

Analysis of the Influence of TATO, WCTO, DER, and ROA on Company Value in Cigarette Subsector Companies Listed on the IDX

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Abstract

Businesses in the tobacco industry that are listed on the Indonesia Stock Exchange (IDX) will be the focus of this research, which seeks to examine the relationship between firm value and TATO, WCTO, DER, and ROA. The research method used in this study is quantitative and is classified as associative. For the years 2015–2024, the data came from secondary sources, namely the financial reports of tobacco subsector enterprises. Three companies—PT Gudang Garam Tbk, PT HM Sampoerna Tbk, and PT Wismilak Inti Makmur Tbk—with a combined total of thirty observational data points were selected for the study sample using the purposive sampling approach. The data was analysed using a variety of statistical methods included in SPSS version 26, including t-tests, F-tests, correlation and determination coefficients, multiple linear regression analysis, and classical assumption tests. In part, the data demonstrated that DER and ROA had a substantial impact on company value, however TATO and WCTO did not. There was a strong correlation between TATO, WCTO, DER, and ROA among tobacco subsector businesses listed on the Indonesia Stock Exchange, and company value.

Keywords: Total Asset Turnover, Working Capital Turnover, Debt to Equity Ratio, Return on Assets, Firm Value.



INTRODUCTION

Investors place a premium on a company's worth when evaluating its past, present, and future possibilities. When investors have faith in a company's potential to make money and stay in business, it shows in its stock price. In most cases, the stock price on the capital market represents the worth of a publicly listed corporation. A higher stock price indicates a more valuable corporation and better financial prospects for shareholders.

Companies are under growing pressure to enhance their financial performance in order to compete in today's business environment. To stay afloat and entice investors, businesses are motivated to optimise their asset management, working capital, capital structure, and capacity to generate profits. The worth of a firm might rise as a result of good financial performance, which attracts more investors.

As an example of an industrial subsectors that substantially contributes to state income and national economic development, consider cigarette firms listed on the Indonesia Stock Exchange (IDX). Another business that has weathered several economic storms is the tobacco industry. Nevertheless, there are a number of obstacles that cigarette firms must overcome. These include rising cigarette excise rates, shifting customer consumption habits, government regulations aimed at controlling cigarette usage, and fiercer rivalry between corporations. Under these circumstances, in order for a company's worth to be preserved, it must consistently enhance its financial performance.

Financial ratios are one indicator of a company's health that could affect its market value. A company's operational operations, asset management, liability coverage, and profit generation may be evaluated using financial ratios. Return on Assets (ROA), Total Asset Turnover (TATO), Working Capital Turnover (WCTO), and Debt to Equity Ratio (DER) were some of the financial metrics used in this research.

One activity ratio that may be used to evaluate how well a firm uses all of its assets to produce revenue is Total Asset Turnover (TATO). A faster asset turnover rate is an indication of how well a corporation uses its assets. Boosting revenue and enhancing corporate value are two outcomes that may be achieved via efficient use of assets.

The WCTO ratio measures the efficiency with which working capital may be converted into sales. A company's operational operations will function more smoothly with well-managed working capital. Businesses that have a high working capital turnover rate are good at making the most of their working capital, which boosts their performance and value.



The Debt to Equity Ratio (DER) is a measure of solvency that compares total debt to equity. One way a corporation might fund its operations and development is via its capital structure, which is a product of its debt. The company's financial risk might grow if it uses debt excessively, however. Consequently, in order to boost their worth, businesses need carefully manage their financial structure.

One profitability statistic that may be used to evaluate a company's performance is its Return on Assets (ROA). More efficient use of assets to produce profits is indicated by a greater ROA. The worth of a corporation rises when investors have faith in it, which happens when profits are strong.

There has been a lot of study on how financial ratios affect the value of a firm. Nevertheless, there is a research void as shown by prior studies. The impact of TATO, WCTO, DER, and ROA on firm value has been the subject of mixed outcomes in research. The necessity for more study into the elements impacting firm value is highlighted by these disparities in research results.

According to the description, this research aimed to examine the impact of TATO, WCTO, DER, and ROA on the value of cigarettes sub-sector businesses listed on the IDX.

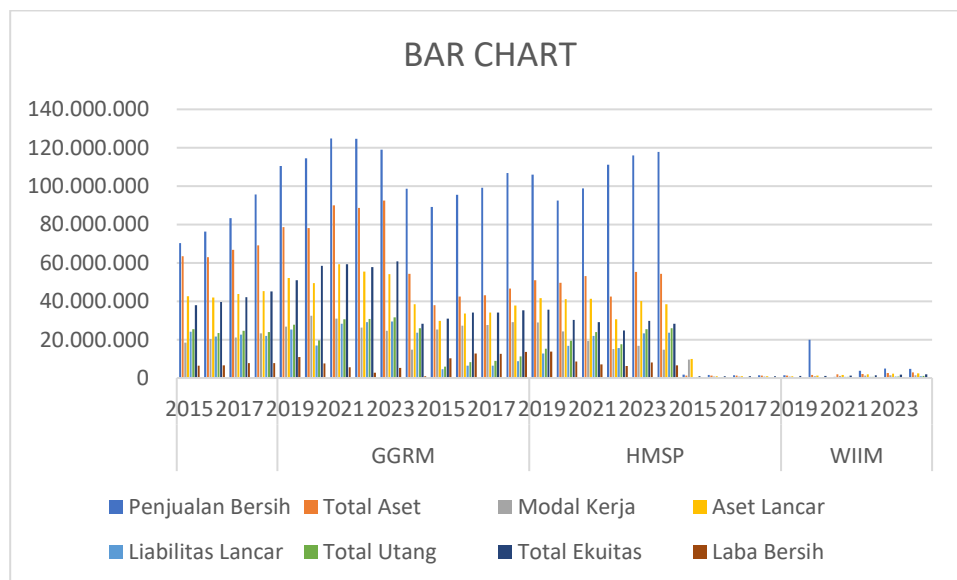


Figure 1. Bar Chart Net Sales, Total Assets, Working Capital, Current Assets, Current Liabilities, Total Debt, Total Equity, and Net Profit of Three Cigarette Subsector Companies Listed on the Indonesia Stock Exchange (IDX) for 2015-2024

Data source: secondary data accessed via www.idx.co.id which has been processed

Based on Table 1, the financial performance of the cigarette subsector companies, consisting of GGRM, HMSP, and WIIM, during the 2015–2024 period, shows fluctuating conditions for each company. Differences in business scale, business strategy, and external conditions such as regulations and purchasing power also influence the dynamics of the three companies' financial performance, both in terms of sales, profits, and financial structure. In terms of net sales, GGRM showed a significant increasing trend from Rp 70,365,573 in 2015 to Rp 124,881,266 in 2021. However, after reaching its peak, GGRM sales experienced a gradual decline to Rp 98,655,483 in 2024. Meanwhile, HMSP experienced an increase in sales from Rp 89,069,000 in 2015 to Rp 106,055,176 in 2019, then decreased in 2020 to Rp 92,425,000. After that, HMSP sales again experienced a gradual increase to reach Rp 117,880,017 in 2024. In contrast to the two companies, WIIM showed very sharp sales fluctuations. WIIM's relatively small sales at the beginning of the period, at Rp 1,839,419 in 2015, experienced a drastic spike in 2020 to Rp 19,940,667, but declined significantly in 2021 and then gradually increased to Rp 4,750,889 in 2024.

In terms of net profit, GGRM showed an increase from Rp 6,452,834 in 2015 to Rp 10,880,704 in 2019, but thereafter experienced a fairly sharp decline to Rp 2,779,742 in 2022. In 2023, net profit increased briefly, but then dropped drastically again to Rp 980,804 in 2024. HMSP tended to show a gradual downward trend in net profit from Rp 10,363,308 in 2015 to Rp 10,363,308 in 2019. 6,645,774 in 2024, although it experienced a slight increase in 2023. Meanwhile, WIIM showed fluctuating profit performance with a relatively small value at the beginning of the period, then increased from 2020 to 2023, before declining again in 2024 to Rp 298,713.

In terms of total assets, GGRM experienced an increase from Rp 63,505,413 in 2015 to Rp 92,450,823 in 2023, but then experienced a significant decline in 2024 to Rp 54,290,706. HMSP exhibits fluctuating asset conditions, with an increase of Rp 53,090,428 until 2021, then a decline in 2022, and an increase again in 2023 before a slight decline in 2024. Meanwhile, WIIM exhibits a fairly consistent trend of increasing total assets from Rp 1,342,700 in 2015 to Rp 3,026,895 in 2024, indicating the company's growth and expansion.

Current assets are more than current liabilities, indicating that GGRM has sufficient liquidity; nevertheless, this has changed over time, especially after 2020. While HMSP does show decent liquidity, the company's capacity to satisfy short-term commitments may be affected by the rising trend of current liabilities in the last several years. However, WIIM saw an uptick in current assets and a corresponding rise in current liabilities, especially in 2024, so it's important to keep an eye on the current asset-to-current liability ratio.



In terms of capital structure, as measured by total debt and total equity, GGRM exhibited a fluctuating condition, with increasing debt in several periods and decreasing equity at the end of the period. HMSP showed a trend of increasing debt from year to year, while its equity tended to decline since 2019, indicating an increasing level of corporate leverage. Meanwhile, WIIM experienced an increase in both total debt and equity, reflecting business expansion supported by a combination of debt and equity funding.

Overall, it can be concluded that GGRM experienced a decline in performance after reaching its peak in the 2019–2021 period. HMSP showed stability with a downward trend in profitability, while WIIM experienced asset growth but with relatively fluctuating performance. This situation indicates that each company has different characteristics and challenges in navigating the dynamics of the cigarette industry during the study period.

PROBLEM IDENTIFICATION

In light of the above, the following issues were identified during this study:

1. Net sales fluctuated during the 2015–2024 period for each company, indicating instability in revenue generation.
2. Net profit fluctuated during the study period, reflecting instability in the company's profitability.
3. The company's asset management and development abilities were shown by the fluctuations in total assets.
4. Current assets and current liabilities fluctuated, indicating potential problems with the company's liquidity.
5. Total debt tended to increase in several periods, indicating increased financial risk due to the use of debt.
6. Total equity fluctuated, reflecting differences in capital structure conditions between companies.
7. Working capital fluctuated, indicating suboptimal working capital management in supporting operations.
8. Asset utilization efficiency (TATO) was suboptimal, as increases in assets were not always accompanied by increases in sales.
9. The effectiveness of working capital management (WCTO) is not optimal, as evidenced by the imbalance between working capital and sales.
10. The capital structure (DER) shows an increase in debt usage, which can increase risk and influence investor perceptions.



11. Return on Assets (ROA) fluctuates, indicating unstable asset utilization effectiveness.
12. The effect of TATO, WCTO, DER, and ROA on company value, both partially and simultaneously, is unclear.

PROBLEM FORMULATION

The following research topics are derived from the context and issue identification given above:

1. Is there a correlation between tobacco sub-sector businesses listed on the Indonesia Stock Exchange and Total Asset Turnover (TATO) and company value
2. To what extent does the Working Capital Turnover (WCTO) of tobacco sub-sector businesses listed on the Indonesia Stock Exchange affect their company value
3. Is the firm value of tobacco sub-sector firms listed on the Indonesia Stock Exchange significantly affected by the Debt to Equity Ratio (DER)?
4. In the tobacco sub-sector, are firms listed on the Indonesia Stock Exchange affected by Return on Assets (ROA) to a substantial extent in terms of company value?
5. In cigarette sub-sector businesses listed on the Indonesia Stock Exchange, does the company value decrease when Total Asset Turnover (TATO), Working Capital Turnover (WCTO), Debt to Equity Ratio (DER), and Return on Assets (ROA) are all considered at the same time?

RESEARCH OBJECTIVES

This study aims to address the following issues based on the problem statement:

1. Examine the tobacco sub-sector businesses listed on the Indonesia Stock Exchange and find out how Total Asset Turnover (TATO) affects company value.
2. To research and understand how WCTO affects the value of firms in the tobacco subsector that are listed on the Indonesia Stock Exchange.
3. we want to look at cigarette sub-sector businesses listed on the Indonesia Stock Exchange and see how the Debt to Equity Ratio (DER) affects their company value.
4. Examine the relationship between Return on Assets (ROA) and the market value of cigarette-related firms traded on the Indonesia Stock Exchange.
5. Examine and evaluate the impact of TATO, WCTO, DER, and ROA on firm value in cigarette sub-sector businesses listed on the Indonesia Stock Exchange all at once.



THEORETICAL STUDY**1. Company Value**

According to Brigham and Houston (2019), A number of internal and external variables may impact a company's value, which is a reflection of the market price of its shares. The Price to Book Value (PBV) ratio, which compares the stock market price to the book value per share, is a popular way to measure a company's worth. The market values a company's future prospects more highly when its PBV is greater. According to Ilyas & Hertati (2022), The worth of a business is a reflection of its performance, which in turn gives information about its future and a thorough indicator of how much the market values the organisation.

One way to evaluate a company's worth is by looking at its price to book value ratio, or PBV. Investors' willingness to pay per unit of book value is shown by this ratio. If the PBV is high, then the market values the firm more than its book value; if it's low, then the market values the company less than its book value (Mahayati et al., 2021). One financial ratio that investors use to evaluate stock performance is PBV, or Price to Book worth. It shows how the market price of a stock compares to the worth of the firm. PBV is a measure of the market value of a company's shares expressed as a percentage of its book value. To get the price to book value, use this formula.

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

Source: Brigham & Houston (2019)

2. Total Asset Turnover (TATO)

The Total Asset Turnover ratio is a measure of an organization's efficiency in turning its assets into revenue (Lestari & Prabowo, 2022). This ratio shows how well the business uses its assets for its operations. Total Asset Turnover is described as "a ratio used to measure the turnover of all assets owned by a company and the amount of sales generated from each rupiah of assets" (Kasmir, 2020). The more efficient the amount of sales generated from each rupiah of funds invested in total assets, the more positive the signal to investors because it indicates that the assets are turning over more quickly, thus generating profits more quickly. Effective sales will impact the company's value, which can



lead to a high level (Hulasoh & Mulyati, 2022). To measure Total Asset Turnover, the following formula can be used:

$$TATO = \frac{\text{Sale}}{\text{Total Assets}}$$

Source: Kasmir (2020)

3. Working Capital Turnover (WCTO)

To find out how well a company is using its working capital to generate sales, one might look at its Working Capital Turnover ratio. Working capital is defined by Kasmir (2020) as the investment in liquid assets that a business uses to run its day-to-day operations, including cash, accounts receivable, and inventories. Herry (2020) asserts that a company's Working Capital Turnover reflects its capacity to turn working capital into revenue. Extensive research has shown that well-managed working capital may boost a company's value by enhancing performance and sending a favourable signal to investors (Nirawati et al., 2022). The formula for Working Capital Turnover is:

$$WCTO = \frac{\text{Net Sales}}{\text{Working Capital}}$$

Source: Kasmir (Kasmir, 2019)

4. Debt to Equity Ratio (DER)

According to Herry (2020), One way to look at the ratio is as the debt-to-equity ratio. This ratio is helpful for figuring out what percentage of the total funding came from the owners of the firm compared to what percentage came from creditors. The ability to utilise owner capital as security for debt decreases as the debt-to-equity ratio increases. At the same time, the debt-to-equity ratio is a way to see how much debt a firm has in relation to its equity, as Kasmir (2020) says. Put another way, the DER shows whether or not a corporation can pay its long-term bills. Investors' perceptions of a company's risk may be impacted by its DER ratio, since it shows how heavily debt is used in the capital structure (Sari & Santoso, 2024). To get the debt-to-equity ratio, use the following formula:

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

Source: Kasmir (2020)



5. Return on Assets (ROA)

An indication of a company's success, return on assets (ROA) measures how much money the business makes from its assets. By comparing the proportion of net profit made to the total assets owned, return on assets (ROA) gives an indication of how well a firm manages its total assets (Kasmir, 2020). So, return on assets (ROA) is a good metric to use to see how well a business is using its assets. According to Wijaya and Tjun (2018), a high return on assets (ROA) indicates that a firm is doing well financially. Companies with a high return on assets (ROA) are often valued higher by investors, who see them as more lucrative and having room to develop (Anggraini & Ridwan, 2024). Here is the formula for determining return on assets:

$$ROA = \frac{Net\ Profit}{Total\ Assets}$$

Source: Hery (2020)

6. The Effect of Total Asset Turnover (TATO) on Company Value

The following hypothesis is put forth based on this theory and previous research: A higher TATO number indicates that the firm is making good use of its assets to produce income. For investors, this means the business is making good use of its resources, which bodes well for its operational success.

Pratiwi et al. (2022) and Sari and Hidayat (2018) found that firms with good asset utilisation levels have better sales, which boosts investor confidence and affects the value of the company. Businesses that have a high TATO ratio are often seen as more valuable by investors. This theory and prior studies lead to the following hypothesis:

H1: Total Asset Turnover (TATO) has a positive effect on Company Value.

7. The Effect of Working Capital Turnover (WCTO) on Company Value

The Working Capital Turnover (WCTO) ratio measures how efficiently a company uses its working capital to generate sales. When working capital is well-managed, it helps with operational cash flow and profitability, which in turn increases productivity and profitability. A higher WCTO rate indicates better resource management, which in turn can boost investor confidence in the company's future prospects and its value. Studies by Sari et al. (2025) and Kurniawan & Ariyani (2021) confirm that WCTO has a positive correlation with company performance and value. Companies that optimise their working capital management will increase operational cash flow and profitability, which in turn

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increases operational value. A company's capacity to increase productivity and profitability is directly correlated to how well it manages its working capital. That is why a greater working capital turnover rate indicates better resource management. The worth of the firm might rise as a result of investors' more positive views of its future possibilities.

Kurniawan and Ariyani (2021) and Sari et al. (2025) found that a company's performance and value are positively correlated with its ability to use working capital efficiently. Improved operational cash flow and profitability, brought about by well-managed working capital, will inspire trust in investors. This description is used to suggest the following hypothesis:

H2: Working Capital Turnover (WCTO) has a positive effect on Firm Value.

8. The Effect of Debt to Equity Ratio (DER) on Firm Value

Hartono (2018) states that "DER is a ratio that indicates the extent to which equity covers all debt." The likelihood of the company's collapse increases as the ratio rises, and falls as the ratio falls. Investors' perceptions of a company's risk may be impacted by its DER ratio, which suggests a heavy usage of debt in the capital structure (Putri & Lestari, 2021).

The impact of DER on business value has been shown by studies conducted by Sinaga et al. (2021) and Putra & Nurdiansyah (2022). The Debt to Equity Ratio does not impact business value, according to studies conducted by Lestari (2017) and Cahyani & Shabrina (2024).

The following hypothesis is put out in light of this theory and prior research:

H3: Debt to Equity Ratio (DER) influences Firm Value.

9. The Effect of Return on Assets (ROA) on Firm Value

A profitability statistic that measures the extent to which a firm produces income from its assets is Return on Assets (ROA). By comparing the proportion of net profit made to the total assets possessed, return on assets (ROA) gives an indication of how well a firm manages its total assets (Kasmir, 2020). One measure of a business's efficiency in turning its total assets into profit is the Return on Assets (ROA). According to Devi and Rimawan (2022), a greater return on investment (ROI) signifies better performance for the firm, which ultimately leads to a rise in corporate value.

Two studies that found that return on assets (ROA) affects a company's worth are Paulangan & Wafa (2024) and Maharani & Kurnia (2024). At the same time, studies by Anggraini and Yudiantoro (2023), Putra and Sari (2023), and Cahyani and Shabrina



(2024) all show that ROA has no effect on the value of a firm. The following theory is advanced in light of this description:

H4: Return on Assets (ROA) has a positive effect on Firm Value

10. The Simultaneous Effect of TATO, WCTO, DER, and ROA on Firm Value

There should be simultaneous testing of the variables Total Asset Turnover (TATO), Working Capital Turnover (WCTO), Debt to Equity Ratio (DER), and Return on Assets (ROA) on company value, in addition to partial testing. One key component of a company's success that these four financial statistics reveal is how well it uses its assets. Management of working capital, financing structure, and capacity to generate profits. The value of a company is greatly affected by the sum of its activity ratio, solvency ratio, and profitability ratio, according to research done by Utami and Prasetyono (2016). This is due to the fact that investors often employ a number of financial performance metrics when assessing a company. This justification leads one to postulate the following:

H5: Total Asset Turnover (TATO), Working Capital Turnover (WCTO), Debt to Equity Ratio (DER), and Return on Assets (ROA) simultaneously influence firm value.

Research Hypothesis

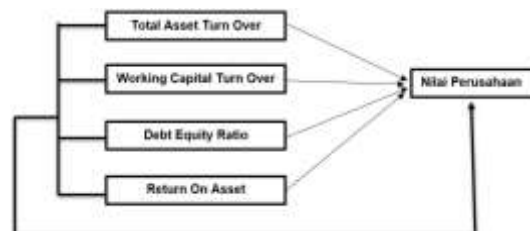


Figure 2. Conceptual Framework Model

RESEARCH METHODOLOGY

An associative quantitative technique is used in this research methodology. The objective is to establish a correlation between the dependent variable, firm value, and the independent variables, work capital turnover, debt to equity ratio, return on assets, and total asset turnover. Secondary data was sourced from the official website of the Indonesia Stock Exchange (IDX) at www.idx.co.id. The data used consisted of financial reports of tobacco sub-sector businesses listed on the exchange. Financial report data is used as the research tool to compute these ratios. Five IDX-listed tobacco sub-sector

firms make up the research population. Based on the results of the purposive sampling exercise, three businesses were identified: PT Gudang Garam Tbk, PT HM Sampoerna Tbk, and PT Wismilak Inti Makmur Tbk. There will be 30 years of data collected from observations that span from 2015 to 2024. The study site was indirect, using secondary data from the IDX, and data gathering procedures included documentation and literature evaluation. In order to ensure that the regression model meets the BLUE criteria, the data was analysed using inferential statistical methods in SPSS. This was followed by multiple linear regression analysis, correlation and determination coefficients, and hypothesis testing using the t test for partial effects and the F test for simultaneous effects. A significance level of 5% was used to test the effect of independent variables on the dependent variable statistically.

RESULTS AND DISCUSSION

Normality Test

Table.2 Kolmogorov Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	30
Asymp. Sig. (2-tailed)	.187 ^c

Data source: SPSS version 26 output

According to Table 2 above, the Kolmogorov-Smirnov test was used to determine whether the data was normally distributed. Asymp. Sig. (2-tailed) yielded a value of 0.187 in this test. The residuals are assumed to be normally distributed due to the fact that the Asymp. Sig. (2-tailed) value is larger than 0.05.

Multicollinearity Test

Table 3. Multicollinearity test results

Coefficients ^a			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Total Asset Turnover	.457	2.188
	Working Capital Turnover	.434	2.307



	<i>Debt to Equity Ratio</i>	.728	1.373
	<i>Return on Asset</i>	.797	1.255
a. Dependent Variable: Company Value			

Data source: SPSS version 26 output

The variables Total Asset Turnover (X1), Working Capital Turnover (X2), Debt to Equity Ratio (X3), and Return on Assets (X4) all have tolerance values more than 0.10 (tolerance > 0.10), according to the study findings in Table 4 above. This rules out the possibility of a major multicollinearity issue. On top of that, all four variables—Total Asset Turnover (X1), Working Capital Turnover (X2), Debt to Equity Ratio (X3), and Return on Assets (X4)—have Variance Inflation Factors (VIF) values below 10 (VIF < 10).

Therefore, it is safe to say that multicollinearity is not an issue with the regression model used in this research.

Heteroscedasticity Test

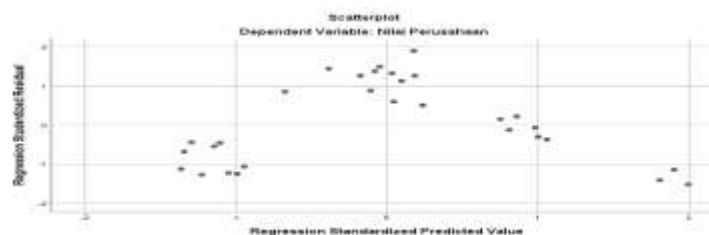


Figure 3. Scatterplot Test Results

Data source: SPSS version 26 output

We may infer that there is no heteroscedasticity based on the scatterplot test in Figure 1, which shows that the data has spread randomly above and below 0 on the Y axis and does not follow a definite regular pattern like wavy or spreading then narrowing.

Autocorrelation Test

Table 4. Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.652a	.425	.333	2.02672	.617
a. Predictors: (Constant), Return on Asset, Working Capital Turnover, Debt to Equity Ratio, Total Asset Turnover					

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b. Dependent Variable: Company Value

Data source: SPSS version 26 output

Table 4 shows that using the DW table with a 5% significance level, 4 independent variables (k), and 30 samples (n) yields a Durbin-Watson value of 0.617, which is used to calculate the value of the Durbin-Watson table. Then, at 1.1426, we have the lower limit (dl). It may be inferred that positive autocorrelation is present because $0 < 0.617 < 1.1426$. Therefore, in order to maintain the analysis's validity, further testing of the regression model is required to guarantee the findings. This may be fixed by adding an extra autocorrelation test using the Run Test.

Table 5. Results of Runs Test

Runs Test	
	Unstandardized Residual
Asymp. Sig. (2-tailed)	.653
a. Median	

The Asymp Sig. (2-tailed) value is 0.653, which is more than 0.05 ($0.653 > 0.05$), according to the Runs Test findings in Table 5 above. This number means that there were no issues with autocorrelation in the study's data.

Multiple Linear Regression

Table 6. Multiple Linear Regression Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10.236	1.306		7.835	.000
	Total Asset Turnover	-.657	1.030	-.143	-.638	.529
	Working Capital Turnover	.249	.714	.080	.349	.730



Debt to Equity Ratio	-5.205	2.160	-.428	2.409	.024
Return on Asset	-17.370	5.119	-.576	3.393	.002

Data source: SPSS version 26 output

The following multiple linear regression equation is derived from the analysis findings shown in the table above:

$$Y = 10.236 - 0.657X_1 + 0.249X_2 - 5.205X_3 - 17.370X_4 + e$$

Here is an explanation of the multiple linear regression equation:

1. The dependent variable, Firm Value, is 10.236 when the independent variables, Total Asset Turnover, Working Capital Turnover, Debt to Equity Ratio, and Return on Assets, are all set to 0.
2. Assuming all other factors stay the same, a β_1 value of -0.657 indicates that for cigarette industry companies registered on the Indonesia Stock Exchange, a 0.657 fall in firm value will occur for every one unit rise in total asset turnover.
3. Assuming all other factors stay the same, a β_2 value of 0.249 indicates that tobacco sub-sector businesses listed on the Indonesia Stock Exchange will see a 0.249 rise in Company Value for every one-unit increase in Working Capital Turnover.
4. Assuming all other factors stay the same, a β_3 value of -5.205 for tobacco sub-sector businesses listed on the Indonesia Stock Exchange indicates that a -5.205 loss in Company Value will occur for every one-unit rise in the Debt to Equity Ratio.
5. Assuming all other variables stay the same, a β_4 value of -17.370 indicates that tobacco sub-sector businesses listed on the Indonesia Stock Exchange will see a loss in Company Value of -17.370 for every one-unit rise in Return on Assets.

Correlation Coefficient and Determination

Correlation Coefficient

Table 7. Results of the Correlation Coefficient and Determination Tests

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin -Watson
1	.652a	.425	.333	2.02672	.617

Data source: SPSS version 26 output



The analysis results in Table 11 above show a correlation coefficient ($R = 0.652$), indicating a strong relationship between Total Asset Turnover, Working Capital Turnover, Debt to Equity Ratio, and Return on Assets and Firm Value.

Coefficient of Determination

The analysis results in Table 11 above show a coefficient of determination (R-square) of 0.425, indicating that the independent variables contribute 42.5% to Firm Value, while 57.5% is influenced by factors outside the model.

Hypothesis Test (t-Test)

$Df = n - k = 30 - 5 = 25$ and the error level is 5% for a two-tailed test, so the t-table value is 2.060.

1. The estimated t-value of -0.638 is less than the t-table value of 2.060 ($1.741 < 2.060$), and Table 6 indicates that the significance value for Total Asset Turnover is 0.529, which is higher than the alpha value ($\alpha = 0.05$) ($0.529 > 0.05$). So, it's safe to say that TAT doesn't impact firm value in any meaningful way. We accept H_01 and reject H_{a1} . One way to evaluate a business's efficiency in turning its assets into revenue is to look at its Total Asset Turnover ratio (Kasmir, 2020). This research found that investors care more about a company's profitability and future prospects than they do about how efficiently it uses its assets (Brigham & Houston, 2021). These findings are in line with other studies that found no substantial influence of TATO on business value: Nofriyani et al. (2021), Amrulloh et al. (2022), Putra et al. (2020), and Sari et al. (2021). They run counter to the findings of studies that indicated TATO significantly affected firm value, such as those by Pratiwi et al. (2023), Ayu et al. (2022), Hidayat (2024), and Wijaya (2025).
2. The results from Table 6 demonstrate that Working Capital Turnover has a significant value of 0.730, which is higher than the alpha value of 0.05 ($0.730 > 0.05$). Additionally, the computed t-value of 0.349 is lower than the t-table value of 2.060 ($0.349 < 2.060$). H_{a2} is rejected and H_02 is approved because Working Capital Turnover does not have a partly meaningful influence on Firm Value. Kasmir (2019) states that working capital turnover is a ratio that assesses how well working capital is used to generate revenue. Since investors care more about a business's profit generation potential, this research found that working capital efficiency has not contributed to a rise in company value (Fahmi, 2020).



This finding is in line with other studies that found no influence of WCTO on firm value (Sagala, 2025; Putri et al., 2023; Hidayat, A. Hidayat, 2024). Working Capital Turnover significantly affects corporate value, according to Purba & Mahendra (2022) and Chandra (2024), although this contradicts their findings.

3. Based on Table 6, we can see that the Debt to Equity Ratio has a significance value of 0.024, which is less than the alpha value ($\alpha = 0.05$) ($0.024 < 0.05$). Additionally, the computed t-value of 2.409 is higher than the t-table value of 2.060 ($2.409 > 2.060$). We accept H_{a3} and reject H_{03} , hence it follows that the Debt to Equity Ratio significantly affects Firm Value. According to Fahmi (2020), organisations may boost their value via effective debt utilisation since it allows them to access more cash for operations and growth. This, in turn, boosts investor confidence in the company's future. Irnawati (2019), Febriani and Supriyanto (2024), and Purba & Mahendra (2022) all found that DER impacts firm value. They go counter to the findings of research that concluded the Debt to Equity Ratio did not impact firm value (Alam, 2024; Fari et al., 2026; Lintang et al., 2024).
4. Table 6 indicates that Return on Asset has a significance value of 0.002, which is less than the alpha value ($\alpha = 0.05$) ($0.002 < 0.05$), and the computed t value of 3.393 is less than the t table value of 2.060 ($3.393 > 2.060$). Therefore, we may accept H_{04} and reject H_{a4} since Return on Asset significantly affects Company Value. According to the findings of this research, investors place a high value on a company's proficiency in managing its assets to produce profits. Thus, changes in ROA have the potential to affect investor confidence and, by extension, the value of a firm (Sartono, 2021). According to Purba and Mahendra (2022), Three et al. (2026), and Fadilah et al. (2024), ROA has an effect on the value of a firm. But they run counter to what Irnawati (2019) and Febriani and Supriyanto (2024) found, which is that ROA has no effect on a company's worth.

Simultaneous Test (f Test)

Table 8. Results of the f-test

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.

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1	Regression	75.943	4	18.986	4.622	.006b
	Residual	102.690	25	4.108		
	Total	178.632	29			

Data source: SPSS version 26 output

There is a significant difference between the computed F value of 4.622 and the F table value of 2.759 ($4.622 > 2.759$) at a significance level of 0.006, which is less than 0.05 ($0.006 < 0.05$), according to the findings of the simultaneous test (F Test) in Table 13. This leads us to adopt the fifth hypothesis (H5), which states that the firm value is significantly affected by the combined effects of total asset turnover, working capital turnover, debt to equity ratio, and return on assets. Financial ratios have an impact on business value all at once, according to this study's findings, which are consistent with those of Purba and Mahendra (2022). While Santoso and Jin (2024) found that not all financial measures significantly impact business value at the same time, our data show that this is not the case.

CONCLUSION

The study's findings are as follows, derived from the analysis and debate that has been conducted:

1. In cigarette industry companies listed on the Indonesia Stock Exchange (IDX), total asset turnover does not significantly affect firm value.
2. In cigarette industry companies listed on the Indonesia Stock Exchange (IDX), working capital turnover does not significantly affect firm value.
3. Companies in the cigarette industry that are listed on the Indonesia Stock Exchange (IDX) have a debt-to-equity ratio that is considerable, but it does not partially affect the firm value.
4. Firm Value is unaffected by Return on Assets in Cigarette Subsector Companies registered on the Indonesia Stock Exchange (IDX), yet it is substantial.
5. Firm Value in Cigarette Subsector Companies listed on the Indonesia Stock Exchange (IDX) is significantly affected by Total Asset Turnover, Working Capital Turnover, Debt to Equity Ratio, and Return on Assets all at once.

SUGGESTIONS

Based on the conclusions above, the following recommendations can be made:

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1. It is recommended to improve profitability and capital structure, as they significantly influence company value. Optimize the use of assets and working capital for greater efficiency.
2. It is recommended to add other variables such as liquidity, company size, or macroeconomic factors. Expand the research object to other sectors and extend the research period for more comprehensive results.

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