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IMPROVING ENTERPRISE VALUE THROUGH SHARE CAPITAL AND BANK LOAN: EVIDENCE FROM INDONESIA

ABSTRACT

This study aims to investigate the impact of the use of share capital and bank loans on the value of the company. The method used a quantitative approach by taking a sample comprising 877 companies in 5 industrial sectors listed on the Indonesia Stock Exchange. This study investigates two methods of financing the Company's capital, namely equity capital financing and bank loans, with the Ordinary Least Squares regression approach to examine the impact of the use of share capital and bank loans on the Company's value. In addition, this study aims to measure the impact of the use of share capital and bank loans on different types of industries to find out the greatest impact on the value of the company. The findings show that share capital exhibits a significantly negative effect on the value of the company, and Bank loan has a positive and significant effect on the value of the Company. This study also reveals that share capital has a significant effect on the company value in the industry basic materials and Consumer Non-Cyclicals, while bank loan has a significant effect on the type of basic material, industrial, and Consumer Non-Cyclicals. The results of the study also found that bank loan has a greater influence on Enterprise Value when compared to share capital. The study makes a contribution to managers in establishing an optimal capital structure so that the Company's value can be achieved optimally.

Keywords: share capital, bank loan, enterprise value, industrial characteristic, financial risk, capital structure, common stocks

JEL Classification: G0, G1, G11-G41

INTRODUCTION

Capital structure is a comparison between the company's capital and debt, in which the manager's decision in determining the capital structure, whether it is sourced from stock capital or debt, has a great impact on future returns and risks. One of the strategies that managers carry out in determining the optimal capital structure to increase the Company's profitability is a mix of equity and the Company's debt. However, the issuance of new shares carries risks to the Company's ownership and control structure, and issuing new shares has the potential to lower the stock valuation and profit sharing. The selection of bank debt incurs interest costs and has maturities that can reduce cash flow and create defaults (Chauhan et al., 2016; Xiang & Liu, 2025) (Akhtar & Islam, 2025; Basse et al., 2023) (Yusifzada, 2025; Callahan et al., 2012).

Enterprise value is a real value that reflects all aspects of the Company's finances, Enterprise value does not only measure the value of the stock market, but also takes into account the Company's debt aspects both short-term and long-term so that it can be beneficial for investors to be able to assess the company more comprehensively when compared to assessing from the market aspect alone (Phan et al., 2020) (Diana, 2015). The Enterprise value ratio is often used by investors to compare between companies with different capital structures, so that it can assess performance more accurately so that it is often used when companies make margins or acquisitions (Huang et al., 2020; Ogunmokon et al., 2024).

This study seeks to investigate a comparison to gauge the effectiveness of using share capital compared to bank loan capital, determining which of the two forms of funding

is more effective in increasing enterprise value. In addition, this study aims to assess the impact of the use of share capital and bank loans on five different industrial sectors to find out whether there are similar behaviours in the selection of share capital or bank loans, as explicated in the different types of industries, on enterprise value.

LITERATURE REVIEW

Capital Structure

Several theories about capital structure have been developed so far, for example, the pecking order theory (Yıldırım & Çelik, 2021), which reveals that companies tend to use internal sources of funds rather than external sources of funds if they need funding. If the Company's funding is not met, the main option is to borrow at low interest instead of issuing equity. Next is a theory that seeks to balance the Company's financial difficulties with agency problems related to leverage to reduce agency costs. Modigliani and Miller (1963), in Yıldırım & Çelik (2021), state that an optimal capital structure can be created by maximizing the share price, so that the value of the Company can increase (Ardalan, 2017). Meanwhile, market timing theory adheres to the theory of capital structure, which applies an effort to regulate the cost of equity lower than debt financing (Sunitha, 2024). Research (Dierker et al., 2019) found that companies have a tendency to issue stocks when financial risk increases, and conversely, companies are more likely to undertake debt financing when they have a low level of financial risk. Findings Philosophov & Philosophov (2005) reveal that the use of debt financing is the main factor that encourages the capital structure to be optimal. When the debt-to-capital ratio is small, it can increase the company's value. Additionally, the study conducted by Atakul & Gundes (2021) found that the age of the company, the size of the company, and the value of assets were positively correlated with the debt-equity ratio, and the volatility of earnings and cash flows.

Furthermore, studies conducted (Rehan et al., 2023; Cissé & Fontaine, 2016; Llobet-Dalmases et al., 2023) on companies in America reveal that, compared to the decision to issue new shares or short-term debt, the decision to replace debt with new shares was more effective and significant in the capital structure. The results of the study (Bistuer-Talavera et al., 2024) found that 90% of companies choose debt over equity in increasing the Company's assets.

Additionally, Research on capital structure to enterprise value in FTSE 100 Companies (Akin et al., 2025) found that capital structure and business size have a major effect on the Enterprise Value, especially in larger companies and higher levels of debt financing associated with higher Enterprise Value. However, there is no significant relationship between growth rates and Enterprise Value. Meanwhile, Tripathy & Uzma (2022) examined debt heterogeneity to the value of the Company, finding that bank loans did not have a significant impact on the value of the Company using the GMM model approach.

The capital structure is highly determined by the manager's behaviour in managing the Company's finances, the selection of share capital is based on flexibility in the use of long-term investments, and profit sharing is carried out if the Company records profits (Bistuer-Talavera et al., 2024; Murtadho et al., 2024). Bank loan capital is one of the alternative financial funding options chosen by managers in fulfilling the Company's operational needs. In large companies, bank loan capital is one of the right choices, in which bank loans provide a low interest rate to increase the Company's production and expansion (Ma & Gao, 2023; Contreras et al., 2023).

Enterprise Value (EV)

Miles & Van Clieaf (2017) assert that enterprise value is applied to the current financial value of a company, which is measured based on the current market value as an indicator of the company's financial strength in the long term. Enterprise Value can describe the stock market value in terms of the ability to earn future profits from the Company's current operations (Li et al., 2024). Furthermore, company valuation is paramount for managers as a measure of performance and decision-making, especially in terms of investments, mergers, and acquisitions, as well as monitoring of the company's capital costs. Pan et al. (2023) argue that production factors, including capital, can increase the value of a company. Further, Liu et al. (2018) found that increased innovation in the company can leverage the company's values. Additionally, research by Siwei & Chalermkiat (2023) unravels that debt costs mediate the relationship between ESG and Company value.

Optimal capital structure, balancing debt and equity, enhances firm value by minimizing the cost of capital and financial distress, while maximizing growth opportunities (Bauguess et al., 2009). Tobin's Q, the ratio of the market value of a firm to the replacement cost of its assets, provides insight into whether a firm is overvalued or undervalued by the market (Jensen & Meckling, 1976). Accounting measures such as book value and earnings provide fundamental data that, when combined with market data, offer a more comprehensive assessment of firm value (Hanlon & Hoopes, 2014). Patent

counts, scientific publications, and open knowledge disclosures serve as proxies for intangible assets that significantly contribute to firm value (Song et al., 2022). Book value and earnings provide fundamental metrics that, combined with market-based measures, offer a comprehensive assessment of firm value (Friedman, 2014).

Hypothesis Development

The Influence of Share Capital on the Enterprise Value

Several studies state that share capital is the most widely chosen choice by managers in improving company operations. Share capital is a signal of the Company's involvement with shareholders and provides opportunities for the community to participate in owning the Company (Dudycz, 2022). According to Jaros & Bartosova (2015), share capital is very important for the Company to reduce pressure on capital costs. Besides that, share capital has a low risk because profit sharing is carried out if the Company records profits (Murtadho et al., 2024; Stereńczak & Kubiak, 2022). The decision for managers to issue new shares or IPOs. There are several problems with the price of shares being valued, caused by market conditions.

The results of the study by Ling et al (2025) show that liquid stocks have a significant impact on increasing investor confidence. The results of the study by Fu et al (2025) found that the investor network can increase stock liquidity, which has an impact on the value of the company. According to (Ardalan, 2017) an optimal capital structure can be created by maximizing the share price, so that the value of the Company can increase. Research results Alamsyah et al. (2020) find that a share ownership structure has a significant effect on firm value. The results of Fang et al. (2009) of liquid stock research have a better company value as measured by book value and market value.

H1: Share Capital has a significant effect on Enterprise Value

The Influence of Bank Loan on the Enterprise Value

Literature reviews reveal that a bank loan is one of the funding alternatives for improving the company's operational performance. Bank loans are extremely useful in supporting the Company's operational funding in the short term to increase the company's liquidity. The finding by Chen et al. (2025) explicated that companies that are more open to digital information have the convenience of obtaining bank loans, in addition to CFOs being able to reduce the cost of negotiating corporate loans by expanding corporate financing channels and improving efficiency (Wei et al., 2025). Companies with a large debt maturity structure pay lower interest rates (Chiu et al., 2021). The results of the study by Wang et al. (2021) found that the CEO's Education Level greatly determines the term and interest rate of debt. Tripathy & Uzma (2022) found that bank debt has no effect on the value of the Company as measured by Long-term debt as measured by the debt-to-asset ratio.

According to Carletti & Cerasi (2004), verified debt can increase the value of the company because managers increase supervision, discipline, and efficiency. Carletti & Cerasi (2004) found that bank debt can lower the company's profitability. Furthermore, Carletti & Cerasi (2004) found a significant relationship between long-term debt and company value. The results of the study, Carletti & Cerasi (2004), found that a high debt-to-asset ratio has an impact on the value of the Company as measured by Tobin's. Findings of Philosophov & Philosophov (2005) indicate that the use of debt financing is the main factor that encourages the capital structure to be optimal. Research by Bui et al (2023) found that the debt ratio has a significant effect on the value of the Company, while short-term debt does not have a significant impact.

H2: Bank Loan has a significant influence on Enterprise Value

AIMS AND OBJECTIVES

This research aims to investigate the influence of share capital and bank loans on a company's value, which is assessed through enterprise value. The study was conducted on 877 companies spanning five different industry sectors listed on the IDX. Additionally, this study aims to examine the influence of share capital and bank loans on enterprise value and to compare how these two financing sources are utilized across different industry types to enhance enterprise value among publicly listed companies in Indonesia.

This study focuses on the correlation between share capital and bank loans in relation to the company's value, building upon prior research on optimal capital structure.

The main objectives of the study are:

- to develop a research model on the relationship between share capital and bank loans in restoring the company's value;
- to enrich the literature on optimal capital structure by analyzing how share capital and bank loans contribute to enhancing firm value, and by assessing the relative effectiveness of these two financing methods;
- to examine the relationship between the use of share capital and bank loans across different industry types to identify the distinctive capital structure patterns within each industry.

METHODS

Design Research

This study uses a quantitative approach, namely testing the hypothesis of the impact of common stock, bank loan, SIZE, Growth Sales, and Firm Age, on the Company's value, using OLS Regression with STATA 17 software.

Data and Sample

This research was conducted on companies that went public in Indonesia in the period of 2018 to 2023, financial statement data was taken from the Annual Report companies of IDX and OSIRIS, this study used a sample of 5 industry sectors in Indonesia, namely Energy, Industrials, Basic Materials, Consumer Non Cyclical, Consumer Cyclical, the reason for the selection of the 5 industry sectors is because each industry has different risks, volatiles and sensitivity of capital structures in increasing the value of the Company so that a comparative analysis of their impact on different types of industries can be carried out.

Research Variables

This research focuses on measuring the impact of Commons stock shares and bank loans on Enterprise Value. The Independent variable is Commons stock shares, which are measured based on the nominal value of shares (Issue Price) multiplied by the number of shares issued or outstanding (Rosati et al., 2024; Azimli, 2020). Bank loans are the total bank loans in a certain period, measured by the value of bank loans in a period (Tripathy & Uzma, 2022). Variable control in this study is used, Size, which is measured from the natural logarithm of total assets, Growth in sales, and company age. Meanwhile, the variable EV Enterprise value is a real value that reflects all aspects of the Company's finances (Phan et al., 2020; Diana, 2015).

Data Analysis Methods

Testing the hypothesis proposed that the influence of common stock, bank loan, SIZE, Growth, Sales, and Firm Age, on the Company's value, OLS regression statistics (Wooldridge, 2010) with the help of software STATA 17 are used with the following equations:

$$EV = \beta_0 + \beta_1 \text{ Share Capital} + \beta_2 \text{ Bank Loan} + \beta_3 \text{ Firm SIZE} + \beta_4 \text{ Growth Sales} + \beta_5 \text{ Firm Age} + e$$

RESULTS

After data collection, a hypothesis test is carried out to see the influence of common stock, bank loans, and control variables used by SIZE, Growth Sales, and Firm Age, on the enterprise value. The results of the distribution of research samples can be presented in Table 1 as follows:

Table 1. Sample Distribution. (Source: Output STATA)

No	Sector	N	%
1	Energy	137	15.62
2	Basic Materials	218	24.86
3	Industrials	111	12.66
4	Consumer Non-Cyclicals	200	22.81
5	Consumer Cyclical	211	24.06
	Total	877	100

Table 1 presents the distribution of research samples, where the sample of this study is 877 samples, with details of the energy sector, including 137 samples or 15.62%. Then, there are basic materials, as many as 218 samples or 24.86%. Furthermore, the Industrial sector had as many as 111 samples or 12.66%, the Consumer Non-Cyclicals sector had as many as 211 samples or 22.81% and the Consumer Cyclicals sector had as many as 211 samples or 24.06%.

Table 2. Statistic Description. (Source: Printout Stata)

Variable	N	Mean	Median	SD	Min	Max
Enterprise Value	877	1.538e+10	2875236753.000	3.957e+10	-6.313e+09	3.931e+11
Common Stock shares	877	1.240e+09	372388000.000	3.431e+09	9600000	3.170e+10
Bank Loan	877	1.207e+09	55534966.327	3.588e+09	0	3.674e+10
Firm Size	877	21.915	21.821	1.68	17.716	26.629
Growth Sales	877	15.39	9.383	40.988	-99.95	722.987
Firm Age	877	35.231	33.000	18.986	9	117

Table 2 presents descriptive statistics, where EV has a mean value of 1,538e+10, while common stock has a mean value of 1,240e+09, and bank loans have a mean value of 1,207e+09. The Variable Firm Size has a mean value of 21,915. Growth Sales has a mean value of 15.39, and variable firm Age has a mean value of 35.231.

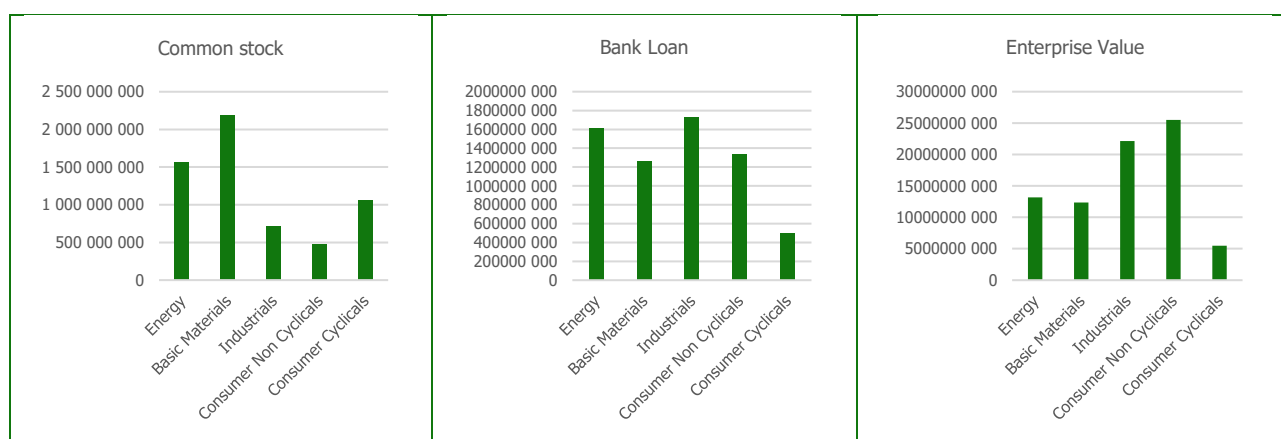


Figure 1. Share Capital, Bank Loan, and Enterprise Value on the five Industrial sectors. (Source: Annual reports)

Figure 1 displays a graph of the average common stock shares across five industry sectors in Indonesia: Energy, Industrials, Basic Materials, Consumer Non-Cyclicals, and Consumer Cyclicals. The Basic Materials sector has the highest average use of common stock shares, at 2,180,029,986. Figure 1 also shows the use of bank debt capital across the five industry sectors, with the Industrials sector having the highest average of 1,723,931,587 compared to the other sectors. Next, for the enterprise value in the five industry sectors studied, it is known that the Consumer Non-Cyclicals industry has the highest average, which is 25,492,422,665.

Table 3. Pairwise correlations. (Source: Printout Stata)

Variables	(1)	(2)	(3)	(4)	(5)	(6)
(1) Enterprise Value	1.000					
(2) Common Stock shares	0.187	1.000				
(3) Bank Loan	0.562	0.314	1.000			
(4) Firm Size	0.546	0.384	0.523	1.000		
(5) Growth Sales	-0.037	0.040	-0.021	-0.009	1.000	
(6) Firm Age	0.230	0.059	0.131	0.254	-0.082	1.000

Table 3 exhibits the results of the Pearson test to figure out the correlation among the variables studied, Enterprise Value, Common Stock Shares, Bank Loan, Firm Size, Growth Sales, and Firm Age, showing values below 0.70, so that there are

no autocorrelation problems in the variables studied. In addition, in this study, the VIF value of all variables studied had a value below 10 so that there was no problem of Multi colonialism.

Table 4. OLS Regression Result. (Source: Printout STATA)

VARIABLES	(1)	VIF
	EV	
Common Stock shares	-0.845*** (0.327)	1.570
Bank Loan	4.314*** (0.338)	1.410
Firm Size	8.142e+09*** (7.620e+08)	1.200
Growth Sales	-1.464e+07 (2.509e+07)	1.080
Firm Age	1.965e+08*** (5.597e+07)	1.010
Constant	-1.739e+11*** (1.612e+10)	
Observations	877	
R-squared	0.417	
F Sig	0.000	

Table 4 shows the results of the model. We hypothesize that there is a positive relationship between common stock shares and bank loans on enterprise value. In the first test, we found a negative and significant relationship between common stock shares and Enterprise Value. Common stock shares have a coefficient of -0.845 with a significance value of 1%. Bank loans have a positive and significant relationship to enterprise value. Bank loans have a coefficient of 4,314 with a significant value of 1%. The influence of common stock shares and bank loans is stronger on the larger size of the company and the longer life of the company. From this model, it can also be seen that the bank loan variable has a higher coefficient when compared to share capital.

Table 5. Regression Based on Sector. (Source: Printout STATA)

VARIABLES	(1)	(2)	(3)	(4)	(5)
	Energy	Basic Materials	Industrials	Consumer Non-Cy- clicals	Consumer Cyclicals
	EV	EV	EV	EV	EV
Common Stock shares	-0.248 (0.374)	0.538* (0.286)	-1.905 (1.598)	-18.75*** (5.555)	-0.142 (0.226)
Bank Loan	0.554 (0.395)	2.683*** (0.460)	10.05*** (0.644)	-0.0135 (0.888)	1.668*** (0.361)
Firm Size	7.564e+09*** (9.540e+08)	8.069e+09*** (9.966e+08)	5.423e+09** (2.181e+09)	1.813e+10*** (2.293e+09)	2.442e+09*** (3.385e+08)
Growth Sales	1.182e+07 (2.705e+07)	-6.849e+07** (3.451e+07)	1.625e+08 (1.160e+08)	7.786e+07 (1.100e+08)	-1.875e+06 (7.083e+06)
firm Age	1.399e+07 (4.548e+07)	-1.276e+08* (7.064e+07)	1.252e+08 (2.423e+08)	6.768e+08*** (1.599e+08)	-1.052e+08*** (2.796e+07)
Constant	-1.581e+11*** (2.056e+10)	-1.604e+11*** (2.098e+10)	-1.165e+11*** (4.324e+10)	-3.936e+11*** (4.857e+10)	-4.460e+10*** (7.108e+09)
Observations	137	218	111	200	211
R-squared	0.486	0.603	0.838	0.396	0.421

Table 5 shows the influence of common stock shares and bank loans in several industrial sectors on the Indonesia Stock Exchange. In the energy sector, the common stock shares have a coefficient of -0.248 and have no significant effect on Enterprise Value. Meanwhile, bank loans have a positive coefficient of 0.554 and are not significant to Enterprise Value. Model 2 in the basic materials industry sector has a positive coefficient of 0.538 and has a significant influence on Enterprise Value at the level of 10%. Bank loans have a positive coefficient of 2,683 and have a significant influence on Enterprise Value at the level of 1%. In the 3-sector Industrials model, the share capital has a negative coefficient of -1,905 and has no significant effect on Enterprise Value. Bank loans have a positive effect of -1,005 and a significant influence on Enterprise Value at the level of 1%. In model 4 of the consumer sector non-Cyclicals, the share capital has a coefficient of 18.75 and is significant; p there is a level of 1%. Bank loans have a negative coefficient of -0.0135 and have no significant effect on Enterprise Value. In the 5-sector consumer Cyclicals model, the share capital has a negative coefficient of 0.142 and has no significant effect on Enterprise Value. Meanwhile, bank loans have a positive coefficient of 1,668 and have a significant effect on Enterprise Value at the level of 1%.

Table 6. Regression based on High and Low Common Stock Shares. (Source: Printout STATA)

VARIABLES	Share High	Share Low
	EV	EV
Common Stock Shares	-0.644*	-63.26***
	(0.382)	(15.06)
SIZE	2.260e+10***	9.520e+09***
	(1.361e+09)	(1.207e+09)
GROWHTSALES	-4.509e+07	1.273e+07
	(5.017e+07)	(2.735e+07)
FIRMAGE	-3.224e+07	3.642e+08***
	(8.485e+07)	(7.874e+07)
Constant	-4.921e+11***	-1.950e+11***
	(3.047e+10)	(2.359e+10)
Observations	439	438
R-squared	0.418	0.230

Table 6 shows the results of the test of the influence of high category Common Stock Shares on the value of the Company, which has a negative coefficient of -0.644 and has a significant effect on enterprise value at the level of 10%. The same results were also found in companies with low stock categories, having a coefficient of -63.26 and significant to enterprise value at the level of 1%. Table 7 shows the results of the test of bank loans with a high bank loan category, with a coefficient of 3,957 and a significant positive effect on enterprise value at a significant level of 1%. However, in the category of low bank loans, it has a coefficient of -152.4 and does not have a significant effect on enterprise value.

Table 7. Regression based on High and Low Bank Loan. (Source Printout STATA)

VARIABLES	Bank loan High	Bank Loan Low
	EV	EV
Bank loan	3.957***	-152.4
	(0.388)	(115.1)
SIZE	1.209e+10***	7.526e+09***
	(1.325e+09)	(1.014e+09)
GROWHTSALES	1.109e+06	-2.425e+07
	(3.181e+07)	(4.048e+07)
FIRMAGE	1.369e+07	2.838e+08***
	(8.555e+07)	(7.268e+07)
Constant	-2.627e+11***	-1.590e+11***
	(2.921e+10)	(2.083e+10)
Observations	440	437
R-squared	0.531	0.186

DISCUSSION

This research successfully fills in the gaps of previous research by (Akin et al., 2025, Tripathy & Uzma, 2022), where previous research only focused on capital structure measured based on debt asset ratio, so it has not measured specifically the type of debt, like banks. This study provides evidence that the use of share capital and bank loans. In addition, the study Tripathy & Uzma (2022) measures the impact of debt heterogeneity by measuring the Company's value based on Tobin's Q, ROA, and ROE, while this study measures the Company's value using Enterprise Value. In contrast, the present study employs Enterprise Value (EV) as the main indicator, as it provides a more comprehensive and realistic representation of a company's market value by incorporating both equity and debt components. This approach aligns with valuation theory, which emphasizes that enterprise value captures the total value of a firm's operational assets available to all investors, thereby offering a more holistic measure of firm performance and market perception (Modigliani and Miller, 1963).

Bank loans can reduce cash flow (Callahan et al., 2012; Yusifzada, 2025). The debtor is obliged to pay principal and instalments as well as bank interest that has been used regardless of whether the Company makes a profit or suffers a loss, to reduce cash flow. The effective and efficient use of bank loans can increase the enterprise value, where the use of debt capital must be in accordance with its proportion and management. If managers are disciplined in managing cash flow, they will avoid the risk of distress. This is reinforced by the Theory of Trade by Modigliani and Miller (1963) in (Yıldırım & Çelik, 2021), revealing that the use of bank debt capital can create the value of the Company to a certain extent, as long as the benefits of the debt outweigh the risks incurred. Bank loan capital provides the advantages of faster processing, flexible maturity time options, low interest rates that do not reduce the Company's control, and can reduce the tax burden in financial statements. A higher utilization of bank loan capital tends to encourage greater financial discipline within the Company, which in turn can enhance its reputation in the future.

On the other hand, share capital has a negative and significant effect on Enterprise Value. The results of the study confirm the findings (Chauhan et al., 2016; Xiang & Liu, 2025), which stated that the issuance of new shares poses risks to the Company's ownership and control structure. The increase in the number of outstanding shares causes a problem, namely, reducing the percentage of ownership, especially majority or controlling shares, which results in the loss of strategic control rights in the Company's Decision. These problems can trigger conflicts of interest between shareholders, which have an impact on weakening the Company's internal supervision (Brandão & Crisóstomo, 2024; Hussain & Akbar, 2022).

From the results of this study, it is found that share capital has a negative and significant effect on the Company's profitability. An increase in outstanding shares can reduce stock valuation (Akhtar & Islam, 2025; Basse et al., 2023). If the number of outstanding shares increases, it will decrease the stock valuation because the profits obtained will be divided by the number of outstanding shares so that it can reduce the profit per share. This is explained in the Pecking Order Theory of Modigliani and Miller (1963). In (Yıldırım & Çelik, 2021), this theory explains that companies have a tendency to use internal sources of funds rather than external sources of funds if they need funding.

Next is the pecking order theory, which seeks to balance the company's financial difficulties with agency problems related to leverage to reduce agency costs. Bank loans can incur interest costs. The effective and efficient use of bank loans can increase the value of the Company because bank loan has a low interest rate and are more competitive when compared to the profitability received by the company. This is explained by the Theory of Pecking Order by Modigliani and Miller (1963) in (Yıldırım & Çelik, 2021). If the Company's funding is not met, then the main option is to borrow at low interest rather than issue equity.

CONCLUSIONS

The analysis reveals that share capital has a negative and significant impact on firm value, while bank loans have a favorable and significant influence on leveraging enterprise values. These results imply that enterprises relying extensively on equity funding may experience share dilution and reduced earnings per share (EPS), consequently decreasing corporate valuation. Conversely, the careful and appropriate use of bank loans can boost profitability and enterprise value, particularly within the basic materials, industrial, and consumer non-cyclical sectors.

Financially, these findings underline that an appropriate capital structure—balancing debt and equity—plays a vital role in increasing firm value. Effective debt management contributes to leverage benefits and higher return on equity, enhancing the firm's long-term growth potential. From a managerial perspective, the study underlines the importance of strategic financing decisions, demonstrating that bank loans, when managed intelligently, serve as a more effective funding source than share issues in boosting firm value. For future research, it is proposed to add broader financial variables such as cost

of capital, debt maturity structure, and market volatility. Further research could also conduct comparative analyses across nations or time periods to enhance understanding of how macroeconomic factors impact the relationship between capital structure and business value.

ADDITIONAL INFORMATION

AUTHOR CONTRIBUTIONS

All authors have contributed equally.

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CONFLICT OF INTEREST

The Authors declare that there is no conflict of interest.

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ПІДВИЩЕННЯ ВАРТІСТІ ПІДПРИЄМСТВА ЗА РАХУНОК АКЦІОНЕРНОГО КАПІТАЛУ ТА БАНКІВСЬКОГО КРЕДИТУ: ДОСВІД ІНДОНЕЗІЇ

Це дослідження має на меті вивчити вплив використання акціонерного капіталу та банківських кредитів на вартість компанії. У роботі використано метод кількісного підходу шляхом узяття вибірки, що включає 877 компаній у 5 промислових секторах, зареєстрованих на Індонезійській фондовій біржі. Це дослідження вивчає два методи фінансування капіталу компанії, а саме фінансування акціонерного капіталу та банківський кредит із використанням регресійного підходу Ordinary Last Square для вивчення впливу використання акціонерного капіталу та банківського кредиту на вартість компанії. Крім того, дослідження має на меті виміряти вплив використання акціонерного капіталу та банківського кредиту на різні типи галузей промисловості з метою виявлення найбільшого впливу на вартість компанії. Отримані результати свідчать, що статутний капітал проявляє значний негативний вплив на вартість товариства, банківський кредит має позитивний і значний вплив на вартість товариства. Це дослідження також показує, що акціонерний капітал має значний вплив на вартість компанії, на промислові основні матеріали та споживчі нециклічні товари, а банківський кредит має значний вплив на тип основного матеріалу, промислові та споживчі нециклічні товари. Результати дослідження також показали, що банківський кредит має більший вплив на вартість підприємства, якщо порівнювати з акціонерним капіталом. Дослідження є важливим для керівників, яким воно допоможе встановлювати оптимальну структуру капіталу так, щоб можна було досягати вищої вартості компанії.

Ключові слова: акціонерний капітал, банківський кредит, вартість підприємства, промислова характеристика, фінансовий ризик, структура капіталу, звичайні акції

JEL Класифікація: G0, G1, G11-G41