

Impact of Capital Structure and Firm Growth on Corporate Value: Evidence from PT Vale Indonesia Tbk (2020-2024)

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Background: Previous research has widely examined the relationship between capital structure and firm value, emphasizing how financial leverage impacts market perception and company performance. However, empirical findings remain inconsistent, particularly in the mining industry, where external factors such as commodity prices and global demand fluctuations can influence firm value. Therefore, this study focuses on PT Vale Indonesia Tbk to address this research gap and provide a clearer understanding of how capital structure and company growth affect firm value during the 2020-2024 period.

Purpose: This study aims to determine the effect of capital structure and company growth on firm value at PT Vale Indonesia Tbk for the 2020-2024 period, thereby identifying whether internal financial factors significantly influence the company's market valuation.

Methodology: The research employs a quantitative method with a descriptive-associative approach. Secondary data were collected from PT Vale Indonesia Tbk's annual financial reports published on the Indonesia Stock Exchange (IDX) website. Firm value was proxied by the Price to Book Value (PBV), capital structure was measured by the Debt to Equity Ratio (DER), and company growth by the sales growth ratio. Data analysis was conducted using SPSS version 27 through multiple linear regression tests, including classical assumption tests, t- test, F-test, and the coefficient of determination (R).

Finding: The results of this study show that the capital structure (DER) variable has a negative but insignificant influence on firm value (PBV) at PT Vale Indonesia Tbk during the 2020–2024 period. This means that changes in the company's debt proportion did not significantly affect market perception or share value. The company growth (GROWTH) variable also shows a positive but insignificant effect, indicating that the increase in total assets or sales growth has not directly raised the firm's market value. When tested simultaneously, both capital structure and company growth do not have a significant impact on firm value. This suggests that external factors such as global nickel prices, demand trends, and macroeconomic conditions have a stronger role in shaping the company's valuation compared to internal financial factors.

Limitation: This study is limited to one mining company, PT Vale Indonesia Tbk, so the results cannot be generalized to other sectors. The observation period of five years (2020–2024) may not fully represent long-term financial dynamics, especially in an industry that depends heavily on global market fluctuations. The analysis also focuses only on quantitative financial data, without including non-financial variables such as management quality, market sentiment, or government policy, which could also influence firm value. Future research is suggested to use a longer observation period, include several companies for comparison, and add external factors to provide a more comprehensive understanding of firm value determinants.

Originality: The originality of this study lies in its focus on PT Vale Indonesia Tbk, one of the major mining companies in Indonesia, during a period of economic recovery and price volatility in the global market. While many previous studies examined the manufacturing or financial sectors, this research provides a closer view of how internal financial factors, especially capital structure and growth, influence firm value in the mining industry. The study offers empirical evidence that is relevant to the context of resource-based industries and emphasizes the importance of balancing financial

decision-making with external economic conditions that shape company performance and investor perception.

Keywords: Capital Structure, Company Growth, Firm Value, PT Vale Indonesia Tbk, SPSS 27