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THE EFFECT OF LIQUIDITY AND LEVERAGE ON FIRM VALUE WITH PROFITABILITY AS MEDIATION VARIABLES

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ABSTRACT

In the realm of business, one crucial aspect that can never be overlooked is a company's market worth. Because of the significant contribution that the transportation and logistics sector makes to the Indonesian economy, the objective of this research is to determine the effect that the variables liquidity and leverage have on firm value, with profitability serving as a mediating variable, in the transportation and logistics sector listed on the Indonesia Stock Exchange during the years 2019 to 2021. Participants in the study's samples On the Indonesia Stock Exchange (IDX), this is a transportation and logistics company that had already listed its shares before the research period began. Path analysis and the sobel test are the methodologies that are utilised in the data analysis process. The findings of this study suggest that negative leverage does not have a significant effect on firm value, that liquidity does not have a significant negative effect on firm value, that liquidity has a positive and significant effect on profitability, that leverage does not have a significant negative effect on profitability, that profitability does not have a significant negative effect on firm value, that profitability is unable to mediate the effect of either liquidity or leverage on firm value, and that profitability does not have a significant negative effect on firm value. According to the findings of this research, profitability was unable to act as a moderator between liquidity and profitability's influence on firm value.

KEY WORDS

Liquidity, leverage, firm value, profitability.

When it comes to the realm of commerce, there is one vital component that simply must not be neglected, and that is the worth of a corporation. Numerous aspects, such as a company's liquidity ratios, leverage ratios, profitability ratios, stability ratios, growth ratios, profitability ratios, and solvency ratios, all contribute to the company's overall worth. It is vital for shareholders to have a strong grasp of the factors that contribute to the value of the company in order to effectively evaluate the value of their shares and make wise decisions regarding their investments. In addition, it is essential for shareholders to have a solid understanding of the variables that contribute to the value of the firm. such as liquidity has a direct association with corporate value, where liquidity refers to a company's capacity to satisfy short-term obligations without facing any trouble. Corporate value is determined by a company's ability to generate profits over the long term. When a company has weak liquidity, it may be a sign that the company is going through some sort of financial difficulty and may have trouble meeting its obligations in the future. Leverage is another factor that has a direct connection to a company's worth. Leverage is defined as the ratio of a company's total debt to its total assets. This ratio is expressed as a percentage. The amount of debt that a corporation holds in relation to the total assets that it owns is referred to as its leverage. Leverage can be positive or negative. According to Kasmir (2018: 151), the leverage ratio is the ratio that is used to evaluate the extent to which a company's assets are financed with debt. This evaluation is done by dividing the total asset value by the total amount of debt. However, if a company is unable to pay its obligations, this can put a pressure on the company's finances and reduce its value. As a consequence of this, it is absolutely necessary for the stakeholders of the organisation to have a precise comprehension of the degree of leverage. There has been a great deal of discrepancy in the findings of previous research regarding the relationship between the influence of liquidity and leverage on

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corporate value. Profitability, which also has a close link with firm value, is used as a variable that mediates the influence of liquidity and leverage on firm value. This is because profitability has a close connection with firm value. Because of this, the relationship between liquidity and leverage on the value of the company is able to become clearer and more robust. The degree to which a company is able to turn its day-to-day operations into a profit is referred to as the profitability of that company. Profitability may be directly attributed to the activities that are carried out by a company. According to Kasmir (2018: 196), the profitability ratio is a ratio that may be used to evaluate the possibility for a company to create a profit. This evaluation can be done using the ratio.

For the years 2019 to 2021, this enquiry focused on companies that are listed on the Indonesia Stock Exchange and are active in the transportation and logistics sector. Because of its important role in the Indonesian economy, the transportation and logistics sector was selected as the winner. This sector is crucial to the functioning of the Indonesian economy since it provides support for a wide range of other sectors, including industry, commerce, and the service sector. The growth rate of the business area that is related to transportation and logistics provides evidence that significant shifts took place in the transportation and logistics industry between the years 2019 and 2021. These shifts can be seen by looking at the timeline.

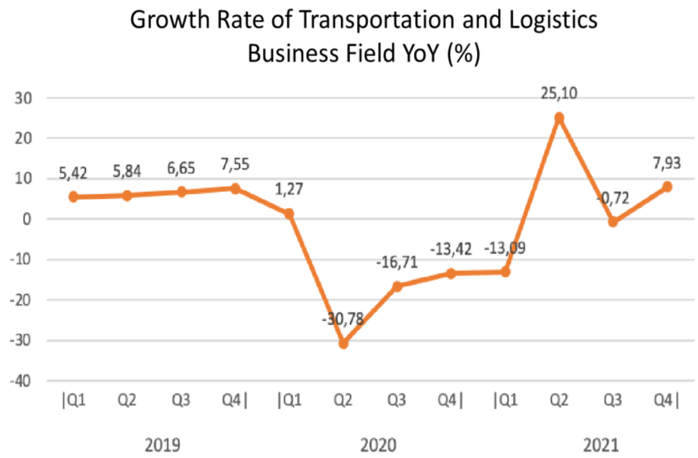

Figure 1 – Data on the Growth Rate of Business Fields in the Indonesian Transportation and Logistics Sector for 2019-2021

According to the data presented in Table 1, this industry maintained a very consistent growth rate in 2019, with a year-over-year expansion rate ranging from 5.42% to 7.55% across each quarter. However, in the year 2020, the COVID-19 pandemic had an effect on the expansion of this industry, which resulted in the year-over-year growth rate for the second quarter decreasing dramatically to -30.78%. The transportation and logistics industry demonstrates a tendency that is rather unstable in 2021, with year-over-year growth rates witnessing both boosts and falls. After being impacted by the epidemic, this industry is beginning to recover as evidenced by the increase in growth that occurred during the second quarter, which was 25.10%.

In this study, Tobin's Q is utilised to get a rough estimate of business value. The value of Tobin's Q for each of the firms in the transportation and logistics sector that are listed on the IDX in 2019–2021 shows a substantial discrepancy. This indicates that not all companies in this sector follow the trend of the growth rate of business in the transportation and logistics sector. The following information, according to Tobin's Q value, pertains to businesses operating in the transportation and logistics sector between the years 2019 and 2021:

Even though the growth rate of the transportation and logistics industry has undergone a substantial slowdown, Table 1's data suggests that some companies, including TAXI, TNCA, and SAPX, will show a considerable increase in the Tobin's Q value in the year 2020. In addition, the value of Tobin's Q for SAPX companies is projected to drop significantly in

2021, despite the fact that the growth rate of the business field associated with this sector has accelerated. There are also a number of companies that have not experienced major changes in the value of Tobin's Q despite oscillations in the growth rate of this sector, such as SAFE and LRNA companies whose Tobin's Q values increase every year. These companies are examples of those who have been able to weather the storm of fluctuations in the growth rate of this industry.

Table 1 – Tobin's Q data on Transportation and Logistics Companies on the Indonesia Stock Exchange for 2019-2021

NNO	Company Code	Tobin's Q		
		2019	2020	2021
1	BLTA	1.93	1.98	1.82
2	SAFE	1.50	1.57	1.68
3	CMPP	1.68	1.80	2.39
4	MIRA	0.90	0.95	0.98
5	SMDR	0.64	0.69	0.81
6	ACTION	3.49	1.64	2.84
7	TMAS	0.82	0.89	2.55
8	WEHA	0.92	0.74	1.36
9	GIAA	1.08	1.25	1.91
10	HRU	1.65	1.32	1.47
11	NELY	0.75	0.71	1.42
12	TAXI	2.59	4,40	5.78
13	ASSA	1.24	1.14	2.68
14	LRNAs	0.29	0.45	0.49
15	BIRD	1.11	0.73	0.74
16	HELI	1.24	1,13	1.43
17	TRUCK	0.71	1,13	1.16
18	TNCA	2.47	3.89	20,72
19	BPTR	0.85	0.62	1.65
20	SAPX	4.72	9.02	4.50
21	DEALS	1.28	1.30	1.54

Source: www.idx.co.id, 2023.

The following is a description of the model used in this study, which may be derived from the findings of prior research as well as from a search of the relevant literature:

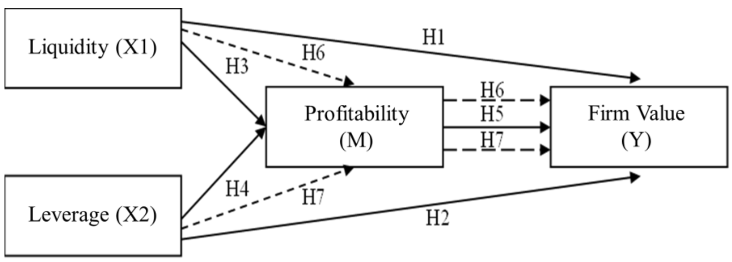

Figure 2 – Conceptual framework

As stated by Fahmi (2017: 121), the liquidity ratio pertains to the capacity of a corporation to promptly meet its short-term liabilities. According to a study conducted by Lisda and Kusmayanti (2021), it has been found that there is a positive and statistically significant relationship between liquidity and firm value. The present study is further substantiated by the research conducted by Putra and Sedana (2019) as well as Yanti and Darmayanti (2019), whereby they assert that liquidity has a favourable impact on business value. Based on the provided description, it is possible to propose the following hypothesis: H1: Liquidity has a positive effect on firm value.

Fahmi (2017: 127) posits that the leverage ratio serves as a metric for quantifying the extent to which a company's capital structure is reliant on debt financing. According to the findings of Zuhroh (2019) and Sukarya and Baskara (2019), high leverage is expected to have a favourable impact on firm value. These studies have established a substantial positive association between leverage and its effects on firm value. Based on the provided description, it is possible to formulate the following hypothesis: H2: Leverage has a positive effect on firm value.

The current ratio, often known as the current ratio, is a metric employed to assess a company's capacity to fulfil its imminent short-term liabilities (Harahap, 2018: 301). This assertion is substantiated by the findings of Dewi (2019) and Miadalyni (2019), who suggest that the relationship between liquidity and profitability is characterised by a notable positive impact. Based on the provided description, it is possible to propose the following hypothesis: H3: Liquidity has a positive effect on profitability.

Leverage can be utilised by firms to facilitate the expansion of their business through the provision of financial resources for new investments or market expansions. This, in turn, has the potential to generate supplementary earnings and enhance the overall profitability of the company. The assertion is substantiated by a study conducted by Rizvi et al. (2022), which posits that leverage exerts a noteworthy favourable impact on profitability. Based on the provided description, it is possible to propose the following hypothesis: H4: Leverage has a positive effect on profitability.

Enhanced profitability has the potential to augment the company's worth by demonstrating its capacity to earn substantial profits, so fostering investor interest and incentivizing investment in the organisation. The positive and large impact of profitability on firm value has been substantiated by multiple research studies conducted by Dewi and Abundanti (2019), Sudiyatno et al. (2020), and Antoro et al. (2020). Based on the provided description, it is possible to formulate the following hypothesis: H5: Profitability has a positive effect on firm value.

The influence of profitability on firm value is a significant factor to consider. Companies that exhibit both a high degree of liquidity and profitability tend to be perceived as more appealing to investors and the market. Consequently, this perception can have an impact on the overall value of the firm. According to a study conducted by Ardiana and Chabachib (2018), there is evidence to suggest that profitability plays a mediating role in the relationship between liquidity and business value. Based on the provided description, it is possible to propose the following hypothesis: H6: Profitability is able to mediate the effect of liquidity on firm value.

The impact of leverage on a company's value can be observed in terms of its profitability. Effective debt management, which is associated with improved profitability, can send a positive signal to investors. This positive signal may encourage investors to allocate their resources towards the company, ultimately influencing the company's overall worth. Regarding the research on the mediating effect of profitability on the relationship between leverage and firm value, two studies conducted by Makkulau et al. (2017) and Nadillah et al. (2017) have been identified. Based on the provided description, it is possible to formulate the following hypothesis, denoted as H7: Profitability is able to mediate the influence of leverage on firm value.

METHODS OF RESEARCH

This research employs a quantitative approach characterised by its associative nature. The present study is situated within a transportation and logistics organisation that is publicly traded on the Indonesia Stock Exchange (IDX). The selection of the Indonesia Stock Exchange was based on its status as a prominent capital market in Indonesia, which offers comprehensive systems and facilities for the purpose of facilitating the convergence of buyers and sellers in the trading of securities. The focus of this research is to the evaluation of firm value, specifically measured by Tobin's Q, within the transportation and logistics sector of the Indonesia Stock Exchange (IDX) during the period spanning from 2019 to 2021. The study encompasses the population of transportation and logistics companies that are officially listed on the Indonesia Stock Exchange (IDX). The participants in this research comprised transportation and logistics companies listed on the Indonesia Stock Exchange (IDX) that had already gone public before the designated study period. The methodology employed in this study involved the utilisation of purposive sampling. The data underwent analysis utilising various statistical techniques, including Path Analysis, Classical Assumption Test, R2 determination coefficient test, Hypothesis Test, and Sobel Test.

RESULTS AND DISCUSSION

In this particular study, a sample size of 21 businesses operating in the transportation and logistics sub-sector was multiplied by three research periods for a total of 63 participants. However, while conducting the study, it was found that there were extreme data, which resulted in the data not being normally distributed. This was a result of the extreme data. As a direct consequence of this, the number of research data, which had previously comprised 33 data, was cut down to 30 data. This represents a reduction of 16 data.

Table 2 – Descriptive Statistics Results

	N	Minimum	Maximum	Means	std. Deviation
Liquidity	30	.29	9.02	1.6347	1.68258
leverage	30	22.00	384.77	132.2563	87.73675
Profitability	30	3.15	262.38	102.3340	80.34333
The value of the company	30	-14.01	17.85	1.6290	7.47157
Valid N (listwise)	30				

According to the findings of this investigation, the firm value as calculated by Tobin's Q ranges from 0.29 times at PT Eka Sari Lorena Transport Tbk to 9.02 times at PT. Satria Antaran Prima Tbk, with an average firm value of 1.63 times and a standard deviation of 1.68 times. The multiple of the average business value is 1.63. If the standard deviation is more than the mean value, then either the data set has a higher variance or is more heterogeneous. Alternatively, it suggests that there is a high deviation in the data set, which is a poor representation of the whole data set. If the mean value is smaller than the standard deviation, then either the data set has a lower variance or is more homogeneous. The standard deviation is higher than the mean value, while the mean value is smaller.

According to the findings of this research, the liquidity that was determined by CR had a minimum CR value range of 22 percent, which belonged to PT Batavia Prosperindo Trans Tbk; a maximum CR value range of 384.77 percent, which belonged to PT Pelayaran Nelly Dwi Putri Tbk; an average CR value of 132.25 percent; and a standard deviation of 87.73. If the standard deviation is lower than the average value, this indicates that the data set has less variance and is more consistent overall. This is especially true if the average value is higher than the standard deviation. Because of this, it may be deduced that the data values have a tendency to be more closely aligned with the average. This demonstrates that all of the data points in the sample have the same relative value or that they are not too far out from the mean in any meaningful sense.

The leverage that was calculated using DER in this study has a minimum DER value of 3.15 percent, specifically at PT. Garuda Indonesia (Persero) Tbk in 2021, and a maximum DER value of 262.38 percent, specifically at PT. Adi Sarana Armada Tbk in 2020. Both of these values are specific to the company. A standard deviation of 80.34 percent and an average value of 102.33 percent are also included in its statistics. If the standard deviation is lower than the average value, this indicates that the data set has less variance and is more consistent overall. This is especially true if the average value is higher than the standard deviation. Because of this, it may be deduced that the data values have a tendency to be more closely aligned with the average. This demonstrates that all of the data points in the sample have the same relative value or that they are not too far out from the mean in any meaningful sense.

Profitability, which is calculated in this study using ROA, varies from a value of -14.01 percent (at PT WEHA Transportasi Indonesia Tbk) to a value of 17.85 percent (at PT. Satria Antaran Prima Tbk), with a value of 1.62 percent (on average) and 7.47 percent (standard deviation) for the average value. The lowest value of profitability is found at PT WEHA

Transportasi Indonesia Tbk. If the standard deviation is more than the mean value, then either the data set has a higher variance or is more heterogeneous. Alternatively, it suggests that there is a high deviation in the data set, which is a poor representation of the whole data set. If the mean value is smaller than the standard deviation, then either the data set has a lower variance or is more homogeneous. The standard deviation is higher than the mean value, while the mean value is smaller.

Table 3 – Normality Test Results

Equality	Asymp. Sig. (2-tailed) Kolmogorov-Smirnov Z
Sub-structural 1	0.200
Sub-structural 2	0.071

According to the findings of the normality test carried out using the One-Sample Kolmogorov-Smirnov Test, which are presented in Table 3, the Asymp. Sig. (2-tailed) Kolmogorov-Smirnov value for structure 1 is 0.200, whereas the value for structure 2 is 0.071. Due to the fact that this number is higher than the alpha value of 0.05, it may be deduced that the data utilised in this investigation follows a normal distribution. It is possible to draw the conclusion that the model is consistent with the normalcy assumption.

Table 4 – Autocorrelation Test Results

Equality	Durbin Watson Values	Markd_u	Grade 4-d_u	Decision
Sub-structural 1	1615	1,566	2,434	Autocorrelation free
Sub-structural 2	1947	1,649	2,351	Autocorrelation free

The value of the Durbin Watson structure I of 1.615 is between the limits (d_u = 1.566) and (4-d_u = 2.434), then structure II of 1.947 is between the limits (d_u = 1.649) and (4-d_u = 2.351). A good regression model is one that does not contain symptoms of autocorrelation with the criteria d_u<d_w< (4-d_u). In structure 1, 1.566 < 1.615 < 2.434 is obtained. In structure II, 1.649 < 1.947 < 2.351 is obtained. It can be concluded that there are no symptoms of autocorrelation.

Table 5 – Multicollinearity Test Results

	Model	*Collinearity Statistics*	
		Tolerance	*VIF*
Sub-structural 1	Liquidity	0.756	1.322
	leverage	0.756	1.322
Sub-structural 2	Liquidity	0.487	2,054
	leverage	0.614	1,628
	Profitability	0.637	1,571

According to the findings of the test for multicollinearity, the independent variables in structures 1 and 2 each have a tolerance value that is greater than 0.10 and a VIF value that is lower than 10, indicating that multicollinearity does not exist in this regression model.

Table 6 – Heteroscedasticity Test Results

Equality	Model	Q	Sig.
Sub-structural 1	Liquidity	-0.001	1.00
	leverage	-1,769	0.088
Sub-structural 2	Liquidity	1,765	0.089
	leverage	-0.243	0.810
	Profitability	0.658	0.516

According to the findings of the Heteroscedasticity Test, every single model possesses a significance value that is higher than the threshold of 0.05. This demonstrates that the independent variables utilised in this investigation do not have a substantial effect on the absolute error; hence, this study does not exhibit any of the symptoms that are associated with heteroscedasticity.

Table 7 – Results of Structural Path Analysis I

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	-10,262	3,369		-3,047	0.005
Liquidity	0.058	0.015	0.683	3,867	0.001
leverage	0.041	0.016	0.442	2,501	0.019

The value of the liquidity coefficient is 0.683, and its significance is (0.0010.05), whereas the value of the leverage risk coefficient is (0.442), and its significance is (0.0190.05). This suggests that both liquidity and leverage have a large and favourable impact on a company's profitability.

Table 8 – Results of Structure Path Analysis II

Model	Unstandardized Coefficients	Standardized Coefficients		t	Sig.
	B	std. Error	Betas		
1 (Constant)	0.494	0.852		0.579	0.567
Liquidity	0.005	0.004	0.272	1,274	0.214
leverage	0.003	0.004	0.128	0.675	0.506
Profitability	0.109	0.042	0.483	2,590	0.016

The value of the liquidity coefficient is significant at 0.272 (0.214>0.05), the value of the leverage coefficient is significant at 0.128 (0.506>0.05), and the value of the profitability adequacy coefficient is significant at 0.483 (0.0160.05). This suggests that liquidity and leverage have a positive impact on firm value, but that this impact is not considerable, whereas the profitability of the company has a positive impact that is large.

Table 9 – Results of the Analysis of Direct, Indirect, and Total Effects

Variable influence	Direct influence	Indirect influence through M	Total Impact
X1→M	0.683		0.683
X2→M	0.442		0.442
M→Y	0.483		0.483
X1→Y	0.272	0.329	0.601
X2→Y	0.128	0.213	0.341

The findings of the research that was carried out specifically for the purpose of doing the analysis that is presented in this article indicate that the beta value of liquidity is 0.272, and its significance is more than 0.05. It is possible to draw the conclusion from this that the effect that liquidity has on the value of a company is one that is both positive and minor. This suggests that the degree of liquidity held by the corporation does not have a significant bearing on the value of the company. In this line of research, the liquidity variable is represented by the CR indicator as a stand-in. Even if the effect is not statistically significant, it suggests that there is a beneficial influence on the value of the company.

According to the findings and conclusions of this research project's analysis, leverage has a beta value of 0.128 and a significance level of 0.506, which is greater than 0.05. It is hypothesised that throughout the period 2019-2021, leverage will have a beneficial influence on the firm value of transportation and logistics businesses that are listed on the IDX, but that this benefit would be negligible. The leverage variable does not have any impact on the value of the company because investors evaluate investment risk based not only on leverage but also on the other components of a company's financial records. This suggests that an increase or decrease in the amount of debt utilised does not result in a high or low firm value.

The findings of the research that was carried out specifically for the purpose of doing the analysis that is presented in this article indicate that the beta value of liquidity is 0.683, and its significance is 0.001 0.05. On the basis of this, one can draw the conclusion that liquidity has a positive and significant impact on the profitability of transportation and logistics firms that are listed on the IDX throughout the period 2019-2021. This conclusion can be reached because of the aforementioned. This suggests that enhancing the liquidity of the organisation will lead to improved profitability for the business. In the context of this research, the Current Ratio serves as a stand-in for liquidity because it illustrates a company's potential to meet its short-term obligations by utilising the assets that are currently in its possession. Due to the fact that the Current Ratio itself indicates the capability of the organisation to generate profits, liquidity has an influence on profitability.

According to the findings and conclusions of this research project's investigation, leverage possesses a beta value of 0.442 and a significance of 0.019 0.05. This suggests that leverage plays a substantial role in the equation. On the basis of this information, it is possible to draw the conclusion that leverage has a positive and significant impact on profitability in transportation and logistics companies that are listed on the IDX over the years 2019-2021. This conclusion can be drawn across all three of these years. According to the signalling theory, leverage can have a beneficial affect on profitability for organisations who are able to successfully manage their debts and achieve high levels of profit. This is one of the conditions that must be met before the theory can be applied. This indicates that debt that is successfully managed can assist businesses in increasing their levels of revenue and profit, which in turn can boost the profitability of the business.

The findings of the research that was carried out for the purpose of this study indicate that the profitability variable has a beta value of 0.483 and a significance of 0.016 0.05 in relation to the value of the firm. On the basis of this information, one may draw the conclusion that the profitability of the company has a positive and significant effect on the value of the company. As a direct result of this discovery, it is possible to draw the conclusion that the size of the profit that the firm makes has an effect on the value of the company. A rise in the company's profitability will lead to an increase in the value of the business. A high level of profitability can also be an indication that the firm is able to operate its operations in an effective and efficient manner. This is a key component that investors take into consideration when making decisions regarding their investments, and a high level of profitability can be an indication of both of these things.

According to the findings and conclusions of the study's analysis, the M value is 2.1, which is greater than the value of the t table at a significance level of 0.05, which is 1.96 (2.1 is greater than 1.96). This may be seen by looking at the fact that the outcomes of the Sobel test suggest that the value. This demonstrates that a company's profitability has the capacity to mitigate the effect that liquidity has on its value. There is no doubt that having a high cash level can be of assistance to businesses in rapidly capitalising on opportunities that are already available to them, such as boosting the effectiveness with which they control the costs of their operations.

According to the results of this study, profitability is unable to operate as a mediator between the effect of leverage on firm value; as a result, hypothesis 7 is not supported. This indicates that profitability does not affect the value of a company. This suggests that the company's profitability is not robust enough to adequately moderate the effect that leverage has on the value of the company because the value found using the Sobel test, 1.75, is less than the value found using the t table with a significance level of 0.05, which is 1.96 (1.75 1.96). This was determined because the value found using the Sobel test was lower than the value found using the t table with the significance level of 0.05.

IMPLICATIONS OF RESEARCH RESULTS

The theoretical ramifications of this study investigate the effect that business value has on liquidity, leverage, and profitability, with profitability serving as the moderating variable. The findings of this research indicate that an increase or reduction in the aforementioned variables will, in turn, offer an information signal. This finding is connected to the signalling theory, which states that investors require the information provided by the company in order to evaluate and decide whether or not to make investments in the company. The fact that the information was revealed in the financial reports for this study resulted in it becoming bad news, which had a detrimental effect on the company. According to the findings of this research, a company's value can be positively and significantly affected by factors such as its liquidity, leverage, and profitability. It is possible for the company to send a good signal to the market, which would result in an increase in the value of the company, if it is successful in effectively managing its liquidity and leverage, in conjunction with an improvement in its financial performance.

This research can be utilised as supplemental data regarding the status of the firm and as a factor for entrepreneurs and investors to take into consideration when making decisions regarding the impact of liquidity, leverage, and profitability on firm value.

CONCLUSION AND SUGGESTIONS

Following are some conclusions that can be reached on the basis of the outcomes of the analysis and the debate that have been presented: 1. The presence of liquidity does not have a materially favourable impact on the value of the firm. This indicates that high or low liquidity do not have a substantial impact on the value of the organisation because the company is unable to utilise its current assets to their full potential. 2. The use of leverage does not have a major beneficial effect on the value of the company, which indicates that an increase or decrease in the amount of debt utilised does not cause a high or low value for the company. Not only on leverage, but investors look at investment risk from a variety of perspectives within the financial statements. 3. the impact of liquidity on a company's profitability is both good and significant. Companies that have a high liquidity will minimise the amount of debt that they possess, which will result in a smaller risk of the firm going bankrupt being absorbed by the company. 4. The findings of this research demonstrate that the use of leverage has a constructive and considerable impact on a company's ability to generate profits. This is due to the fact that the firm uses its debt in order to support its operations, which in turn generates profits that are greater than the costs associated with the company's borrowing. 5. The level of a company's profitability has a beneficial and discernible impact on the value of the business. The company's ability to effectively and efficiently manage its activities so as to earn huge profits is demonstrated by the fact that the company's profits have increased. This might send a favourable message to potential investors, encouraging them to put their money into the company. 6. a company's profitability can help to moderate the impact that liquidity has on its market value 7. The profitability of a company is unable to moderate the effect that leverage has on the company's worth.

The following are some recommendations that can be made to research-related parties, based on the results, discussion, and research conclusions that have been described: providing additional information to serve as a basis for consideration in making investment decisions in the transportation and logistics sector on the IDX by taking into account variables such as liquidity, leverage, and profitability. Because the status of a firm cannot be divorced from either its internal or external variables, investors are cautioned to pay attention to both sets of considerations when making investment decisions. It has been advised to future researchers that they include variables that were not included in this study. This is due to the fact that the modest coefficient of determination indicates that there are still more elements that can determine how much a company is worth. In addition, research can be conducted in other sub-sectors despite the fact that the results have not yet reached statistical significance.

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