Can Company Value In Intervening By Profitability And Capital Structure (Manufacturing Sector Evidance Listed On Idx 2012-2017)

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Abstract.
This study aims to examine the effect of profitability mediation and capital structure on the effect of company growth on firm value. The study was conducted on manufacturing companies listing on the Indonesia Stock Exchange in 2012-2017 with a total sample of 17 companies. The research data was analyzed using causal step regression analysis and product of coefficient models with the help of the SPSS version 19.00 application. The results of testing the hypothesis obtained by sales growth is not significant to the value of the company. Sales growth has a negative effect on profitability. Profitability has a significant positive effect on firm value. The company's growth has a significant positive effect on capital structure. Capital structure has a significant negative effect on firm value. Profitability does not mediate the influence of company growth on firm value. Capital structure is able to mediate the influence of company growth on firm value.

Keywords: *Company Growth, Profitability, Capital Structure and Company Value*

I. INTRODUCTION

Growth according to Kasmir (2012:107) growth describes the company's ability to maintain its economic position in the midst of economic growth and its business sector, which consists of an increase in sales, an increase in net profit, earnings per share, and an increase in dividends per share. Meanwhile, according to Sofyan (2013:309) Growth is the percentage growth of company posts from year to year. While the definition of Growth according to Fahmi (2014: 82) growth is the company's ability to maintain its position by looking at the sales (sales), earnings after tax (EAT), earnings per share, dividends per share, and market price per share.Kusumawijaya (2011) in Sunandes (2014) states that company growth is highly expected by internal and external parties of the company because good growth signals the company's development. For investors, the growth of a company as a sign of the company has a profitable aspect, while for investors from the growth of the company it is expected to get a better rate of return on the investments they make. Supported by Nirmala (2016) which states that investors will consider companies that can generate high profits because they are able to increase company sales.Profitability is the company's ability to earn profits from sales activities, cash, total assets, assets, capital, number of employees, number of branches and so on based on certain measurement bases.

Companies that increase sales growth by using their assets efficiently and lead to the optimal use of resources and it can be interpreted that the company can maintain its economic position and viability has a positive impact on ROA. When the number of goods sold is getting bigger, the average cost per unit of product will be smaller so that the ROA generated by a company will increase.The higher the level of profitability owned by the company, it can reflect that the company's financial performance is in good condition, so that it can attract investors to invest in the company and the stock price will increase and the company value will be high.Farisa and Widati (2017), Sales are relatively stable and always increase in a company, making it easier for the company to obtain an external flow of funds or debt to improve its operations. In line with Joni and Lina (2010),

asset growth shows consistency with the pecking order theory (POT) of the amount of funds allocated by the company into its assets. If other factors are held constant (cateris paribus), then debt as the first alternative in procuring external funds tends to increase.trade-off theory predicts a positive relationship to firm value which explains that if the position of the capital structure is below the optimal point then any use of debt will increase firm value. Supported by Syahadatina and Suwitho (2015) that companies that use debt in their operations will get tax savings, because taxes are calculated from operating profit after deducting interest on debt, so that the net profit that becomes the rights of shareholders will be greater than companies that do not use debt. .

Thus the value of the company also becomes greater. This means that the larger the capital structure, the value of the company will also increase.This study intends to review the relationship between firm growth and firm value by including intervening variables. The use of intervening variables in this study is because the value of the company is not only a result or a direct result of the company's growth, but also there are several other factors that contribute to the value of the company. The intervening variable in this study uses financial performance as measured by Return On Assets (ROA) and Debt To Equity Ratio (DER).The effect of firm growth on firm value from several previous studies shows that growth alone is not enough to increase firm value. So on this basis a research model was developed by adding profitability as an intervening variable in this study.This research model developed explains that the effectiveness of company growth is needed so that company growth can increase company value, this effectiveness is reflected by increasing profitability as a result of company growth, thus profitability caused by company growth will have an impact on increasing company value.This study also explains that company growth can increase the value of the company if the funding decision comes from external funds in the form of debt with a position below the optimum capital structure.

II. LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

2.1.Grand Theory

Brigham and Houston (2014: 184) Signaling theory is information for investors to see the company's prospects in the future. Meanwhile, according to Mulyawan (2015: 252) Signaling theory is a manager's funding activity that can reflect the value of the company's shares. Funding with debt is considered a positive signal so that managers believe that the stock is undervalued. Based on the above understanding, it can be concluded that signaling theory explains signals in the form of company management information with stakeholders, information for investors to see the company's prospects in the future and managers' funding activities that can reflect the value of company shares.Myers and Majluf (1984) in Natalia (2015) the theory of pecking order theory explains that there is a sequence of company preferences in choosing their funding source which consists of internal funding sources (retained earnings) as the initial choice for companies in their funding decisions. If other funding sources are still needed, companies will tend to choose external funding sources in the form of debt compared to issuing equity. From the above definition, it can be explained that the pecking order theory prefers internal funding sources to external funding. The company's funding is based on the order of preference, starting with internal funds and then external funds.Myers (2001) in Benkraiem and Gurau (2013) explains that the company's capital structure is based on a balance between the costs and benefits of using debt. The company will continue to maximize the value of the company by achieving an optimal debt ratio, where the benefits of debt can cover the costs incurred from issuing debt. From the above definition, it can be explained that the trade-off theory is a theory of capital structure with a balance between the costs, taxes and benefits of using debt to a certain level to maximize firm value.Suastini, Purbawangsa, and Rahyuda (2016) examined the effect of firm growth on firm value by using moderated regression analysis (MRA) which stated that firm growth had a significant positive effect on firm value. While the results of the study according to Evalina and Juniarti (2014) stated that the company's growth was significantly negative on firm value. They examined the effect of firm growth on firm value using multiple linear regression analysis. Furthermore, research conducted by Pantow,

Murni, and Trang (2015) examines the effect of firm growth on firm value using multiple linear regression analysis, which states that firm growth has no effect on firm value.

2.2. Hypothesis Development

Nirmala (2016) which states that investors will consider companies that can generate high profits because they are able to increase company sales. High sales growth will be able to increase investor assessment of the company and ultimately the value of the company will also increaseSuastini, Purbawangsa, and Rahyuda (2016) This study aims to determine the effect of managerial ownership and firm growth on firm value, using capital structure as a moderating variable. The population of this study was 136 companies with a sample of 19 companies in manufacturing companies listed on the Indonesia Stock Exchange. The observation period was from 2010 to 2013. The research hypothesis was tested using the analysis technique of moderated regression analysis (MRA). The results showed that the company's growth had a significant positive effect on firm value. This research is in line with Rumondor, Mangantar, and Sumarauw (2015), Sukaenah (2014), Said, Payangan, and Laba (2017), and (H. P. Utomo 2017) showing that company growth has a positive and significant effect on firm value. Based on this description, the following hypothesis can be formulated:

H1 : The higher the growth of the company, the higher the value of the company

Kouser et al. (2012) which states that an increase in company growth will result in an increase in profitability. In line with Sari and Abundanti (2014) stated that the faster the growth of a company, the better the company's ability to generate profits as indicated by the increasing number of assets.

In accordance with the results of an empirical study conducted by Said, Payangan and Profit (2017) This study aims to determine the direct and indirect effects of company growth, good corporate governance, capital structure on profitability and firm value in manufacturing companies listed on the Indonesian stock exchange in 2013. 2011-2014. The population is 142 with a sample of 87 companies. The data is analyzed by path analysis using the Amos 20 software program. The results show that company growth has a positive effect on profitability. Based on this description, the following hypothesis can be formulated:

H2: The higher the company's growth, the higher the company's profitability.

Sulistianingsih and Yunita (2016) suggest that the better the growth of the company's profitability, the better the prospects of the company in the future, so that the value of the company will increase.

Patricia, Bangun, and Tarigan's research (2018), This study aims to determine whether there is an effect of profitability, liquidity, and firm size on firm value with financial performance as an intervening variable in manufacturing companies listed on the Indonesia Stock Exchange in the 2014-2016 period. The sample used is 58 companies. This research uses multiple linear regression analysis technique, the results show that the profitability variable has a positive and significant influence on firm value. Based on this description, the following hypothesis can be formulated:

H3 : The higher the profitability, the higher the firm value

Pandrolza and Topowijono (2017), The growth of the company is one of the signs in assessing the company's ability to pay for its transport accounts. The growth of the company can affect the creditors' trust towards the company and the availability of investors to provide funding.In line with Joni and Lina (2010), asset growth shows consistency with the pecking order theory (POT) of the amount of funds allocated by the company into its assets. If other factors are held constant (cateris paribus), then debt as the first alternative in procuring external funds tends to increase. In accordance with the empirical study conducted by Wardani, Cipta, and Suwendra (2016), this study aims to find out empirically the effect of company size, sales growth, and profitability on capital structure, while the population in this study are manufacturing companies that go public listed on the IDX. which amounted to 30 companies with all the companies used as research units (population research). Data was collected by means of document recording and then analyzed by multiple linear regression analysis. The results showed that there was a significant partial effect between sales growth and capital structure.

H4 : The higher the company's growth, the higher the company's capital structure.

Empirical research was conducted by Galin and Idamiharti (2015). This study aims to determine the effect of capital structure on firm value in infrastructure, utility and transportation sector companies 2010-2013 with a sample of 11 companies using multiple linear regression analysis. The results of this study state that the capital structure has a significant positive effect on firm value

H5: The higher the capital structure, the higher the firm value

Effect of Sales Growth on Firm Value mediated by Profitability. Increased sales of a company can increase company profits, high sales growth means high company profits. The higher profits obtained by the company reflect the company's performance which can increase investor confidence, so that it can increase the company's stock price and means that the value of the company will also increase Limbongan and Chabachib (2016).

Empirical research conducted by Ayuningrum (2017), This study aims to determine the effect of capital structure and firm growth on firm value with profitability as an intervening variable. The population in this study were 476 companies. A sample of 78 companies was determined by purposive sampling method with specified criteria. The analysis technique used was path analysis with regression and the classical assumption test was carried out first. Testing the intervening variables used the causal step strategy and the Sobel test. The results showed that the company's growth variable had a positive and significant influence on the variable of firm value (PBV) with Profitability (ROA) as the intervening variable. In line with the research, Putra and Badjra, (2015), Amijaya (2016) and Triyani (2018) which state that profitability mediates the effect of company growth on firm value. Based on this description, the following hypothesis can be formulated:

H6: Profitability mediates the effect of firm growth on firm value.

Iskandar (2016) based on trade-off theory predicts a positive relationship to firm value which explains that if the position of the capital structure is below the optimal point, any use of debt will increase firm value.

Supported by Syahadatina and Suwitho (2015) that companies that use debt in their operations will get tax savings, because taxes are calculated from operating profit after deducting interest on debt, so that the net profit that becomes the rights of shareholders will be greater than companies that do not use debt. . Thus the value of the company also becomes greater. This means that the larger the capital structure, the value of the company will also increase. In line with Hamidy et al (2015), that the addition of debt made by the company to expand its business will increase the share price of the company, so that the company's PBV increases significantly.

The rapid growth of the company will require funding in the form of capital because the capital structure plays an important role in the growth of the company. Capital in the company plays an important role because if the company uses capital as well as possible, it will increase the value of the company. The trade-off theory explains that if the addition of debt is carried out below the upper limit of the company's optimal capital structure, the debt will increase the value of the company.Empirical research conducted by Andanika (2017), this study aims to test whether profitability and Growth Opportunity affect firm value through capital structure. The companies studied were companies listed on the Jakarta Islamic Index as many as 14 companies for five years with the period 2011-2015. Data analysis using multiple linear regression and path analysis for data analysis with the help of the SPSS Ver program. 21. Based on this research, capital structure can mediate the relationship between growth opportunity and firm value. In addition, growth opportunities can also directly affect the value of the company. In line with research, Hermuningsih (2013), Nunky (2013) and Prasetyo (2017) which state that capital structure mediates the effect of firm growth on firm value. Based on this description, the following hypothesis can be formulated:

H7: Capital structure mediates the effect of firm growth on firm value

III. METHODS

3.1.Population And Sample

The population of this study are manufacturing companies listed on the Indonesia Stock Exchange for the period 2012-2017 and not all of this population will be the object of research, so further sampling is needed.

The sample selection in this study was conducted using a non-probability sampling method using purposive sampling research, purposive sampling is a sampling technique with certain considerations. The criteria for the companies used as samples in this study are as follows:

1. Manufacturing companies listed on the IDX consistently during the 2012-2017 annual observation period;
2. Manufacturing companies listed on the Indonesia Stock Exchange in a row for the period 2012-2017 that inconsistently report one of the data from Sales, ROA, DER and PBV;
3. Manufacturing companies listed on the Indonesia Stock Exchange in a row for the period 2012-2017 that consistently report data from Sales, ROA, DER, and PBV

3.2.Research Variable

The operational variable definition of each variable is as follows:

a. Firm Value (Dependent Variable)

Firm value is defined as the estimated earnings per share to maximize the stock price of Brigham and Houston (2010:7-8). The PBV formula is as follows:.

$$PBV = \frac{Stock\ Market\ Price}{Book\ value\ per\ share}$$

b. Company Growth (Independent Variable)

Company growth is the company's ability to maintain its position by looking at sales, earnings after tax (EAT), earnings per share, dividends per share, and market price per share Fahmi (2014: 82). The Sales Growth (SG) formula is as follows:

$$SG= (St-S(t-1))/(S(t-1))$$

c. Profitability (Intervening Variable)

Profitability describes the company's ability to earn profits from existing sources such as sales activities, cash, capital, number of employees, number of branches, and so on. Sofyan (2013: 304). The Return On Asset (ROA) formula is as follows:

$$ROA=EAT/(Total\ Assets\ )$$

d. Capital Structure (Intervening Variable)

The capital structure is a picture of the financial proportion between capital originating from long-term debt (long-term liabilities) and own capital (shareholders equity) which is a source of financing for a company Fahmi (2015: 184-185). The formula for Debt to Equity Ratio (DER) is as follows:

$$DER= (Total\ Liabilities)/(Total\ Equity)$$

3.3. Research Model

The steps for the form of the regression equation are as follows:

a. Intervention 1

Equation I :PBV = βo + β1 GROWTH

Equation II :ROA = βo + β1 GROWTH

Equation III :PBV = βo + β1 GROWTH+ β2 ROA

b. Intervention 2

Equation I :PBV = βo + β1*GROWTH*

Equation II :DER = βo + β1*GROWTH*

Equation III :PBV = βo + β1*GROWTH*+ β2*DER*

IV. RESULTS AND DISCUSSIONS

4.1. Descriptive statistics

Table 4.1. Descriptive Statistics Results

Descriptive Statistics

Descriptive Statistics					
	N	**Minimum**	**Maximum**	**Mean**	**Std. Deviation**
GROWTH	102	-.84	9.36	.2177	1.00677
PBV	102	.23	8.61	2.1673	1.86924
ROA	102	-9.71	32.11	8.2831	6.34510
DER	102	.19	2.28	.6945	.49302
Valid N (listwise)	102				

Source: processed data, 2019.

From table 4.1 it is known that the lowest PBV ratio is 0.23. The manufacturing company that has the lowest firm value ratio in the 2012-2017 period is Ricky Putra Globalindo (RICY) in 2017. These results show that the stock price of RICY is only valued at 0.23 times the book value of its shares. The highest company value ratio, which is 8.61, was obtained by the company Merck Tbk (MERK) in 2013. The standard deviation value of 1.86924 which is smaller than the mean value of 2.1673 shows that the low level of fluctuation in the ratio of the value of manufacturing companies during the period 2012 -2017.The lowest sales growth value in manufacturing companies for the 2012-2017 period was -0.84 which occurred in the Trisula International Tbk (TRIS) company in 2016. The highest sales growth value was Asahimas Flat Glass Tbk (AMFG) of 9.36 which occurred in 2017. The standard deviation value of 1.00677 which is greater than the mean value of 0.2177 indicates a high level of fluctuation in sales growth in manufacturing companies during the 2012-2017 period.The lowest profitability ratio (ROA) is -9.71.

These results show that during 2012-2017 there were manufacturing companies that experienced losses of up to -9.71% which occurred in Tiga Pilar Sejahtera Tbk (AISA) in 2017. Throughout 2012-2017 it is known that the highest ROA ratio value is 32.11 owned by Lionmesh Prima Tbk (LMSH) in 2012. The standard deviation value of 6,34510 which is smaller than the mean value indicates that the level of fluctuation in the ROA profitability ratio in manufacturing companies is low, which means that manufacturing companies during 2012 to 2017 almost had a high ROA ratio. same.From table 4.1 it is known that the lowest manufacturing company has a debt ratio (DER) of 0.19 which occurred in Ekadharma International Tbk (EKAD) in 2016 and Lionmesh Prima Tbk (LMSH) in 2015. The highest debt ratio value is Malindo Feedmill Tbk (MAIN) of 2.28 which occurred in 2014. The standard deviation value of 0.49302 which is smaller than the mean value shows the level of fluctuation in the debt ratio of manufacturing companies during the 2012-2017 period is still stable.

4.2. Mediation Variable Regression Analysis with Causal Step Method

4.2.1 Causal Step Model I

Table 4.2. GROWTH Regression -> PBV

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.421	.195		2.154	.034
	LNGROWTH	-.069	.083	-.095	-.830	.409
a. Dependent Variable: LNPBV						

Source: processed data, 2019.

Based on table 4.2. above, it is known that the constant value is 0.421. The regression coefficient value of LNGROWTH -> LNPBV is -0.069 which shows that if the company's growth increases by 1%, it will decrease the value of the company by 0.069 units. With a significance value of 0.409 > 0.05, the company's growth has no effect on the value of the company.

Table 4.3. GROWTH Regression ->ROA

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.548	.215		7.199	.000
	LNGROWTH	-.205	.092	-.247	-2.227	.029
a. Dependent Variable: LNROA						

Source: processed data, 2019.

It is known that the constant value is 1.548. The regression coefficient value of LNGROWTH -> LNROA is -0.205 which shows that if the company's growth increases by 1%, it will reduce profitability by 0.205 units. With a significance value of 0.029 <0.05, the company's growth has a significant effect on profitability.

Table 4.4. GROWTH and ROA Regression ->PBV

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Eror	Beta		
1	(Constant)	-.510	.191		-2.665	.009
	LNGROWTH	.054	.065	.073	.826	.412
	LNROA	.601	.079	.680	7.641	.000

a. Dependent Variable: LNPBV

Source: processed data, 2019.

It is known that the constant value is -0.510. The regression coefficient value of LNGROWTH -> LNPBV is 0.054 which shows that if the company's growth increases by 1% with the assumption that the profitability variable is fixed, it will increase the company's value by 0.054 units. With a significance value of 0.412> 0.05, it shows that company growth has no effect on firm value along with the profitability regression variable. The regression coefficient LNROA -> LNPBV is 0.601 which shows that if profitability increases by 1% assuming the company's growth variable is fixed, it will increase the value of the company by 0.601 units. With a significance value of 0.000 <0.05, it shows that profitability has a significant effect on firm value.

From the explanation of the three regression outputs, the regression equation in model I can be made as follows:

Equation I LNPBV= 0.421 – 0.069 LNGROWTH

Equation II LNROA = 1.548 – 0.205 LNGROWTH

Equation III LNPBV= -0.510+ 0.054 LNGROWTH + 0.601 LNROA

Referring to this opinion, the analysis of the results in the equation of model I shows the following:

1. In equation I, it is known that GROWTH is not significant to PBV with a coefficient value of -0.069 and a significance of 0.409
2. In equation II, it is known that GROWTH has a negative effect on ROA with a coefficient value of -0.205 and a significance of 0.029.
3. In equation III, it is known that the effect of GROWTH on PBV is not significant after entering the ROA variable with a coefficient value of -0.054 and a significance of 0.412.
4. Thus, it can be concluded that ROA does not mediate the effect of GROWTH on PBV.
5. This research does not include perfect mediation or partial mediation.

4.2.1 Causal Step Model II

Table 4.5. GROWTH Regression -> PBV

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	.421	.195		2.154	.034
	LNGROWTH	-.069	.083	-.095	-.830	.409
a. Dependent Variable: LNPBV						

Source: processed data, 2019.

Based on table 4.15 above, it is known that the constant value is 0.421. The regression coefficient value of LNGROWTH -> LNPBV is -0.069 which shows that if the company's growth increases by 1%, it will decrease the value of the company by 0.069 units. With a significance value of 0.409 > 0.05, the company's growth has no effect on the value of the company.

Table 4.6. GROWTH Regression -> DER

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	-.221	.140		-1.579	.118
	LNGROWTH	.174	.060	.317	2.916	.005
a. Dependent Variable: LNDER						

Source: processed data, 2019.

It is known that the constant value is -0.221. The regression coefficient value of LNGROWTH -> LNDER is 0.174 which shows that if the company's growth increases by 1%, it will increase the capital structure by 0.174 units. With a significance value of 0.005 < 0.05, the company's growth has a significant effect on the capital structure.

Table 4.7. GROWTH and DER Regression -> PBV

Coefficients[a]						
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Eror	Beta	T	Sig.
1	(Constant)	.349	.194		1.796	.077
	LNGROWTH	-.013	.086	-.018	-.149	.882
	LNDER	-.324	.157	-.243	-2.065	.042

a. Dependent Variable: LNPBV

Source: processed data, 2019.

It is known that the constant value is 0.349. The regression coefficient value of LNGROWTH -> LNPBV is -0.013 which shows that if the company's growth increases by 1% with the assumption that the variable capital structure is fixed, it will reduce the value of the company by 0.013 units. With a significance value of 0.882> 0.05, it shows that company growth has no effect on firm value along with the capital structure regression variable. The regression coefficient LNDER -> LNPBV is -0.324 which shows that if the capital structure increases by 1% with the assumption that the company's growth variable is fixed, it will decrease the value of the company by 0.324 units. With a significance value of 0.042 <0.05, it shows that capital structure has a significant effect on firm value. From this explanation, the regression equation in model II can be made as follows:

LNPBV = 0.421 – 0.069 LNGROWTH

LNDER = -0.221+ 0.174 LNGROWTH

LNPBV = 0.349- 0.013 LNGROWTH - 0.324 LNDER

Referring to this opinion, the analysis of the results in the equation model II shows the following:

1. In equation I, it is known that GROWTH is not significant to PBV with a coefficient value of -0.069 and a significance of 0.409
2. In equation II, it is known that GROWTH has a positive effect on DER with a coefficient value of 0.174 and a significance of 0.005.
3. In equation III, it is known that the effect of GROWTH on PBV is not significant after entering the DER variable with a coefficient value of -0.013 and a significance of 0.882.
4. Thus, it can be concluded that DER does not mediate the effect of GROWTH on PBV.
5. This research does not include perfect mediation or partial mediation.

V. CONCLUSION AND RECOMMENDATIONS

From the research results that have been described, it can be concluded as follows:

1. Firm growth has no effect on firm value, H1 is rejected. This result is shown by the value of t arithmetic (-0.830) < t table of (1.665) and the value of sig t test (0.409) > sig. (0.05) with a regression coefficient of -0.069 which is negative. High sales growth is not necessarily a final that generates net income so investors are not interested in seeing sales growth.
2. Company growth has a negative effect on profitability, H2 is rejected. This result is shown by the value of t arithmetic (-2.27) > t table of (1.665) and the value of sig t test (0.029) < sig. (0.05) with a regression coefficient of -0.205 which is negative. The relationship between company growth and profitability is strong enough so that an increase in company growth will have an impact in the form of decreased profitability.
3. Profitability has a significant positive effect on firm value, H3 is accepted. This result is shown by the value of t arithmetic (7.691) > t table of (1.665) and the value of sig t test (0.000) < sig. (0.05) with a regression coefficient of 0.585 which is positive. The higher the profitability value, the higher the firm value.
4. The company's growth has a significant positive effect on the capital structure, H4 is accepted. This result is shown by the value of t arithmetic (2.916) > t table of (1.665) and the value of sig t test (0.005) < sig. (0.05) with a regression coefficient value of 0.174 which is positive. The larger the growth of the company, the company needs more funds from outside so that the capital structure will increase.
5. Capital structure has a significant negative effect on firm value, H5 is rejected. This result is shown by the value of t count of (2.242) > t table of (1.665) and the value of sig t test (0.028) < sig. (0.05) with a regression coefficient of -0.331 which is negative. The addition of corporate debt can reduce the company's ability to manage its assets because the value of debt is considered a risk, thereby reducing the value of the company.
6. Profitability does not mediate the effect of firm growth on firm value. This result is shown by the calculated Z value of (-0.130) < Z table of (1.960). High sales growth is accompanied by higher cost growth so that it does not contribute to the company's profitability which will reduce investor interest, thereby reducing the value of the company.
7. Capital structure is not able to mediate the effect of company growth on firm value. This result is shown by the calculated Z value of (-0.057) < Z table of (1.960). The increase in sales growth is not always a decision to take on large debts so that the company will continue to consider expansion and ultimately the capital structure does not mediate on the value of the company.

Recommendations

The suggestions put forward for this research are:

1. The results of this study indicate that sales growth has no effect on firm value. The increase in sales cannot be used as information for investors on the company's performance. Increased sales growth is not accompanied by efficiency in costs incurred by sales growth so that it can provide a negative signal for investors which of course will result in a negative response so as to reduce the value of the company. Therefore,

companies are advised to improve their performance and manage their assets properly so that they can generate profits for the company and investors which have an impact on increasing the value of the company.

2. The results of this study indicate that sales growth has a significant negative impact on profitability. An increase in sales accompanied by an increase in costs so that profitability decreases, in accordance with the signaling theory, this decline in profitability will give a bad signal for investors which has an impact on decreasing the value of the company. Therefore, it is expected that the company can be more efficient with the costs incurred due to sales growth so that it can increase profitability which in turn can increase the value of the company.

3. The results of this study indicate that profitability has a significant positive effect on firm value. In signaling theory, profitability is one of the information for investors on the company's performance. High profitability is a positive signal for investors that the company can manage its assets so that the company is able to provide high returns as well. Therefore, companies must improve their performance in processing their assets so that the goals expected by the company can be achieved, namely achieving optimal profitability.

4. The results of this study indicate that sales growth has a significant positive effect on capital structure. The higher the sales, the higher the costs incurred by sales growth, so the opportunity to use external funds in the form of debt will be even greater. It is recommended that companies pay attention to the use of debt at a certain point to support the costs incurred by sales growth so that it can have a positive impact on increasing company value.

5. The results of this study indicate that the capital structure is significantly negative on firm value. In signaling theory, the use of debt is considered a risk so that the market responds negatively which will reduce the value of the company. Therefore, the company must be able to determine the amount of debt, because the existence of debt beyond a certain limit will reduce the value of the company.

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