Management Studies and Entrepreneurship Journal
Vol 7(6) 2026:952-963

The Effect Of Profitability And Capital Structure On Firm Value:The Moderating Role Of Managerial Ownership In Tourism And Recreation Companies (2020-2025)

Pengaruh Profitabilitas Dan Struktur Modal Terhadap Nilai Perusahaan Dengan Kepemilikan Manajerial Sebagai Variabel Moderasi Pada Perusahaan Pariwisata Dan Rekreasi Periode 2020-2025

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ABSTRACT
The Covid-19 outbreak caused the tourism and recreation sector to fall to its lowest point, causing the tourism industry's contribution to GDP fluctuated in 2020-2025. This study aims to analyze the effect of profitability and capital structure on firm value, moderated by managerial ownership. The population in this study is the tourism and recreation industry companies listed on the Indonesia Stock Exchange in the year of 2020 to 2025. This study used purposive sampling, obtained 8 companies, making a total of 48 observations. The research type is an associative quantitative. The independent variable are profitability which is measured by Return on Assets (ROA) and capital structure which is measured by Debt to Equity Ratio (DER), the dependent variable is firm value which is measured by Price to Book Value (PBV), and managerial ownership as a moderating variable is measured by the percentage of share ownership by management of the total shares in circulation. The result of this study show that profitability does not affect firm value, while capital structure affects firm value. Managerial ownership is not able to moderate profitability and capital structure on firm value.
Keywords: *Profitability, Capital Structure, Firm Value, Managerial Ownership.*

ABSTRAK
Wabah Covid-19 menyebabkan sektor pariwisata dan rekreasi jatuh hingga titik terendah, menyebabkan kontribusi industri pariwisata terhadap PDB berfluktuasi pada tahun 2020-2025. Penelitian ini bertujuan untuk menganalisis pengaruh profitabilitas dan struktur modal terhadap nilai perusahaan yang dimoderasi oleh kepemilikan manajerial. Populasi dalam penelitian ini adalah perusahaan industri pariwisata dan rekreasi yang terdaftar di Bursa Efek Indonesia pada tahun 2020 hingga 2025. Penelitian ini menggunakan purposive sampling, diperoleh 8 perusahaan sehingga total observasi sebanyak 48. Jenis penelitian adalah kuantitatif asosiatif. Variabel independennya adalah profitabilitas yang diukur dengan *Return on Assets* (ROA) dan struktur modal yang diukur dengan *Debt to Equity Ratio* (DER), variabel dependennya adalah nilai perusahaan yang diukur dengan *Price to Book Value* (PBV), dan kepemilikan manajerial sebagai variabel moderasi yang diukur dengan persentase kepemilikan saham oleh manajemen terhadap total saham yang beredar. Hasil penelitian ini menunjukkan bahwa profitabilitas tidak berpengaruh terhadap nilai perusahaan, sedangkan struktur modal berpengaruh terhadap nilai perusahaan. Kepemilikan manajerial tidak mampu memoderasi profitabilitas dan struktur modal terhadap nilai perusahaan.
Kata Kunci : Profitabilitas, Struktur Modal, Nilai Perusahaan, Kepemilikan Manajerial.

1. Introduction

The tourism and recreation sector serves as a vital pillar of the national economy, yet it remains highly susceptible to economic fluctuations and global crises, such as the COVID-19 pandemic. Haryo Limanseto (2024), Expert Staff for Regional Development at the Coordinating Ministry for Economic Affairs, stated that the tourism and recreation industry is a crucial sector in driving national economic growth. Furthermore, rising public interest in tourism has intensified competition, necessitating that companies manage their resources with greater

efficiency and effectiveness. This study aims to analyze the effect of profitability and capital structure on firm value, moderated by managerial ownership. (Kementerian Koordinator Bidang Perekonomian Republik Indonesia, 2025)

The trajectory of profitability, as measured by Return on Assets (ROA) within the tourism and recreation industry from 2020 to 2025, reflects a fluctuating trend. ROA experienced a steady decline from 2020, reaching its lowest point in 2022 due to the impacts of the COVID-19 pandemic and high operating expenses. Although ROA improved during 2023–2024 alongside the sector's recovery, it declined once again in 2025, driven by industrial competition, shifting consumer behavior, and a persistently challenging economic environment.

The trajectory of capital structure, as measured by the Debt to Equity Ratio (DER) in the tourism and recreation industry from 2020 to 2025, exhibited fluctuations with an overall downward trend. DER rose in 2021 due to increased debt utilization during the pandemic, followed by a decline as the sector recovered and reliance on external financing diminished. This sustained reduction in DER through 2025 reflects corporate initiatives to optimize funding structures, even as companies continue to face challenges in bolstering profitability in the post-pandemic era.

The trajectory of firm value, as measured by Price to Book Value (PBV) within the tourism and recreation industry from 2020 to 2025, exhibited a fluctuating trend. PBV initially declined due to the repercussions of the COVID-19 pandemic and widespread economic uncertainty; however, it subsequently began to rise in tandem with the sector's recovery, improved corporate performance, and strengthening investor confidence. Despite facing significant pressure during 2022–2023, the upward trend in PBV throughout 2024–2025 signifies a gradual restoration of firm value.

The trajectory of managerial ownership within the tourism and recreation industry from 2020 to 2025 exhibited fluctuations, characterized by an upward trend following an initial decline at the onset of the pandemic. Average managerial ownership decreased from 7.40% in 2020 to 6.11% in 2021, resulting from adjustments in corporate ownership structures. However, from 2022 through 2025, managerial ownership gradually increased, reaching 9.34%. This trend indicates heightened management involvement as shareholders, which is expected to strengthen the alignment of interests between management and shareholders while fostering decision-making oriented toward enhancing firm value.

This research aims to investigate how profitability (ROA) and capital structure (DER) influence firm value (PBV) amidst the post-pandemic recovery phase, while examining the role of managerial ownership as an interest-alignment mechanism anticipated to moderate these relationships.

2. Literature Review

Financial Management

Financial management is defined as the management of corporate financial activities concerning the sourcing and utilization of funds effectively and efficiently to realize corporate objectives.(Irfani, 2020)

From this perspective, it can be inferred that financial management is the process of planning, managing, and controlling financial resources through the acquisition, utilization, and allocation of funds to achieve the goals of the organization.

Profitability Ratio

According to Kasmir (2021), profitability ratios are metrics utilized by a company to assess its capacity to generate profit. These ratios also provide a measure of management effectiveness, as evidenced by the earnings derived from sales and investment income.(Kasmir, 2021)

It can be inferred that profitability serves as a ratio demonstrating a company's ability to generate earnings through sales, assets, revenue, and equity, while reflecting management's efficiency in resource allocation to achieve optimal returns. There are 7 types of profitability ratio, namely Gross Profit Margin (GPM), Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE), Operating Profit Margin (OPM), Operating Ratio, and Return on Investment (ROI).

Capital Structure

An optimal capital structure is the specific mix of debt, preferred stock, and common equity that maximizes a firm's value by minimizing the overall cost of capital. Maximizing firm value is thus achieved through the prudent management of debt to enhance shareholder returns.(E. F. ; H. J. F. Brigham, 2019)

It can be inferred that capital structure represents the combination of various funding sources-comprising long-term debt, preferred stock, and shareholder equity-utilized by a company. Furthermore, it serves not only as a component of the financial structure but also as a reflection of the firm's strategic approach to meeting long-term capital needs effectively and efficiently. There are 2 types of capital structure, namely Debt to Assets Ratio (DAR) dan Debt to Equity Ratio (DER).

Firm Value

Firm value serves as a reflection of firm performance, as it illustrates the company's capacity to generate wealth for its owners and investors.(E. F. ; D. P. R. Brigham, 2021)

From this perspective, it can be inferred that firm value represents a specific milestone achieved by a firm, reflecting the level of public and investor confidence in management's efficacy in resource utilization, which is manifested through share prices and corporate profitability. Several indicators are utilized to measure firm value, specifically Price to Book Value (PBV), Price to Earnings Ratio (PER), and Tobin's Q.

Managerial Ownership

Managerial share ownership serves as a mechanism to mitigate agency problems by aligning the interests of managers and shareholders. In *Corporate Finance*, they explain that an agency problem arises from the separation of ownership and control, where managers may not always act in the shareholders' best interests.(Ross, 2025)

Consequently, managerial ownership refers to a situation where directors or commissioners also hold equity and actively participate in decision making. This dual role, typically measured by the percentage of management-held shares at period end, is intended to synchronize management's objectives with those of the firm and its investors.

The Effect of Profitability on Firm Value

Profitability ratios serve as an indicator of management's operational effectiveness, which ultimately influences firm value. Generally, higher profitability levels enhance a firm's valuation in the eyes of investors. In this study, profitability is operationalized through Return on Assets (ROA). Previous research conducted by Wahyuddin & Ahyuni (2022) suggests that profitability exerts a positive influence on firm value. Therefore, the following hypothesis is proposed:

H1: Profitability, as measured by Return on Assets (ROA), affects firm value, as measured by Price to Book Value (PBV).

The Effect of Capital Structure on Firm Value

Capital structure influences firm value because prudent financing decisions can minimize the cost of capital, enhance profitability, and bolster investor confidence. Conversely, a suboptimal capital structure—particularly excessive leverage—can heighten corporate risk and diminish firm value. In this study, capital structure is operationalized through the Debt to Equity Ratio (DER). Research conducted by Nurhaliza & Azizah (2023) indicates that capital structure exerts a positive influence on firm value.

H2: Capital structure, as measured by the Debt to Equity Ratio (DER), affects firm value, as measured by Price to Book Value (PBV).

The Effect of Profitability on Firm Value Moderated by Managerial Ownership

The relationship between profitability and firm value can be influenced by managerial ownership. Such ownership incentivizes managers to act in alignment with shareholder interests, as they also possess a claim to the firm's profits. Consequently, higher levels of managerial ownership are expected to strengthen the positive impact of profitability on firm value, as managers become more motivated to optimize performance and maximize firm value. Research conducted by Nurhidayah, Mardani, and Mustapita (2024) asserts that managerial ownership is capable of moderating the influence of profitability on firm value.

H3: Profitability, as measured by ROA and moderated by managerial ownership, affects firm value as measured by PBV.

The Effect of Profitability on Firm Value Moderated by Managerial Ownership

Managerial ownership serves as a moderating variable as it can either strengthen or weaken the influence of capital structure on firm value. When managerial ownership is high, managers acting as shareholders exercise greater prudence in debt financing policies, as they directly share the consequences of these decisions. Management tends to maintain the capital structure at an optimal level, ensuring that leverage enhances firm value without incurring excessive financial risk. Consequently, higher managerial ownership increases the likelihood of optimal capital structure decisions that bolster firm value. Research conducted by Junita, Lusiana & Sari (2025) asserts that managerial ownership is capable of moderating the influence of capital structure on firm value.

H4: Capital structure, as measured by DER and moderated by managerial ownership, affects firm value as measured by PBV.

Conceptual Framework

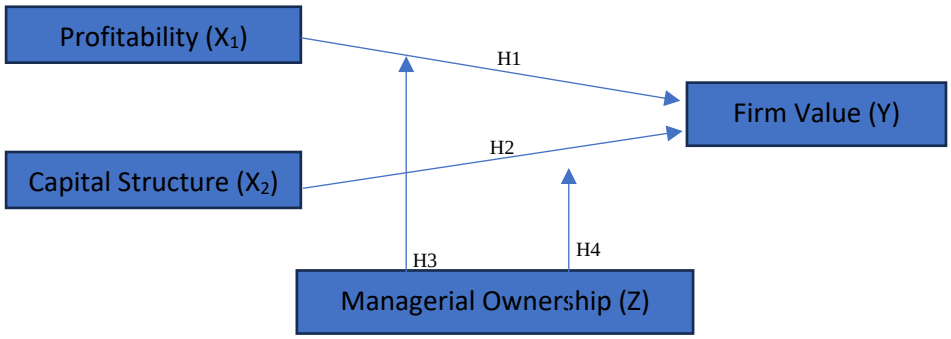

Fig. 1. Conceptual Framework

3. Research Methods

The population of this study comprises 51 tourism and recreation companies listed on the Indonesia Stock Exchange (IDX) during the 2020–2025 period. From this population, 8 companies were selected as the research sample over a six-year observation period using a purposive sampling technique, based on the availability of the required data for analysis.

This research employs a quantitative methodology with an associative approach to examine the impact of profitability and capital structure on firm value, with managerial ownership serving as a moderating variable. The analytical technique employed in this study is descriptive analysis, utilizing the mean, standard deviation, and minimum and maximum values. In this study, firm value, proxied by Price to Book Value (PBV), serves as the dependent variable.

Profitability and capital structure measured by Return on Assets (ROA) and the Debt to Equity Ratio (DER), respectively are the independent variables. Furthermore, managerial ownership, operationalized as the percentage of total shares outstanding held by management, is utilized as the moderating variable.

4. Results and Discussions

Descriptive Statistics Analysis

Ghozali (2021) said that descriptive statistics is an analytical technique used to characterize and describe research data through minimum and maximum values, the mean, standard deviation, sum, range, kurtosis, and skewness. This method aims to provide an overview of the phenomena related to the research variables based on the collected data. The specific descriptive analytical techniques employed in this study include the mean, median, maximum, minimum, and standard deviation. The results of the descriptive statistical analysis conducted in this research are presented below:

Table 1. Descriptive Statistic Analysis

	X1	X2	Z	Y
Mean	0.002996	0.962917	0.081706	1.388333
Median	0.007700	0.390000	0.034900	0.945000
Maximum	0.183100	7.680000	0.288900	6.520000
Minimum	-0.257500	0.050000	0.000100	0.140000
Std. Dev.	0.076782	1.475010	0.096364	1.489254
Skewness	-1.091471	3.244164	0.956664	1.738543
Kurtosis	5.961461	13.96364	2.335094	6.064136
Jarque-Bera	27.07098	324.5995	8.205853	42.95810
Probability	0.000001	0.000000	0.016524	0.000000
Sum	0.143800	46.22000	3.921900	66.64000
Sum Sq. Dev.	0.277091	102.2558	0.436440	104.2403
Observations	48	48	48	48

The descriptive statistical analysis yields the following data distribution:

a. Profitability (ROA). The mean value of 0.002 indicates that, on average, the profitability of the sample firms is very low. A maximum of 0.183 suggests some firms achieved significant profitability during the observation period, while a minimum of -0.257 indicates instances of net losses. The standard deviation (0.076) reflects a relatively small variance; however, the negative minimum underscores unstable profitability across the sample.
b. Capital Structure (DER). A mean of 0.96 suggests that debt is nearly proportional to equity. The maximum value of 7.68 indicates highly leveraged firms, while the minimum of 0.05 represents very low leverage. The standard deviation (1.47) exceeds the mean, showing high variability in financing decisions, from aggressive debt usage to conservative funding.
c. Managerial Ownership. The mean of 0.08 indicates generally low management equity. The maximum is 0.28 (28% of shares), while the minimum (0.00) indicates firms with no

managerial ownership. The small standard deviation (0.09) shows consistent low levels of ownership across the sample.

d. Firm Value (PBV). A mean of 1.38 indicates a balanced valuation. The maximum (6.52) highlights firms with high market prices relative to book value, while the minimum (0.14) shows undervalued firms. The standard deviation (1.48) reflects significant disparity in firm valuations.

Model Spesification Tests for Panel Data

Chow Test

Basuki (2021) said that the Chow test is utilized to determine the most appropriate model between the Common Effect Model (CEM) and the Fixed Effect Model (FEM) by testing for intercept differences among individual entities within the panel data. If significant intercept differences exist, the Fixed Effect Model (FEM) is deemed the superior choice. The results of the chow test conducted in this research are presented below:

Table 2. Chow Test

Effects Test	Statistic	d.f.	Prob.
Cross-section F	12.507288	(7,35)	0.0000
Cross-section Chi-square	60.152610	7	0.0000

The results of the Chow test show a cross-section chi-square probability value of 0.0000 ($p < 0.05$), indicating that the alternative hypothesis (Ha) is accepted. Consequently, the Fixed Effect Model (FEM) is the selected model. Subsequently, a Hausman test must be conducted to determine the superior model between the Fixed Effect Model (FEM) and the Random Effect Model (REM).

Hausman Test

Basuki (2021) said that the Hausman test is a statistical procedure utilized to determine whether the Fixed Effect Model (FEM) or the Random Effect Model (REM) is the most appropriate for panel data regression analysis. The results of the hausman test conducted in this research are presented below:

Table 3 – Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	10.027500	5	0.0745

The results of the Hausman test show a cross-section random probability value of 0.0745 ($p > 0.05$), indicating that the null hypothesis (H0) is accepted. Consequently, the Random Effect Model (REM) is the selected model. Accordingly, this study does not proceed with the Lagrange Multiplier test. Thus, the model utilized in this research is the Random Effect Model (REM).

Classical Assumption Test

Normality Test

Ghozali (2021) said that the normality test is an assessment conducted to determine whether the residuals or disturbance variables in a regression model are normally distributed. The results of the normality test conducted in this study, based on the p-value of the Jarque-Bera test and the histogram plot, are presented as follows:

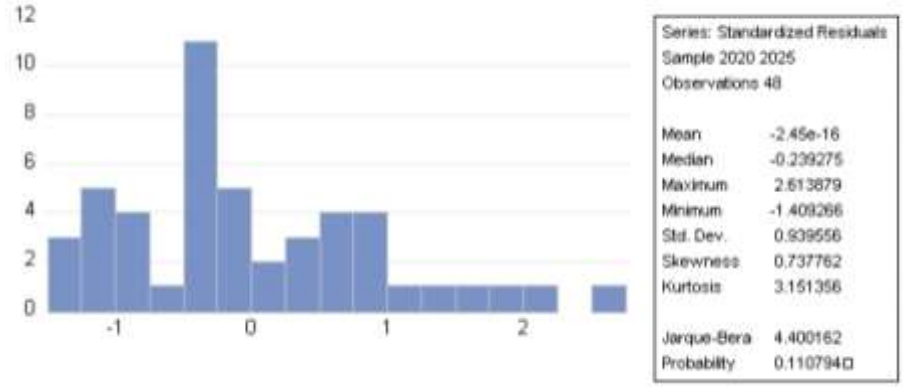

Fig. 2. Normality Test

The normality test results above indicate a Jarque-Bera value of 4.400 with a probability value (p-value) of 0.110. Since the p-value is greater than 0.05, it can be concluded that the data are normally distributed.

Multicollinearity Test

Ghozali (2021) said that a multicollinearity test is conducted to determine whether correlations exist among the independent variables within a regression model. A robust regression model should be free from multicollinearity issues. The decision criteria are as follows: if the correlation coefficient is greater than 0.80, a multicollinearity problem is present; conversely, if the correlation coefficient is less than 0.80, no multicollinearity problem exists. The results of the multicollinearity test conducted in this research are presented below:

Table 4. Multicollinearity Test

	X1	X2	Z	X1Z	X2Z
X1	1.000000	-0.335715	0.234819	0.664146	0.034491
X2	-0.335715	1.000000	-0.101254	-0.103305	0.572747
Z	0.234819	-0.101254	1.000000	0.501558	0.570675
X1Z	0.664146	-0.103305	0.501558	1.000000	0.403273
X2Z	0.034491	0.572747	0.570675	0.403273	1.000000

The multicollinearity test results above indicate that all correlation coefficients among the variables are below 0.8. Consequently, it can be concluded that the data in this study is free from multicollinearity issues, as the analyzed variables do not exhibit correlation values high enough to warrant concern.

Panel Data Regression Analysis

Basuki (2021) said that panel data regression is a methodology that combines cross-sectional and time-series data. Utilizing panel data allows researchers to obtain more comprehensive insights and produce more efficient estimates compared to using cross-sectional or time-series data in isolation. Data analysis in this study utilizes panel data regression to examine the influence of independent variables on the dependent variable and to test the moderating effect by incorporating interaction terms. The results of the panel data regression analysis are presented in the table below:

Table 5. Panel Data Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.415677	0.327282	1.270090	0.2110
X1	-0.447965	1.628903	-0.275010	0.7847
X2	0.696785	0.137425	5.070274	0.0000
Z	4.656400	2.989799	1.557429	0.1269
X1Z	-17.05200	16.12101	-1.057750	0.2962
X2Z	-0.684705	2.428405	-0.281957	0.7794

Based on the EVIEWS version 12 output, the following regression equation was obtained:

$$Y = 0{,}415677 – 0{,}447965X_1 + 0{,}696785X_2 + 4{,}656400Z – 17{,}05200X_1Z – 0{,}68470X_2Z\ e$$

Where:

Y = Firm Value

X_1 = Profitability

X_2 = Capital Structure

Z = Managerial Ownership

X_1Z = Profitability moderated by Managerial Ownership

X_2Z = Capital Structure moderated by Managerial Ownership

The regression equation can be interpreted as follows:

a. The constant coefficient (c) is 0.415677, which indicates that if profitability (ROA), capital structure (DER), and managerial ownership were all valued at zero, the firm value (PBV) would be 0.415677.
b. The profitability coefficient (ROA) is -0.447965, signifying that for every one point increase in ROA, firm value (PBV) is expected to decrease by 0.447965.
c. The capital structure coefficient (DER) is 0.696785, suggesting that a one point increase in DER leads to a 0.696785 increase in firm value (PBV).
d. The managerial ownership coefficient is 4.656400, indicating that a one point increase in managerial ownership results in a 4.656400 increase in firm value.

Coefficient of Determination and Hypothesis Testing

Coefficient of Determination (Adjusted R^2)

Ghozali (2021) said the coefficient of determination test (Adjusted R^2) is used to measure the extent to which the independent variables explain the variation in the dependent variable within a regression model, while adjusting for the number of independent variables and the sample size. The results of the coefficient of determination test (Adjusted R^2) are presented in the table below:

Table 6. Coefficient of Determination (Adjusted R^2)

Weighted Statistics			
R-squared	0.597140	Mean dependent var	0.419416
Adjusted R-squared	0.549181	S.D. dependent var	0.828701
S.E. of regression	0.556415	Sum squared resid	13.00310
F-statistic	12.45094	Durbin-Watson stat	1.471666
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.601978	Mean dependent var	1.388333
Sum squared resid	41.48996	Durbin-Watson stat	0.461225

The results of the coefficient of determination test indicate that the adjusted R^2 value is 0.549, or 54.9%. This means that capital structure and profitability explain 54.9% of the variation in firm value. The remaining 45.1% (100% − adjusted R^2) is explained by other variables that were not included in this study.

Simultaneous Hypothesis Testing (F-Test)

Ghozali (2021) said that the F-test is used to determine whether all independent variables simultaneously have a significant effect on the dependent variable in a regression model. The test can be conducted by comparing the calculated F-statistic with F-table at a significance level of ≤ 0.05. The results of the F-Test can be seen in the processed data presented in the following table:

Table 7. F-Test

Weighted Statistics			
R-squared	0.597140	Mean dependent var	0.419416
Adjusted R-squared	0.549181	S.D. dependent var	0.828701
S.E. of regression	0.556415	Sum squared resid	13.00310
F-statistic	12.45094	Durbin-Watson stat	1.471666
Prob(F-statistic)	0.000000		
Unweighted Statistics			
R-squared	0.601978	Mean dependent var	1.388333
Sum squared resid	41.48996	Durbin-Watson stat	0.461225

The results of the F-test indicate that the probability value of the F-statistic is 0.00000, which is less than the significance level of 0.05. In addition, the F-statistic is 12.45094 > F-table 6.5914. Therefore, it can be concluded that profitability and capital structure simultaneously have a significant effect on firm value.

Partial Hypothesis Testing (t-Test)

The t-test (partial test) is used to determine the individual effect of each independent variable on the dependent variable in a regression model, assuming that the other independent variables remain constant. The results of the t-Test can be seen in the processed data presented in the following table:

Table 8. t-Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.415677	0.327282	1.270090	0.2110
X1	-0.447965	1.628903	-0.275010	0.7847
X2	0.696785	0.137425	5.070274	0.0000
Z	4.656400	2.989799	1.557429	0.1269
X1Z	-17.05200	16.12101	-1.057750	0.2962
X2Z	-0.684705	2.428405	-0.281957	0.7794

Based on the results of the partial t-test presented above, the following hypotheses can be concluded:

a. The probability value for the profitability (ROA) variable is 0.7847, which is greater than the significance level of 0.05 (0.7847 > 0.05). In addition, the absolute value of the t-statistic (-0.275010) is lower than the critical t-value (2.7764). Therefore, Hypothesis H1 is rejected. It can be concluded that profitability (ROA) has no significant effect on firm value (PBV).
b. The probability value for the capital structure (DER) variable is 0.0000, which is lower than the significance level of 0.05 (0.0000 < 0.05). Moreover, the t-statistic (5.070274) exceeds the critical t-value (2.7764). Therefore, Hypothesis H2 is accepted. It can be concluded that capital structure (DER) has a significant effect on firm value (PBV).
c. The probability value for the interaction variable between profitability (ROA) and managerial ownership is 0.2962, which is greater than the significance level of 0.05 (0.2962 > 0.05). Furthermore, the absolute value of the t-statistic (-1.057750) is lower than the critical t-value (2.7764). Therefore, Hypothesis H3 is rejected. It can be concluded that the interaction between profitability (ROA) and managerial ownership has no significant effect on firm value (PBV).
d. The probability value for the interaction variable between capital structure (DER) and managerial ownership is 0.7794, which is greater than the significance level of 0.05 (0.7794 > 0.05). In addition, the absolute value of the t-statistic (-0.281957) is lower than the critical t-value (2.7764). Therefore, Hypothesis H4 is rejected. It can be concluded that the

interaction between capital structure (DER) and managerial ownership has no significant effect on firm value (PBV).

Moderated Regression Analysis Test (MRA)

This study employs Moderated Regression Analysis (MRA) to examine the moderating role of managerial ownership in the relationship between capital structure and profitability and firm value. The MRA model is estimated using the moderated regression equation, and the significance of the moderating effect is assessed based on the probability (p-value).

Table 9 – MRA Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.415677	0.327282	1.270090	0.2110
X1	-0.447965	1.628903	-0.275010	0.7847
X2	0.696785	0.137425	5.070274	0.0000
Z	4.656400	2.989799	1.557429	0.1269
X1Z	-17.05200	16.12101	-1.057750	0.2962
X2Z	-0.684705	2.428405	-0.281957	0.7794

Based on the EVIEWS version 12 output, the following regression equation was obtained:

$$Y = 0{,}415677 - 0{,}447965X_1 + 0{,}696785X_2 + 4{,}656400Z - 17{,}05200X_1Z - 0{,}68470X_2Z\ e$$

Where:

Y = Firm Value

X_1 = Profitability

X_2 = Capital Structure

Z = Managerial Ownership

X_1Z = Profitability moderated by Managerial Ownership

X_2Z = Capital Structure moderated by Managerial Ownership

The regression equation can be interpreted as follows:

a. The constant coefficient (c) is 0.415677, which indicates that if profitability (ROA), capital structure (DER), and managerial ownership were all valued at zero, the firm value (PBV) would be 0.415677.
b. The managerial ownership coefficient is 4.656400, indicating that a one-unit increase in managerial ownership results in a 4.656400 increase in firm value.
c. The coefficient value of the interaction variable between profitability (ROA) and managerial ownership is -17.05200. This indicates that the interaction variable has an inverse relationship with firm value (PBV). An increase of one point in the interaction variable will result in a decrease in firm value by 17.05200 points.
d. The coefficient value of the interaction variable between capital structure (DER) and managerial ownership is -0.684705. This indicates that the interaction variable has an inverse relationship with firm value (PBV). An increase of one point in the interaction variable will result in a decrease in firm value by 0.684705 points.

The Effect of Profitability on Firm Value

The research result show that the probability value for the profitability (ROA) variable is 0.7847, which is greater than the significance level of 0.05 (0.7847 > 0.05). In addition, the absolute value of the t-statistic (-0.275010) is lower than the critical t-value (2.7764). Therefore, Hypothesis H1 is rejected. It can be concluded that profitability (ROA) has no significant effect on firm value (PBV).

The profitability coefficient (ROA) is -0.447965, signifying that for every one point increase in ROA, firm value (PBV) is expected to decrease by 0.447965.

The Effect of Capital Structure on Firm Value

The probability value for the capital structure (DER) variable is 0.0000, which is lower than the significance level of 0.05 (0.0000 < 0.05). Moreover, the t-statistic (5.070274) exceeds the critical t-value (2.7764). Therefore, Hypothesis H2 is accepted. It can be concluded that capital structure (DER) has a significant effect on firm value (PBV).

The capital structure coefficient (DER) is 0.696785, suggesting that a one point increase in DER leads to a 0.696785 increase in firm value (PBV).

The Effect of Profitability on Firm Value Moderated by Managerial Ownership

The probability value for the interaction variable between profitability (ROA) and managerial ownership is 0.2962, which is greater than the significance level of 0.05 (0.2962 > 0.05). Furthermore, the absolute value of the t-statistic (-1.057750) is lower than the critical t-value (2.7764). Therefore, Hypothesis H3 is rejected. It can be concluded that the interaction between profitability (ROA) and managerial ownership has no significant effect on firm value (PBV).

The coefficient value of the interaction variable between profitability (ROA) and managerial ownership is -17.05200. This indicates that the interaction variable has an inverse relationship with firm value (PBV). An increase of one point in the interaction variable will result in a decrease in firm value by 17.05200 points.

The Effect of Profitability on Firm Value Moderated by Managerial Ownership

The probability value for the interaction variable between capital structure (DER) and managerial ownership is 0.7794, which is greater than the significance level of 0.05 (0.7794 > 0.05). In addition, the absolute value of the t-statistic (-0.281957) is lower than the critical t-value (2.7764). Therefore, Hypothesis H4 is rejected. It can be concluded that the interaction between capital structure (DER) and managerial ownership has no significant effect on firm value (PBV).

The coefficient value of the interaction variable between capital structure (DER) and managerial ownership is -0.684705. This indicates that the interaction variable has an inverse relationship with firm value (PBV). An increase of one point in the interaction variable will result in a decrease in firm value by 0.684705 points.

5. Conclusion

Based on the results of the research conducted, the following conclusions can be drawn:

a. Profitability, as measured by Return on Assets (ROA), does not have a significant effect on firm value (PBV) in tourism and recreation industry companies listed on the Indonesia Stock Exchange (IDX) during the year 2020–2025.
b. Capital structure, as measured by the Debt to Equity Ratio (DER), has a significant effect on firm value (PBV) in tourism and recreation industry companies listed on the Indonesia Stock Exchange (IDX) during the year 2020–2025.
c. Managerial ownership is unable to moderate the effect of profitability, as measured by Return on Assets (ROA), on firm value (PBV) in tourism and recreation industry companies listed on the Indonesia Stock Exchange (IDX) during the year 2020–2025.
d. Managerial ownership is unable to moderate the effect of capital structure, as measured by the Debt to Equity Ratio (DER), on firm value (PBV) in tourism and recreation industry companies listed on the Indonesia Stock Exchange (IDX) during the year 2020–2025.

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