The Indirect Effect of Liquidity and Activity on Company Value with Profitability as an Intervening Variable

Iwan Firdaus., Mario Megananda., Sely Megawati Wahyudi

**Universitas Mercu Buana, Indonesia**

ABSTRACT

The infrastructure sector has a strategic role as a wheel of regional to national development to drive the country's economic growth. Although as a driving force of development, the value of Infrastructure sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period has decreased significantly. This study aims to determine the role of profitability as an intervening variable from the indirect effect of liquidity and activity on the value of Infrastructure sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period, with a population of 11 companies according to the specified characteristics. Sample selection using the saturated sample method. The research design is a causality study with a data analysis method using panel data regression analysis. The results of the study directly show that liquidity has no effect on company value, activity has a negative and significant effect on company value, and profitability has a positive and significant effect on company value. for liquidity and activity on profitability, the research results are that liquidity has no effect on profitability, while activity has a positive and significant effect on profitability. Furthermore, for the results of the study on the indirect effect of liquidity and activity on the value of the Company with profitability as an intervening variable, it was found that indirectly liquidity does not affect the value of the Company while activity indirectly has a positive and significant effect on the value of the Company, with profitability as an intervening variable.

Keywords: liquidity, activity, profitability, firm size, Company value.

INTRODUCTION

The infrastructure sector encompasses companies involved in the development and provision of basic facilities, such as those operating transportation facilities, civil engineering, telecommunications, and utilities. Infrastructure facilities play a vital role as a key driver of a country's economic development and growth. Regarding transportation infrastructure, the Ministry of Transportation's 2022 Development Policy Direction will complete the construction of several transportation infrastructure projects that have a multiplier effect and can boost economic growth, improve global competitiveness, and contribute to national economic recovery after the COVID-19 pandemic. According to Henong (2024), the COVID-19 pandemic has had a significant impact on construction projects. Many construction projects have experienced delays and increased costs [3]. Data shows that the construction index growth decreased from 4.9% to 2.1% in 2020. This decline in the construction index was due to numerous challenges faced by projects, ranging from budget diversions to COVID-19 response, resource constraints, and other circumstances. Construction project delays during the COVID-19 pandemic have attracted the attention of many researchers and academics, given the significant losses they cause. Numerous studies have focused on construction project delays during the pandemic. However, no study has specifically mapped previous studies in this area. In this regard, this paper aims to fill this knowledge gap. The government's enthusiasm for advancing infrastructure development is significantly compared to the average value of companies in the infrastructure sector listed on the Indonesia Stock Exchange for the 2018-2022 period, which shows a significant decline, as shown in Figure 1.1. This is an interesting phenomenon in this study.

Figure 1. Average value of companies in the infrastructure sector listed on the Indonesia Stock Exchange for 2018-2022
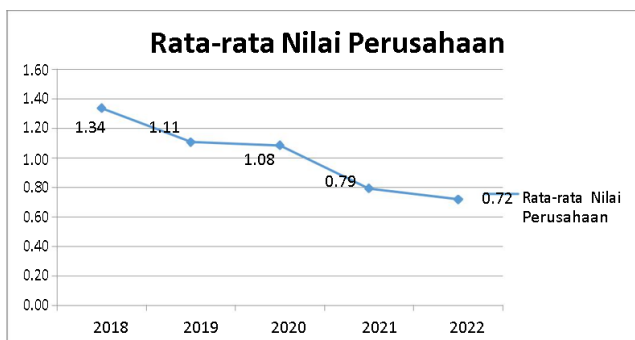
Source: IDX processed data (2024)

In this study, company value is proxied by Price to Book Value (PBV), where the average Price to Book Value (PBV) in the infrastructure sector listed on the Indonesia Stock Exchange for the 2018-2022 period decreased. Company value, proxied by Price to Book Value (PBV), is influenced by several factors, including fundamental factors, such as liquidity, activity, and profitability. This study will also discuss the indirect effect of liquidity and activity on company value, with profitability as an intervening variable. Several previous studies examining the effect of liquidity and activity on company value have yielded inconsistent results. Research conducted by Sukma (2021) found that liquidity has a positive and significant effect on company value, while Pranoto et al. (2022) found that liquidity has no effect on company value. Sukmayanti and Sembiring (2022) stated that liquidity indirectly has a positive and significant effect on company value, with profitability (ROA) as an intervening variable. Regarding activity variables, previous research has been conducted by several researchers regarding the influence of activity variables, proxied by total asset turnover (TATO), on firm value, proxied by Price to Book Value (PBV), with inconsistent research results. According to Pranoto et al. (2022), activity has a positive and significant effect on firm value. This result contradicts Rachmawati (2022), who stated that activity has a negative and significant effect on firm value. Meanwhile, according to Aslichah et al. (2022), activity has no effect on firm value. According to Simamora (2022), activity has an indirect positive and significant effect on firm value, with profitability (ROA) as an intervening variable. This study aims to further demonstrate the indirect effect of liquidity and activity on firm value, with profitability (ROA) as an intervening variable, in the infrastructure sector listed on the Indonesia Stock Exchange for the 2018-2022 period.

Based on the above background, the research questions are as follows:

1) Does liquidity affect profitability in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

2) Does activity affect profitability in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

3) Does liquidity affect firm value in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

4) Does activity affect firm value in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

5) Does profitability affect firm value in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

6) Does liquidity indirectly affect firm value, with profitability as an intervening variable, in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

7) Does activity indirectly affect company value, with profitability as an intervening variable, in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022?

Based on the research problem formulation above, the objectives of this study are as follows:

1) To identify and analyze the effect of liquidity on profitability in the infrastructure sector listed on the Indonesia Stock Exchange during the 2018-2022 period.

2) To identify and analyze the effect of activity on profitability in the infrastructure sector listed on the Indonesia Stock Exchange during the 2018-2022 period.

3) To identify and analyze the effect of liquidity on company value in the infrastructure sector listed on the Indonesia Stock Exchange during the 2018-2022 period.

4) To identify and analyze the effect of activity on company value in the infrastructure sector listed on the Indonesia Stock Exchange during the 2018-2022 period.

5) To identify and analyze the effect of profitability on company value in the infrastructure sector listed on the Indonesia Stock Exchange during the 2018-2022 period.

6) To identify and analyze the indirect effect of liquidity on company value, with profitability as an intervening variable, in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

7) To identify and analyze the indirect effect of liquidity on company value, with profitability as an intervening variable, in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

Furthermore, this research is expected to contribute to many parties, including; Contributions for infrastructure companies listed on the Indonesia Stock Exchange for the 2018-2022 period, the results of this study are expected to be useful for company management and become a consideration in applying variables to help increase company value. Contributions for investors in the infrastructure sector listed on the Indonesia Stock Exchange for the 2018-2022 period, it is hoped that this research can provide additional information and provide alternative considerations in making investment decisions. For researchers, the results of this study can then be used as reference material discussing company value.

LITERATURE REVIEW

Signal theory originated from George Akerlof's work in his 1970 work, "The Market for Lemons," which introduced the term asymmetric information. Akerlof (1970) also studied the phenomenon of information imbalance regarding product quality between buyers and sellers by examining the used car market. A condition where one party (the seller) in a business transaction has more information than the other party (the buyer) is called adverse selection (Oktasar, 2020). Signaling theory (Spence, 1973) describes the behavior of corporate management that provides guidance to investors regarding management's views on the company's future prospects. Signals are also provided by the board of directors when deciding to increase company share ownership. Principals are also interested in signals regarding dividend distribution or profit sharing. According to Brigham and Hauston (2019), signals provide a signal; the sender (the owner of the information) attempts to provide relevant information that can be utilized by the recipient. The recipient will then adjust their behavior based on their understanding of the signal. Signaling theory relates to company value: good company value can be a positive signal, while poor company value can be a negative signal for investors.

According to Sanjaya, R., & Henviani, H. (2020), company value is the price a potential buyer is willing to pay if the company is sold. Companies with high value can increase shareholder prosperity. High company value will also provide a positive signal for investors to invest in the company. According to Pranoto (2022), liquidity is a ratio to measure a company's ability to meet short-term debt that has matured. Therefore, this ratio is used to determine the company's ability to repay its debt within a predetermined time period. Activity, also known as the efficiency or turnover ratio, measures how effectively a company uses its various assets. In this study, activity is proxied by total asset turnover (TATO). Profitability is a ratio that links profit to sales and investment. In this study, profitability is proxied by return on assets (ROA). Profit or gain earned by a company will directly impact

the company's value, which can be seen from the company's stock price on the stock market. The greater the profit earned by the company, the greater the shareholders' benefit in receiving dividends.

Conceptual Framework and Hypothesis Development

High liquidity can put a company in a safe position, as it is less likely to go bankrupt due to inability to repay debts. According to Kasmir (2019), the Current Ratio (CR) is a liquidity indicator used as short-term solvency. The ability described by liquidity is the company's ability to repay short-term debt needs when they fall due using the company's current assets. On the other hand, high liquidity can also increase company profits by increasing sales and reducing company costs. This statement is in line with the results of research by Listyawati, I., & Kristiana, I. (2022), which states that liquidity, with the current ratio (CR) proxy, has a positive and significant effect on company value.

According to Brigham and Hauston (2019), the activity ratio, also known as the efficiency or turnover ratio, measures how effectively a company uses its various assets. In this study, activity is proxied by total asset turnover (TATO). According to Kasmir (2019), asset turnover is a ratio used to measure the turnover rate of all assets owned by a company. The higher the activity value in a company, the better the company is at managing its assets to achieve maximum sales. Investors assume that by increasing the value of the company's activities, the company is believed to increase sales, which can increase greater profits. This increase in profits will have a positive impact on increasing company value. The influence of activity on company value has been studied by several previous researchers and found that activity has a positive and significant effect on company value. This was done by Pranoto (2022), who stated that activity with a proxy of total asset turnover (TATO) has a positive and significant effect on company value.

According to Brigham and Hauston (2019), a profitability ratio relates profit to sales and investment. In this study, profitability is proxied by return on assets (ROA). According to Kasmir (2020), return on assets (ROA) is a ratio that indicates the return on the total assets used by a company. The higher the profitability value, the better the company is at managing its assets to maximize net profit. Investors assume that by increasing a company's profitability, the company is believed to be able to generate greater profits. This increase in profits will have a positive impact on company value. This hypothesis is supported by previous research by Sahara, H., Titisari, K. H., & Siddi, P (2022), which stated that profitability, proxied by total return on assets (ROA), has a positive and significant effect on company value.

Based on the explanation of the conceptual framework above, the research hypotheses are as follows:

H1: Liquidity has a positive and significant effect on profitability in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

H2: Activity has a positive and significant effect on profitability in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

H3: Liquidity has a positive and significant effect on firm value in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

H4: Activity has a positive and significant effect on firm value in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

H5: Profitability has a positive and significant effect on firm value in infrastructure sector companies listed on the Indonesia Stock Exchange in 2018-2022.

H6: Liquidity indirectly has a positive and significant effect on firm value, with profitability as an intervening variable, in infrastructure sector companies listed on the Indonesia Stock Exchange from 2018 to 2022.

H7: Activity indirectly has a positive and significant effect on firm value, with profitability as an intervening variable, in infrastructure sector companies listed on the Indonesia Stock Exchange from 2018 to 2022.

Figure 2 Conceptual Framework
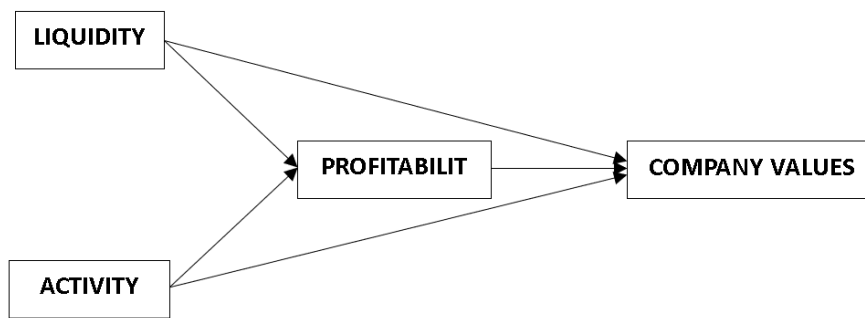
Research methods

This research is a quantitative research with a causality research design, conducted from November 2024 to January 2025 with the research location being conducted at the BEI investment gallery of Mercu Buana University, Jakarta. The population in this study is infrastructure sector companies listed on the Indonesia Stock Exchange (BEI) for the 2018-2022 period, which meet the population criteria amounting to 11 Infrastructure sector companies for the 2018-2022 period. The sample selection was carried out based on the saturated sample method, namely the sample selection takes the entire existing population, so that the sample amounted to 11 Infrastructure sector companies.

Table 1. Research Sample

No	Kode Saham	Nama Emiten
1	CMNP	PT. Citra Marga Nusaphala Persada
2	PTPP	PT. Pembangunan Perumahan (Persero) Tbk.
3	ADHI	PT. Adhi Karya (Persero) Tbk.
4	WIKA	PT Wijaya Karya (Persero) Tbk.
5	BALI	PT. Bali Towerindo Sentra Tbk.
6	META	PT. Nusantara Infrastruktur Tbk.
7	TOTL	PT. Total Bangun Persada Tbk.
8	PPRE	PT. Pembangunan Perumahan Presisi Tbk.
9	WEGE	PT. Wijaya Karya Bangunan Gedung Tbk.
10	NRCA	PT. Nusa Raya Cipta Tbk.
11	IBST	PT. Inti Bangun Sejahtera Tbk.

Source: IDX processed data (2024)

The dependent variable in this study is company value, proxied by price to book value (PBV). This ratio illustrates the extent to which the market values the book value of a company's shares. The independent variables in this study consist of liquidity and activity. Liquidity is a company's ability to obtain sufficient funding sources to meet its financial obligations that must be met immediately upon collection (Ismanto et al., 2019). Liquidity

in this study is measured using the current ratio (CR). Activity, also known as the efficiency or turnover ratio, measures how effectively a company uses its various assets. Several ratios that can describe activity are Total Asset Turnover, Working Capital Turnover, Inventory Turnover, and Fixed Asset Turnover. In this study, it is proxied by total asset turnover (TATO). According to Rachmawati (2022), Total Asset Turnover is the result of dividing sales by total assets during a certain period. The higher the value of this ratio, the more effective the management of all assets owned by the company. The intervening variable in this study is profitability. Profitability ratios are used to assess a company's efficiency and effectiveness. Several ratios can describe profitability, including Return on Investment, Return on Equity, Return on Assets, Profit Margin Ratio, and Gross Profit Margin. In this study, profitability is measured by return on assets (ROA).

The data collection technique in this study is a literature study, namely by collecting materials or data related to the object of discussion. The data used by the researcher is secondary data from the official website of the Indonesia Stock Exchange (IDX). The secondary data used in this study are financial reports of infrastructure sector companies in Indonesia for the same time period, namely 5 years (2018 - 2022). The data analysis method in this study uses panel data regression analysis using the Eviews 12 program. By conducting descriptive statistical analysis and inferential analysis to obtain a panel data regression model to test the hypothesis. To test the hypothesis of the indirect effect of liquidity and activity variables on company value with profitability as an intervening variable, the researcher used the Sobel calculation. According to Preacher (2025), the Sobel test only works well on large samples. We recommend using this test only if the user does not have access to the raw data. If you have raw data, bootstrapping offers a much better alternative that does not impose distributional assumptions. A variable can be considered a mediator to the extent that it carries the influence of a particular independent variable (IV) to a particular dependent variable (DV). In general, mediation can be said to occur when (1) the IV significantly affects the mediator, (2) the IV significantly affects the DV in the absence of the mediator, (3) the mediator has a significant unique effect on the DV, and (4) the effect of the IV on the DV diminishes after the mediator is added to the model. These criteria can be used to informally assess whether mediation occurs, but MacKinnon & Dwyer (1993) and MacKinnon, Warsi, & Dwyer (1995) have popularized statistically based methods by which mediation can be formally assessed.

According to Preacher (2025), there are three main versions of the "Sobel test"—one that adds a third term in the denominator (Aroian, 1944/1947—this is the version popularized by Baron & Kenny as the Sobel test), one that subtracts it (Goodman, 1960), and one that omits it altogether. We emphasize that researchers should consult MacKinnon, Lockwood, Hoffman, West, and Sheets (2002), and the sources cited therein, before attempting to interpret the results of any of these tests. Researchers should consult Krull & MacKinnon (1999) before attempting to apply the Sobel test to parameter estimates obtained from multilevel modeling. The formulas for the tests given here are taken from MacKinnon & Dwyer (1994) and from MacKinnon, Warsi, & Dwyer (1995):

Sobel test equation
$z\text{-value} = a{*}b/\mathrm{SQRT}(b^2{*}s_a^2 + a^2{*}s_b^2)$

Aroian test equation
$z\text{-value} = a{*}b/\mathrm{SQRT}(b^2{*}s_a^2 + a^2{*}s_b^2 + s_a^2{*}s_b^2)$

Goodman test equation
$z\text{-value} = a{*}b/\mathrm{SQRT}(b^2{*}s_a^2 + a^2{*}s_b^2 - s_a^2{*}s_b^2)$

The results of the Sobel test are then used as the calculated t value which will be compared with the t table value. If the calculated t value is greater than the t table value, then the test results state that the hypothesis is accepted, conversely if the calculated t value is smaller than the t table value, then the test results state that the hypothesis is rejected. To see the direction of the hypothesis whether it is positive or negative, then look at the results of the Sobel test value as the calculated t value. If the Sobel test value is positive, then the direction of the influence from the independent variable to the dependent variable is positive, and vice versa if the Sobel test value is negative, then the direction of the influence from the independent variable to the dependent variable is negative.

RESULTS AND DISCUSSION

Sub-Structure 1

Sub-structural 1 examines the effect of Liquidity (CR) and Activity (TATO) on Profitability. The Hausman test results indicate that the selected model is the Fixed Effects Model.

Table 2. Fixed Effect Model

Dependent Variable: ROA_Z
Method: Panel Least Squares
Date: 12/11/24   Time: 01:24
Sample: 2018 2022
Periods included: 5
Cross-sections included: 11
Total panel (balanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.602782	0.796594	-3.267387	0.0022
CR_X1	0.533155	0.342450	1.556883	0.1270
TATO_X2	11.10905	1.541301	7.207579	0.0000

Source: IDX processed data (2025)

Based on the results of the Fixed Effect Model test, the Prob (F-statistic) value is 0.0000 <0.05, which means the research model is considered good and can be continued. As well as the Adjusted R-square result of 0.717706 or 71.77%, which means the independent variables CR and TATO can explain the ROA variable by 71.77%, the remaining 28.23% is explained by other variables outside the study. With the results of the hypothesis test, the prob value of liquidity (CR) is 0.1270 > 0.05, which means liquidity (CR) has no effect on profitability, so hypothesis 1 is rejected. For the influence of activity on profitability, the prob value of activity (TATO) is 0.0000 <0.05, which means TATO has a positive and significant effect on profitability, hypothesis 2 is accepted.

Sub-Structural 2

Sub-structure 2 examines the effect of Liquidity (CR), Activity (TATO), and Profitability (ROA) on Firm Value (PBV). The LM test results show that the selected model is the Random Effects Model.

Table 3. Random Effect Model

Dependent Variable: PBV_Y
Method: Panel Least Squares
Date: 12/11/24   Time: 01:57
Sample: 2018 2022
Periods included: 5
Cross-sections included: 11
Total panel (balanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.364286	0.191475	7.125144	0.0000
ROA_Z	0.084035	0.039263	2.140298	0.0371
TATO_X2	-0.615045	0.293508	-2.095494	0.0411
CR_X1	-0.234933	0.125439	-1.872889	0.0668

Source: IDX processed data (2025)

Based on the results of the Random Effect Model test, the Prob (F-statistic) value is 0.0233 <0.05, which means the research model is considered good and can be continued. For the Adjusted R-square results, it is 0.1196 or 11.96%, which means the independent variables CR, TATO, and ROA can explain the company value variable by 11.96%, the remaining 88.04% is explained by other variables outside the study. The results of the hypothesis test for the influence of Liquidity (CR) obtained a prob value of liquidity (CR) of 0.0688 > 0.05, which means Liquidity (CR) has no effect on company value. This means that hypothesis 3 is rejected. For the influence of activity (TATO) on company value, the prob value of activity (TATO) is 0.0411 <0.05 with a coefficient of -

0.615, which means that activity (TATO) has a negative and significant effect on company value. This means that hypothesis 4 is rejected because the direction of the resulting influence is different from the hypothesis. Furthermore, for the effect of profitability (ROA) on company value, the probability value of profitability (ROA) was 0.0371 < 0.05 with a coefficient of 0.084, which means profitability (ROA) has a positive and significant effect on company value. This means that Hypothesis 5 is accepted.

The next step is to examine the indirect effect of liquidity and activity on company value, with profitability as an intervening variable. To test Hypotheses 6 and 7, the researcher used the SOBEL calculation. The results of the Sobel calculation are based on Tables 4 and 5.

Table 4. Independent Variables Against Intervening

Dependent Variable: ROA_Z
Method: Panel Least Squares
Date: 12/11/24 Time: 01:24
Sample: 2018 2022
Periods included: 5
Cross-sections included: 11
Total panel (balanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2.602782	0.796594	-3.267387	0.0022
CR_X1	0.533155	0.342450	1.556883	0.1270
TATO_X2	11.10905	1.541301	7.207579	0.0000

Source: IDX processed data (2025)

Table 5. Intervening Variables on Dependent

Dependent Variable: PBV_Y
Method: Panel Least Squares
Date: 12/11/24 Time: 01:57
Sample: 2018 2022
Periods included: 5
Cross-sections included: 11
Total panel (balanced) observations: 55

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.364286	0.191475	7.125144	0.0000
ROA_Z	0.084035	0.039263	2.140298	0.0371
TATO_X2	-0.615045	0.293508	-2.095494	0.0411
CR_X1	-0.234933	0.125439	-1.872889	0.0668

Source: IDX processed data (2025)

Based on the SOBEL calculation results for Liquidity (CR) against Company Value (PBV) with profitability (ROA) as an intervening variable, the calculated t value is 1.26 and the table t value is 2.00, which means the calculated t value is smaller than the table t value. Therefore, the hypothesis test results show that Liquidity (CR) does not indirectly affect Company Value (PBV) through profitability (ROA) as an intervening variable. From the SOBEL calculation results, this means that Hypothesis 6 is rejected.

Based on the results of the SOBEL calculation for Activity (TATO) on Company Value (PBV) with profitability (ROA) as an intervening variable, the calculated t value is 2.05 and the t table value is 2.00, meaning the calculated t value is greater than the t table value. Therefore, the results of the hypothesis test are that indirectly Activity (TATO) has a positive and significant effect on Company Value (PBV) through profitability (ROA) as an intervening variable. From the results of this SOBEL calculation, Hypothesis 7 is accepted.

DISCUSSION

In this study, the results of the hypothesis test showed that H1 was rejected because liquidity (CR) did not affect

profitability in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. In this study, liquidity did not affect profitability because the companies in the research sample had good liquidity values (greater than 1), meaning that the companies in the sample did not experience difficulties in paying short-term debt from their current assets. Similarly, the results of the hypothesis test showed that H3 was rejected because liquidity (CR) did not affect the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. This seems to continue from the results of Hypothesis 1 where liquidity (CR) did not affect profitability. It turns out that companies with good liquidity values do not affect the movement of company value.

Furthermore, the results of the H4 hypothesis test were rejected because the activity (TATO) had a negative and significant effect on the value of companies in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. This shows that large assets in this industry do not necessarily increase company value if not managed properly. Having assets that continue to grow will likely increase the company's costs in maintaining and managing those assets. The 2018-2022 period included the Covid-19 pandemic (2020-2022) which was a very difficult period for Indonesia. Infrastructure companies with large assets during that period must have been very difficult in managing assets to produce infrastructure on time with good quality, because the government implemented Large-Scale Social Restrictions (PSBB), where the PSBB policy was taken by the government to limit community activities, especially to reduce crowds, with the hope that this policy could reduce the number of Covid-19 cases.

From the results of the hypothesis 6 test using the SOBEL calculation, it was obtained that H6 indirectly Liquidity (CR) does not affect the Company's value (PBV) through profitability (ROA) as an intervening variable, meaning Hypothesis 6 is rejected. The results of this study further emphasize that Liquidity (CR) in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period does not have any effect on Company value, even though it has been mediated by profitability (ROA). This is likely because the period in this study (2018-2022) experienced the Covid-19 pandemic which suppressed movement in all areas of life not only in Indonesia, but also throughout the world. Meanwhile, the results of the hypothesis 6 test using the SOBEL calculation, indirectly Activity (TATO) has a positive and significant effect on Company value (PBV) through profitability (ROA) as an intervening variable, this means that Hypothesis 7 is accepted. From this test, it can be seen that the activity variable (TATO), which previously directly rejected hypothesis 4, was mediated by profitability (ROA) and had a positive and significant effect on the company's value.

CONCLUSION

This study concludes that liquidity, using CR as a proxy, has no effect on profitability or value of companies in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. Similarly, when liquidity, using CR as a proxy, was indirectly tested against company value through profitability as an intervening variable, it still had no effect. This indicates that the size of the liquidity (CR) value has no effect on company value.

The activity variable, using TATO as a proxy, has a positive effect on profitability (ROA) but a negative effect on company value. This rejects Hypothesis 4, which states that activity should have a positive and significant effect on company value. After further indirect testing of the effect of activity on company value through profitability as an intervening variable, the test results accepted Hypothesis 7, which states that activity indirectly has a positive and significant effect on company value through profitability as an intervening variable.

Suggestion

Based on the results of this study, researchers provide recommendations for companies in the infrastructure sector listed on the Indonesia Stock Exchange (IDX) for the 2018-2022 period. They are expected to maximize the use of company assets to increase sales and also reduce existing costs, in order to increase company profitability. Increasing company profitability will provide a positive signal to investors and increase investor confidence. Increased investor confidence is directly proportional to the increase in the company's stock price.

This will indirectly increase the company's value. For future researchers in testing the effect of liquidity variables on company value, it is recommended to use other intervening variables besides ROA. Further researchers are also advised to conduct research using the same variables for different industries in different years or on stock exchanges in countries other than Indonesia.

BIBLIOGRAPHY

1. Aslichah, Rahayu, B., Ayu, S. P., Studi Manajemen, P., & Ekonomi, F. (2022). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Sektor Financial Di Bursa Efek Indonesia (BEI) The. Jurnal Sinar Manajemen, 09(November), 367–373.
2. Brigham,E,F dan Houston,J,F (2019). Dasar-dasar Manajemen Keuangan, edisi 14, Salemba 4 Jakarta.
3. Fadilah, H., Lidyah, R., & Anwar, D. (2021). Pengaruh Net Profit Margin terhadap Nilai Perusahaan dengan Return on Assets Sebagai Variabel Intervening pada Perusahaan yang Terdaftar Di Jakarta Islamic Index. Syntax Literate; Jurnal Ilmiah Indonesia, 6(4), 1718-1726.
4. Firdaus, I. (2020). The Effect Of Der, Tato, Roa And Share Price To PBV (Studies on the food and beverage industry on the Indonesia Stock Exchange period of 2012-2018). Dinasti International Journal of Digital Business Management, 1(2), 210–223. https://doi.org/10.31933/dijdbm.v1i2.153
5. Henong,S,B (2024). Dampak Pandemi Covid-19 terhadap Penyelesaian Proyek Konstruksi: Tinjauan Literatur Sistematis, Journal of Sustainable Construction, 2(1), 23-29
6. Kasmir. (2020). Analisis Laporan Keuangan. 12th ed revisi. Depok: PT. Rajagrafindo Persada.
7. Listyawati, I., & Kristiana, I. (2021). Pengaruh Return on Equity, Current Ratio, Size Company dan Debt to Equity Ratio Terhadap Nilai Perusahaan. Maksimum, 10(2), 47. https://doi.org/10.26714/mki.10.2.2020.47-57
8. Markonah, M., Salim, A., & Franciska, J. (2020). Effect of Profitability, Leverage, and Liquidity To the Firm Value. Dinasti International Journal of Economics, Finance & Accounting, 1(1), 83–94. https://doi.org/10.38035/dijefa.v1i1.225
9. Noor Faidzah Rachmawati, Edi Murdiyanto, & Zulfia Rahmawati. (2022). Pengaruh Tato, Dar Dan Roa Terhadap Pbv Perusahaan Yang Terdaftar Diindeks Lq45 Bei 2018-2020. OPTIMAL: Jurnal Ekonomi Dan Manajemen, 2(2), 155–168. https://doi.org/10.55606/optimal.v2i2.478
10. Oktasari, D. P. (2020). The Effect of Debt Equity Ratio, Return on Assets and Net Profit Margin on Price Book Value in the Food and Beverage. The internasional Journal of Business Management and technology, 5(5).
11. Preacher,K,J. (2025). Calculation for the Sobel test: An interactive calculation tool for mediation tests, quantpsy.org, https://quantpsy.org/sobel/sobel.htm
12. Rahmawati, S. A., Simamora, S. C., Manajemen, P. S., Ekonomi, F., Dirgantara, U., & Suryadarma, M. (2021). 8+Syifa+Aulia+dan+saur+hal+279-289. 1(3), 279–289.
13. Renaldi, J. Y., Pinem, D. B., & Permadhy, Y. T. (2020). Analysis Of Factors Affecting the Value Of Manufacturing Industry Companies in the Indonesian Stock Exchange (IDX). European Journal of Business and Management Research, 5(1), 1–8. https://doi.org/10.24018/ejbmr.2020.5.1.230
14. Sahara, H., Titisari, K. H., & Siddi, P. (2022). Pengaruh Ukuran Perusahaan, Profitabilitas, Struktur Modal, Leverage dan Kepemilikan Institusional Terhadap Nilai Perusahaan. Owner, 6(1), 322–335. https://doi.org/10.33395/owner.v6i1.580
15. Sanjaya, R., & Henviani, H. (2020). Factors That Influence On The Price To Book Value Of The Company In Indonesia Stock Exchange. Riset, 2(2), 361–372. https://doi.org/10.35212/riset.v2i2.58
16. Shinta Friska Febriani Pranoto, Mawar Ratih Kusumawardani, & Taufik Akbar. (2022). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan pada Perusahaan Subsektor Kosmetik yang Terdaftar di Bursa Efek Indonesia Tahun 2016-2022. Akuntansi, 1(3), 240–253. https://doi.org/10.55606/jurnalrisetilmuakuntansi.v1i3.90
17. Simamora, H. (2022). Pengaruh Current Ratio, Total Asset Turnover Ratio, Debt To Equity Ratio Terhadap Price Book Value Dengan Return On Asset Sebagai Intervening Pada Perusahaan Jasa Perhotelan Di Bursa Efek Indonesia Periode 2013-2017. Zona Keuangan: Program Studi Akuntansi (S1) Universitas Batam, 12(3).
18. Sukma, F. M. (2021). Peran Firm Size, Current Ratio, Debt To Asset Ratio, dan Return On Equity Terhadap Price To Book Value Pada Perusahaan Telekomunikasi Yang Terdaftar di Bursa Efek Indonesia

Periode 2014-2020. Improvement: Jurnal Manajemen Dan Bisnis, 1(1), 47. https://doi.org/10.30651/imp.v1i1.9528

19. Sukmayanti, C. P., & Sembiring, F. M. (2022). Pengaruh Current Ratio dan Debt To Equity Ratio Terhadap Price To Book Value Dengan Return on Assets Sebagai Variabel Intervening (Studi pada Perusahaan Non Keuangan Kelompok Indeks LQ45 di Indonesia). INOBIS: Jurnal Inovasi Bisnis Dan Manajemen Indonesia, 5(2), 202–215. https://doi.org/10.31842/jurnalinobis.v5i2.224

20. Sondakh, R. (2019). the Effect of Dividend Policy, Liquidity, Profitability and Firm Size on Firm Value in Financial Service Sector Industries Listed in Indonesia Stock Exchange 2015-2018 Period. Accountability, 8(2), 91. https://doi.org/10.32400/ja.24760.8.2.2019.91-101

21. Suzan, L., & Dini, A. A. (2022). Pengaruh Profitabilitas, Kepemilikan Manajerial dan Struktur Modal Terhadap Nilai Perusahaan pada Perusahaan Sub-Sektor Properti dan Real Estate Yang Terdaftar di Bursa Efek Indonesia Periode 2016-2020. SEIKO : Journal of Management & Business, 5(2), 487–498. https://doi.org/10.37531/sejaman.vxix.3457

22. Tempe, D. V. G., Mangantar, M., Tulung, J. E., Manajemen, J., & Ekonomi, F. (2021). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Otomotif Di Bursa Efek Indonesia Periode 2016-2019. Jurnal EMBA, 9(4), 501–51