

Growth, Size, Profitability, and Capital Structure Effects on Metal and Food & Beverage Firm Value

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Abstract

This study seeks to investigate the extent to which several financial determinants, namely firm growth, firm size, profitability, and capital structure, contribute to the enhancement of firm value. The research population comprises companies listed on the Indonesia Stock Exchange (IDX). Using a purposive sampling approach, the study selected manufacturing firms operating within the food and beverage as well as basic metal industry sectors that met the established sampling criteria. Data analysis was conducted using WarpPLS. The empirical results reveal that firm growth and capital structure exert a significant positive influence on firm value. In contrast, firm size and profitability were found to have no statistically significant impact on firm value. These findings suggest that potential investors should carefully evaluate key financial indicators before making investment decisions. Furthermore, the results highlight the importance for regulatory authorities to formulate policies that promote the availability of transparent, accurate, and reliable information, thereby supporting informed investment decision making.

Keywords: Company Growth, Firm Size, Profitability, Capital Structure, Firm Value.

Introduction

In 2024, expansion within the manufacturing sector particularly among large and medium enterprises was chiefly propelled by robust output from two pivotal sub sectors: food & beverage and basic metals. As the dominant segment within the manufacturing landscape, the food industry posted a 3.47% growth rate, a trajectory that mirrors the 4.25% uptick in household spending on food and beverage products. Concurrently, the basic metal industry demonstrated marked acceleration, expanding by 6.04%, largely underpinned by a substantial 10.35% year-on-year surge in export performance (Statistik, 2025). This raises the question of whether, under current economic conditions, the manufacturing industry can withstand the prevailing political and economic climate.

A sustained appreciation in firm value generally signifies sound underlying fundamentals and effective management in generating shareholder wealth (Faizra et al., 2022). Within capital markets, share prices emerge from the equilibrium of aggregated buying and selling decisions; consequently, they serve as a viable proxy for measuring firm value (Meirini & Khoirawati, 2021). Nevertheless, market valuations are shaped by multifaceted determinants, among which fundamental dimensions encompassing growth trajectories, organizational scale, profit-generating capacity, and financing composition play a particularly salient role.

Clarinda et al. (2023) conceptualize corporate growth as the oscillatory movement whether upward or downward in critical financial aggregates, including aggregate assets, revenue streams, and bottom line earnings relative to prior year benchmarks. From an operational standpoint, this metric captures the degree of variation in asset valuation recorded over a single fiscal cycle. A study by Yusmita et al. (2023) found that growth has a positive effect on firm value. Meanwhile, a study by Rosa & Hermanto (2024) and Kelana & Amanah (2020) found a negative effect of growth. Meanwhile Lacrima & Ardini (2021) found no effect in either direction.

Beyond expansion metrics, organizational scale constitutes another essential fundamental attribute, frequently denoted simply as firm size. This construct operationalizes business capacity through either the book value of corporate assets or the magnitude of revenue turnover (Ratanadewi & Wijaya, 2023). Yuniastri et al. (2020) further emphasize that the absolute volume of assets under management functions as a barometer of corporate magnitude, serving as a decisive evaluative criterion for investors when screening potential investment decisions. Maghfirandito and Adiwibowo (2022), in their study examining firm size, showed that the firm size ratio contributes positively to firm value. For studies by Widyakto et al. (2024), Meirini & Khoirawati (2021), and Yuniastri et al. (2020), they showed that the firm size ratio can influence firm value but negatively, unlike the observation results put forward by Fernanda & Machmuddah (2025) and Sahputra et al. (2024), which found that firm size has no influence on firm value.

Profitability functions as a barometer of managerial effectiveness in converting resources into earnings, gauged through the dual lenses of operational efficiency and asset utilization quality (Mardlotillah et al., 2022). Additionally, this construct quantifies the firm's capacity to yield returns scaled against turnover, asset bases, and equity contributions, thereby operating as a principal diagnostic of both fiscal well-being and administrative competence. Findings from studies by Putri & Machmuddah (2025), Fernanda & Machmuddah (2025), Abiyyatha et al. (2025), Widjanarko & Sukoco (2024), and Mardlotillah et al. (2022) found that profitability has a positive and significant influence on firm value. Conversely, research by Fitriani et al. (2023) and Thoha & Hairunnisa (2022) stated a negative influence. While research by Anwar et al. (2024) and Natalie & Lisiantara (2022) found no influence in either direction.

The remaining focal construct examined herein is capital structure, understood as the proportional composition of equity and long-term borrowings mobilized to fund corporate activities. Harmonizing these funding sources is imperative not merely for sustaining quotidian operations and prospective expansion, but also for enhancing overall enterprise value. Manurung and Wildan (2023) characterize this financing architecture as a deliberate orchestration of internal equity and external long-term liabilities aimed at maximizing resource productivity and earnings potential while maintaining risk exposure within acceptable bounds. Studies by Ranguti & Sari (2025), Sianturi et al. (2024), Astiti & Imbayani (2022), and Pramesti et al. (2021) indicate that capital structure positively influences firm value. The results of a study by Isnaeni et al. (2021) show the opposite result, namely a negative effect, while another study by Yulianti et al. (2022) found that capital structure has no effect on firm value.

The varying findings of previous research indicate that this topic is still worth re-examining because research findings have not been consistent. The main focus is to analyze the role of these variables to provide a deep understanding for companies in their efforts to increase their market value. The research question is whether fundamental factors have an impact on firm value?

Literature Review

Theoretical Foundation

Signaling Theory

Signaling theory, initially articulated by Spence (1973), operates as an analytical framework designed to attenuate information asymmetry separating corporate insiders from external capital providers. Under this theoretical lens, management selectively discloses specific data points that function as credible cues about anticipated performance or strategic trajectory; market participants subsequently decode these cues to form judgments concerning organizational quality and future viability. One of the signals a company provides to its stakeholders is firm value. Firm value represents investors perception of a company's level of success, which is often associated with stock price. A high stock price reflects a high firm value, thereby increasing market confidence (Meirini & Khoiriawati, 2021). According to Faizra et al. (2022), the upward trend in firm value over time reflects strong fundamental performance and management's success in creating added value for shareholders. In the context of the capital market, this value becomes a crucial indicator because maximizing firm value is the primary long-term objective for every business entity.

Hypothesis Development

Company Growth (Growth)

Corporate growth encapsulates an enterprise's capability to maintain and advance its competitive standing both sectorally and within the wider macroeconomic environment. As Clarinda et al. (2023) note, such growth manifests through directional shifts in core financial aggregates specifically asset accumulation, sales generation, and net earnings. Enterprises exhibiting pronounced expansion trajectories transmit favorable signals to capital markets regarding forthcoming scalability, which, in turn, exerts upward pressure on valuation. Research by Jullia & Finatariani (2024), Yusmita et al. (2023), Chynthiawati & Jonnardi (2022), and Silalahi & Sihotang (2021) supports this with findings that growth has a positive effect on firm value.

H1: Company growth has a positive effect on firm value.

Firm Size (Firm Size)

Organizational scale serves as a classificatory dimension that stratifies entities according to the magnitude of their asset holdings, the logarithmic transformation of such assets, or gross revenue. Ratanadewi & Wijaya (2023) construe this attribute as an expression of operational capability. Riaz et al. (2022) operationalized corporate scale through the magnitude of fixed assets and empirically demonstrated that larger entities exhibit more aggressive leverage profiles relative to their smaller counterparts. From a valuation standpoint, more

sizable enterprises generally benefit from privileged access to external funding channels and are perceived by the investment community as possessing greater stability (Yuniastri et al., 2020). This serves as a signal that a company provides to its stakeholders: the larger the firm size, the higher the firm value tends to be. This research is supported by Maghfirandito & Adiwibowo (2022), Ratanadewi & Wijaya (2023) and Susesti & Wahyuningtyas (2022), which show a positive contribution of firm size to firm value.

H2: Firm size has a positive effect on firm value.

Profitability

Profitability gauges the adeptness with which leadership translates existing resource endowments into net earnings. Mardlotillah et al. (2022) operationalize this concept as a dual-index of operational accomplishment and asset stewardship refinement. Elevated profitability levels operate as a potent magnet for capital allocation decisions, functioning as an affirmative signal that reassures investors of prospective yield adequacy, ultimately contributing to valuation enhancement. Studies by Putri & Machmuddah (2025) and Abiyyatha et al. (2025) consistently show that profitability has a significant positive effect on firm value.

H3: Profitability has a positive effect on firm value.

Capital Structure

Capital structure pertains to the methodological allocation of asset funding derived from a blended portfolio of long-term borrowings and shareholder equity. Manurung & Wildan (2023) frame this construct as a calculated financing amalgamation engineered to maximize asset productivity while constraining risk within tolerable thresholds. Corporate managers try to maximize firm value by reaching an optimal debt ratio, in which the marginal value of debt benefits exactly offsets the costs of issuing more debt (Harasheh et al., 2024). Leveraging debt instruments may augment enterprise value by virtue of fiscal advantages specifically the tax shield phenomenon contingent upon the condition that interest obligations remain subordinate to the accrued benefits. This serves as a signal that a company provides to its stakeholders: the stronger the capital structure, the higher the firm value tends to be. Rangkuti & Sari (2025), Santika & Wijaya (2024), Sianturi et al. (2024), Alifian & Susilo (2024), and Amro & Asyik (2021) found that capital structure has a positive effect on firm value.

H4: Capital structure has a positive effect on firm value.

Method

The present investigation adopts a quantitative methodological orientation grounded in secondary data sources. Information was extracted from publicly disclosed annual reports of entities operating in the basic metal and food and beverage (F&B) segments, all of which are registered on the Indonesia Stock Exchange (IDX), covering the triennial window of 2023 through 2025. Data collection was conducted using a documentation method through the retrieval and review of the financial statements of the companies under study. The companies' annual reports, obtained from each company's official website or from IDX, constitute the source of the data used in this study.

The target population of this research encompasses all publicly listed firms operating within the basic metal and food and beverage (F&B) subsectors on the Indonesia Stock Exchange (IDX). Sample of 25 companies in the basic metal sector and 25 in the food and beverage sector. The selection of the research sample was executed through a purposive sampling approach, applying specific exclusionary criteria, companies that did not demonstrate consistent positive net profit growth during the study period. and those that recorded net losses during the observation period. Furthermore, the empirical analysis was performed utilizing the Structural Equation Modeling Partial Least Squares (SEM-PLS) technique, facilitated by WarpPLS software version 7.0.

The initial pool comprised 50 manufacturing companies over the 2023–2025 period, yielding 150 firm-year observations. Two exclusion criteria were applied: (1) a company with inconsistent net profits, which eliminated 54 observations (18 companies per year), and (2) incurred losses, which excluded 48 observations (16 in 2023, 16 in 2024, and 16 in 2025). Consequently, the final sample consisted of 48 usable firm-year observations, distributed as 16 (2023), 16 (2024), and 16 (2025).

Variable Measurement Method

Firm Value (PBV)

Enterprise valuation within this study is operationalized through the Price to Book Value (PBV) ratio. This metric crystallizes the differential between the market's appraisal of equity and its corresponding accounting book value. Consistent with a market-based valuation approach, PBV serves as the designated indicator

(Abiyyatha et al., 2025). The formula used is stock price per share divided by book value per share. This indicator refers to (Rosa & Hermanto, 2024).

Company Growth (GROWTH)

To capture the temporal evolution of corporate development, this research deploys sales growth as its proxy measure (Dhani & Utama, 2017; Fajriah et al., 2022). The growth metric is computed by relativizing the differential between terminal and initial values whether pertaining to aggregate assets or revenue against the baseline figure. This ratio indicates how rapidly a company's business scale has increased compared to the previous period. A positive growth value indicates expansion and better future prospects. This measurement follows (Rosa & Hermanto, 2024).

Firm Size (SIZE)

Organizational scale mirrors the volume of resources commandeered by an entity, a dimension frequently linked to both capital market accessibility and the resilience of its financial footing (Rosa & Hermanto, 2024). Within this investigation, corporate scale is indexed through the Size construct, operationalized via the natural logarithm of total assets (Ln Total Assets). This specification follows precedent (Bon & Hartoko, 2022), premised on the understanding that asset holdings furnish a holistic representation of operational magnitude. The use of the natural logarithm aims to stabilize variance and reduce the effect of very large asset-scale differences between companies.

Profitability (ROE)

The approach used to measure profitability employs Return on Equity (ROE) as in the study by (Nurhandari et al., 2023). ROE describes a company's ability to generate net profit from each unit of equity owned. This ratio is highly important for investors because it indicates the rate of return on their invested capital. ROE is calculated by dividing net profit by total equity, referring to (Rosa & Hermanto, 2024).

Capital Structure (DER)

Capital structure is proxied by the Debt to Equity Ratio (DER). This ratio shows the comparison between a company's total liabilities (debt) and total equity (own capital). DER is used to measure the extent to which a company is financed by debt compared to owner capital. The higher the DER, the greater the company's dependence on debt. The formula used is total liabilities divided by total equity, in accordance with (Rosa & Hermanto, 2024). The variables used in this study are as follows:

Table 1. Variable Measurement

Num	Variable	Description	Source
1	Firm Value (PBV)	$PBV = \frac{\text{Stock Price}}{\text{Book Value per Share}}$	(Rosa & Hermanto, 2024)
2	Capital Structure (DER)	$DER = \frac{\text{Total Liabilities}}{\text{Total Equity}}$	(Rosa & Hermanto, 2024)
3	Profitability (ROE)	$ROE = \frac{\text{Net Profit}}{\text{Total Equity}}$	(Rosa & Hermanto, 2024)
4	Firm Size (SIZE)	$SIZE = \text{Ln}(\text{Total Asset})$	(Rosa & Hermanto, 2024)
5	Company Growth (GROWTH)	$GROWTH = \frac{\text{Ending Value} - \text{Beginning Value}}{\text{Beginning Value}} \times 100\%$	(Rosa & Hermanto, 2024)

In testing the hypotheses, this study employs the Structural Equation Modeling – Partial Least Squares (SEM-PLS) approach using WarpPLS 7.0 software. This method was chosen because it offers high flexibility in handling formative constructs. In addition, SEM-PLS does not strictly require the assumption of data normality, so it remains reliable even when field data are not normally distributed. Referring to (Thoha & Hairunnisa, 2022), the main advantage of WarpPLS 7.0 is its ability to evaluate various complex relationship paths, including direct effects, indirect effects (intervening), and moderation simultaneously within a single analytical model.

Results and Discussion

Results

Sampling was carried out using the purposive sampling method based on predetermined criteria. Sample of 25 companies in the basic metal sector and 25 in the food and beverage sector. A total of 50 companies were observed over the 2023–2025 period, yielding 150 firm-years, of which 48 met the criteria. The first criterion Companies that did not demonstrate consistent positive net profit growth during the study 2023-2025 period. Based on this criterion, 18 companies were found each year, or a total of 54 excluded observations. The second criterion excluded companies that incurred losses during the study period. The number of loss-making companies was 16 in 2025, 16 in 2024, and 16 in 2023, resulting in a total of 48 observations excluded under this criterion.

After the elimination process based on both criteria, the number of qualifying samples obtained was 16 companies in 2025, 16 companies in 2024, and 16 companies in 2023. Thus, the total final sample used in this study consists of 48 observations from manufacturing companies listed on the Indonesia Stock Exchange during the 2023 to 2025 period.

Table 2. Research Population and Sample

Num	Criteria	2025	2024	2023	Total
1	Manufacturing companies listed on IDX in 2023-2025	50	50	50	150
2	Companies that did not demonstrate consistent positive net profit growth during the study the 2023-2025 period	18	18	18	-54
3	Companies that incurred losses in 2023-2025	16	16	16	-48
Total Sample		16	16	16	48

Source: Processed secondary data, 2026

Table 3. Goodness of Fit Model

Fit Index	Value
Average Path Coefficient (APC)	0.250; P=0.064
Average R-squared (ARS)	0.705; P<0.001
Average Adjusted R-squared (AARS)	0.597; P<0.001
Average Block VIF (AVIF)	1.504
Average Full Collinearity VIF (AFVIF)	1.353

Source: WarpPLS 7.0 processed output (2026)

The diagnostic outputs presented in Table 3 reveal that the estimated structural equation model adequately captures the simultaneous impact of the four exogenous constructs on firm value, thereby demonstrating acceptable model fit. Specifically, the Average Path Coefficient (APC) was estimated at 0.250 ($p = 0.064$), which implies that the average path relation among latent constructs is significantly positive. The Average R-squared (ARS) value of 0.705 ($p < 0.001$) indicates that the set of four predictors collectively accounts for 70.5% of the variation in the dependent construct. Furthermore, the Average Adjusted R-squared (AARS), which corrects for model complexity and sample size, stands at 0.597 ($p < 0.001$), thereby corroborating the model's robustness. Collinearity diagnostics likewise support model validity: the Average Block VIF (AVIF) of 1.504 and the Average Full Collinearity VIF (AFVIF) of 1.353 are each substantially below the conservative cutoff of 5. These figures imply negligible multicollinearity among predictors and an absence of common method variance concerns. Consequently, the proposed model is deemed appropriate for elucidating how growth, size, profitability, and capital structure shape firm value within the sampled manufacturing firms.

For partial testing, the results are presented in Table 4 below:

Table 4. Hypothesis Test Results

Hypothesis	Relationship	Path Coefficient	p-value	Conclusion
H1	Company Growth → Firm Value	0.000	0.499	Rejected
H2	Firm Size → Firm Value	-0.099	0.339	Rejected
H3	Profitability → Firm Value	0.285	0.093	Rejected
H4	Capital Structure → Firm Value	0.614	< 0.001	Accepted

Source: WarpPLS 7.0 processed output (2026) | * significance value < 0.05 | ** significance value < 0.1

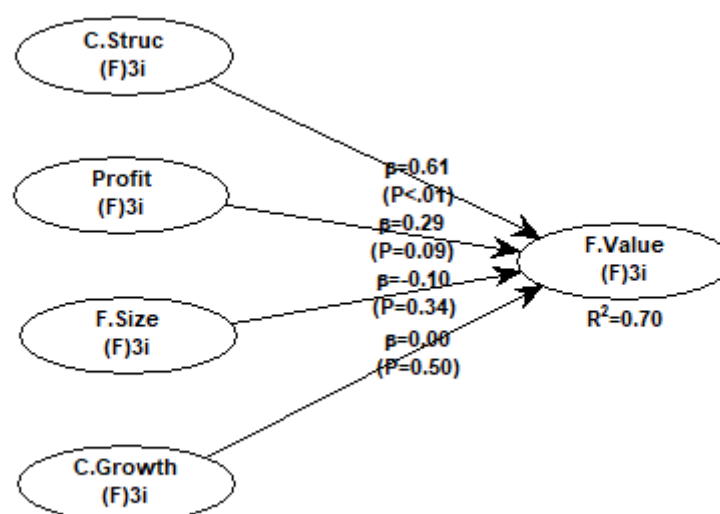


Figure 1. Research Framework Results

Discussion

Company Growth on Firm Value

The path estimation results reveal a regression coefficient of 0.000 alongside a significance level of 0.499, indicating that the corporate growth rate does not exert a statistically meaningful effect on firm valuation. Consequently, the primary proposition is not supported. This finding suggests that market participants are disinclined to offer a price premium for expansionary signals conveyed by the firm. A plausible explanation for this phenomenon is that current growth does not necessarily guarantee future earnings, or alternatively, the presence of information asymmetry may impede the clarity and credibility of the growth signal. Market participants tend to react favorably to growth disclosures, interpreting such data as harbingers of promising future trajectories; this heightened demand pressure subsequently translates into share price appreciation (Chynthiawati & Jonnardi, 2022). This study is consistent with previous research examined by (Aziz & Widati, 2023), (Santoso & Junaeni, 2022), and (Saputri & Giovanni, 2021). Contrasting research that produced positive results was found by (Jullia & Finatariani, 2024), (Chynthiawati & Jonnardi, 2022), and (Silalahi & Sihotang, 2021).

Firm Size on Firm Value

Estimation outputs indicate that firm size yields a path coefficient of -0.099, accompanied by a p-value of 0.339. Because the resultant probability less than the conventional 0.05 significance boundary, the second hypothesis asserting a negative linkage between organizational scale and firm value must be rejected. Although the direction of the relationship is negative, the effect of firm size on firm value is not statistically significant. Such findings imply that corporate magnitude, as captured by aggregate asset holdings, does not constitute a proven valuation determinant. It appears that investors may prioritize alternative performance dimensions namely growth trajectories and leverage profiles over sheer asset volume when forming pricing expectations. This is the opposite of with Sari & Riduwan (2023), who note that an increase in firm size acts as a positive signal that draws broader attention from investors; moreover, when a company is able to maintain earnings stability, this strengthens investors' perception that the entity has measurable risk and offers promising return potential over the long term. However, this has not been proven to hold for short-term returns. This finding is consistent with Putri & Machmuddah (2025) and Rosa & Hermanto (2024), but contrasts with (Hidayat & Khotimah, 2022) and (Bitu et al., 2021).

Profitability on Firm Value

The analytical results document a path coefficient of 0.285 for profitability, with an associated p-value of 0.093. As this probability measure surpasses the 0.05 decision threshold, the third hypothesis conjecturing a positive profitability-valuation nexus lacks sufficient evidentiary backing and is therefore rejected. In other words, profitability does exhibit a positive direction of effect, but this effect is not statistically significant. These results signify that earnings levels, in isolation, do not demonstrably drive valuation outcomes. One plausible explanation is that profitability does not rank as the foremost criterion in investor decision-making

architectures; alternatively, more commanding variables may supersede profit metrics in shaping the perceptions of long-term market participants (Rossa et al., 2023). This study is reinforced by previous research conducted by (Novianti et al., 2024), (Nurhaliza & Azizah, 2023), and (Ambarwati & Vitaningrum, 2021). However, the results are inconsistent with (Alhayra et al., 2024) and (Sandany et al., 2024).

Capital Structure on Firm Value

Path modeling discloses that capital structure commands a coefficient of 0.614, supported by a p-value falling below 0.001. This probability estimate lies substantially beneath the predetermined 0.05 significance criterion, thereby warranting acceptance of the fourth hypothesis namely, that capital structure exerts a constructive influence on firm value. These results demonstrate that elevated debt-to-equity ratios correspond with enhanced firm valuations, provided leverage remains within optimal bounds. This pattern aligns with signaling theory predictions: judicious debt utilization generates fiscal efficiencies specifically tax shield advantages that cumulatively bolster enterprise value without precipitating financial distress. This means that a stronger capital structure can send a signal to a company's stakeholders, thereby increasing firm value. Similar findings were obtained by (Santika & Wijaya, 2024), (Alifian & Susilo, 2024), and (Amro & Asyik, 2021). However, contrasting findings were reported by (Prasetyo & Hermawan, 2023) and (Wijaya & Fitriati, 2022).

Conclusion

Among the four conjectures advanced in this study, one received empirical substantiation, whereas the remaining failed to garner adequate statistical support. Specifically, financing architecture emerged as the fundamental drivers of firm value; conversely, neither organizational scale nor profit-generating capacity demonstrated a discernible effect on valuation outcomes.

From a managerial standpoint, these findings underscore the importance of calibrating the debt-to-equity ratio within optimal parameters while simultaneously fostering consistent revenue expansion. Such dual prioritization serves as a strategic mechanism for cultivating and sustaining investor trust. For regulators, these findings emphasize the importance of ensuring the availability of accurate and transparent financial information so that prospective investors do not make erroneous decisions.

This study has limitations, including a sample scope restricted to only two manufacturing industry sub-sectors and a relatively short observation period of three years. Therefore, future research is recommended to broaden the sectoral scope, extend the observation period, and incorporate additional variables such as dividend policy, earnings quality, or corporate governance mechanisms in order to obtain a more comprehensive picture of the determinants of firm value.

Expansionary signals are theoretically intended to bridge informational asymmetries between managers and shareholders. However, the non-significant empirical outcome confirms that such signals lack persuasive credibility. This deficiency stems from the absence of substantial bonding costs attached to growth announcements, rendering them easily replicable by low-quality entities. Consequently, market agents interpret these cues as fragile indicators that inadequately reflect underlying fundamentals, thereby failing to catalyze share price appreciation.

Organizational magnitude, proxied by total asset holdings, is conventionally assumed to emit cues regarding corporate stability and financial resilience. Nevertheless, the statistically negligible negative coefficient reveals that scale fails to operate as an effective signaling apparatus. Given that size constitutes a publicly observable historical metric, management possesses no discretionary latitude to deploy it as a vehicle for private information. Moreover, excessive scale may inadvertently evoke perceptions of structural inefficiency, thereby nullifying any conceivable favorable impact on valuation.

Earnings levels are traditionally regarded as a reflection of managerial competence and operational efficiency. Although the directional effect is positive, the statistical insignificance implies that profitability alone is insufficiently potent as a quality-differentiating signal. The elevated susceptibility to accounting manipulation and transitory shocks erodes the reliability of reported profits. Market participants apparently require complementary corroborative cues to validate earnings sustainability; in the absence of such reinforcement, the profitability signal remains tenuous and exerts no tangible influence on market sentiment.

In marked contrast to the foregoing variables, capital structure exhibits robust conformity with signaling theory postulates. The highly significant positive coefficient validates the premise that debt issuance operates as a costly and credible signal. Mandatory fixed-interest obligations impose genuine bankruptcy risks, thereby

permitting only management endowed with superior future cash-flow convictions to undertake leverage increments—an arrangement that effectively sifts high-quality firms from their inferior counterparts. Concurrently, the tax-shield advantage engenders quantifiable fiscal benefits, prompting the market to accord a substantial valuation premium in response.

Future Research

The empirical boundaries of this study were deliberately drawn around two manufacturing sub-sectors food and beverage alongside basic metals traded on the Indonesia Stock Exchange during the 2023–2025 interval. Such circumscription necessarily invites caution when projecting these findings onto the wider industrial panorama. Enlarging the sectoral canvas to incorporate chemicals, textiles, or pharmaceutical manufacturing would furnish a more robust test of whether leverage configurations and expansion dynamics exert consistent valuation effects across disparate operational contexts. Lengthening the temporal aperture beyond three years represents another fruitful trajectory, as it would allow scholars to trace how debt-equity compositions and growth trajectories behave under contrasting macroeconomic climates, including recessionary troughs or post-pandemic recovery phases.

The present modeling architecture, confined to direct path estimations via SEM-PLS, leaves room for the incorporation of mediating and moderating mechanisms. The non-significance of organizational scale and earnings capacity in this study hints at the possibility of concealed transmission channels. Future investigations may therefore interpose variables such as earnings quality, dividend continuity, or governance oversight as intervening constructs to decode the obscured linkages between size, profitability, and market pricing. Augmenting the financial ratio suite with non-pecuniary indicators environmental compliance metrics, intellectual capital stocks, or digital transformation intensity would likewise bridge the current inquiry with emergent sustainable finance paradigms. Finally, alternative econometric specifications, including dynamic panel techniques or algorithmic forecasting models, could complement the present PLS approach by yielding sharper causal identification amid potentially endogenous financing choices.

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