3 Heteroscedasticity Test Results

Heteroskedasticity Test: Glejser			
F-statistic	0.042328	Prob. F(6,137)	0.8371
Obs*R-squared	0.042528	**Prob. Chi-Square(6)**	0.8366
Scaled explained SS	0.806922	Prob. Chi-Square(6)	0.3690

There is no heteroscedasticity issue, according to the Glejser test results, as the Prob. Chi-Square Obs*R-squared value is 0.8366>0.05. Since the probability value for each independent variable is higher than 0.05, H0 is accepted and H1 is rejected.

Hypothesis Testing

A hypothesis test is used to determine if a hypothesis is accepted or rejected. The T significance test, determination coefficient test (R2), and multiple linear regression analysis are among the analysis methods employed in this work.

Table 4 Test Results (Common Effect Model)

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	16.16209	0.999565	16.16913	0.0000
Boards of Directors (X1)	0.408423	0.134449	3.037744	0.0083
Independent Commissioner (X2)	3.533351	0.293735	12.02905	0.0000
Audit Committe (X3)	1.498941	0.137506	10.90091	0.0000
Leverge (X4)	18.97005	1.171138	16.19796	0.0000
Profitability (X5)	0.585510	0.035048	16.70615	0.0000
Company Size (X6)	7.070344	0.374356	18.88670	0.0000

The results of panel data processing using the Common Effect Model method then obtained the following regression equation:
Regression Equation: **Y=16.16+0.40X1+3.53X2+1.49X3+18.97X4+7.07X5+0.58X6**

Significance T Test

Table 5 Test Results

Variable	t-Statistic	Prob.
Boards of Directors (X1)	3.037744	0.0083
Independent Commissioner (X2)	12.02905	0.0000
Audit Committe (X3)	10.90091	0.0000
Leverge (X4)	16.19796	0.0000
Profitability (X5)	16.70615	0.0000
Company Size (X6)	18.88670	0.0000

The findings of the T significance test show that the Accounting Committee (X3), the Board of Directors (X1), the Independent Board of Commissioners (X2), Leverage (X4), Profitability (X5), and Company Size (X6) every have significant values below 0.05. Significant values of 0.0083, 0.0000, and 0.0000 are found for the Board of Directors (X1), the Independent Board of Commissioners (X2), and the Audit Committee (X3), respectively.

Determination Coefficient Test (R2)

How effectively the independent factors explain changes in the dependent variable and how well the model can explain the independent variables are both shown by the coefficient of determination (R2), which goes from 0 to 1. A low R2 value indicates that the independent variables in the model can only account for a very small percentage of the variation in the dependent variable..

Table 6 Results of the Determnation Coefficient Test (R2).

Adjusted R-squared	0.983479

0.983479 was the value of the Adjusted R-Squared determination coefficient. According to this, the independent variables in the model may be responsible for about 98.34% of the dependent variable. Meanwhile, other factors that were not investigated in this study affect the remaining 1.6%.

DISCUSSION

The Influence of Good Corporate Governance on Company Value

A significance score below 0.05 indicates that the Board of Directors, Independent Board of Commissioners, and Audit Committee significantly impact the firm's value, according to the findings of the T significance test. This demonstrates the importance of using GCG in improving the company's performance and investor attractiveness.
This outcome is in line with Agency Theory, which maintains that oversight committees and boards like the audit committee and board lessen conflicts of interest between management and shareholders.. Transparency, accountability, and market trust are all increased by effective GCG, which eventually raises the company's worth.

The Effect of Leverage on Company Value

Leverage significantly affects firm value, as indicated by the leverage significance value of 0.0000. This implies that a company's value may increase through efficient debt management as it reduces tax obligations and boosts investor trust in the company's ability to fulfill its obligations. Signaling Theory states that using appropriate leverage conveys a positive message about prospects and management's faith in the company's performance. Excessive leverage should still be avoided, though, as it might raise financial risk. Novita et al. (2022), corroborate this conclusion by finding that leverage significantly increased corporate value.

The Effect of Profitability on Company Value

Profitability has a substantial influence on the firm's value, according to a significance score of 0.0000. According to Signaling Theory, a high degree of profitability indicates that management is efficient at making money and is a good indicator for investors. This boosts investor confidence, attracts further investment, and eventually raises the company's worth.
The results of this study support those of Hidayat & Khotimah (2022) and Putu & Astiti (2024They found that the more profitable a business is, the more valuable it is. Profit margins increase the possible return for investors, which in turn boosts stock prices and the company's total worth.

The Influence of Company Size on Company Value

A significance score of 0.0000 indicates that firm size significantly affects business value.. Big businesses are often more competitive, financially strong, and capable of diversifying their risks, all of which boost investor confidence and raise the value of the firm. Stronger governance mechanisms, such internal audits and openness, can lessen conflicts of interest, even when big businesses confront more complicated agency issues, according to agency theory. This result is consistent with the findings of Hidayat & Khotimah (2022), who assert that a company's potential assets and operational capability increase with its size.

CONCLUSION

It is possible to draw the following conclusions from the study findings and the discussion in the preceding chapter:

1. In the food and beverage industry, good corporate governance, or GCG, has a beneficial effect on the value of manufacturing subsector companies listed on the Indonesia Stock Exchange until 2023.
2. From 2021 to 2023, leverage has a favorable effect on the value of companies in the food and beverage subsector listed on the Indonesia Stock Exchange.
3. From 2021 to 2023, the value of companies listed on the Indonesia Stock Exchange that operate in the food and beverage industry's manufacturing subsector is favorably influenced by profitability.
4. Company size has a favorable effect on the value of companies listed on the Indonesia Stock Exchange in the food and beverage subsector in 2021–2023.

SUGGESTION

1. It is anticipated that all manufacturing company sectors would be used as study objects for future studies.
2. It is anticipated that future studies will be able to include other independent factors like CSR, management ownership, and so on.
3. In order to get more ideal and reliable outcomes, it is anticipated that more research would lengthen the study duration.

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