

THE INFLUENCE OF INVESTMENT DECISIONS, FUNDING DECISIONS, FREE CASH FLOW, AND FINANCIAL SUSTAINABILITY ON SHAREHOLDER VALUE IN THE FOOD AND BEVERAGE SECTOR LISTED ON THE INDONESIAN STOCK EXCHANGE FOR THE PERIOD 2018-2022



Cindy Rahmawati Putri Utami¹

Universitas Sarjanawiyata Tamansiswa Yogyakarta, Indonesia
cindyrpu23@gmail.com

Ratih Kusumawardhani²

Universitas Sarjanawiyata Tamansiswa Yogyakarta, Indonesia
ratihkusuma@ustjogja.ac.id

Risal Rinofah³

Universitas Sarjanawiyata Tamansiswa Yogyakarta, Indonesia
risal.rinofah@ustjogja.ac.id

Abstract

This study aims to find out more clearly about the factors that influence investment decisions, funding decisions, free cash flow, and financial sustainability on shareholder value in the food and beverage sector listed on the Indonesia Stock Exchange for the period 2018-2022. The number of food and beverage sector companies listed on the IDX in 2018-2022 is 94, but only 45 companies match the predetermined criteria. The methods used in this research are descriptive statistics, classical assumption tests, multiple linear analysis, and hypothesis testing with data analysis using SPSS 25. This study uses the dependent variable shareholder value and the independent variables are investment decisions, funding decisions, free cash flow, and financial sustainability. The results of this study indicate that partial testing (T-test), investment decision variables, funding decision variables, free cash flow variables, and financial sustainability variables show negative results or have no significant effect on shareholder value.

Keywords: Investment Decisions, Funding Decisions, Free Cash Flow, Financial Sustainability, Shareholder Value

INTRODUCTION

In this era of globalization, business competition between several companies is also getting higher. This is caused by many companies competing to increase the value of their respective companies resulting from the level of profit in each period. The profit they get is an overview of the performance and condition of a company. With high profits, it shows that good or bad company performance can have an impact on shareholder value. Shareholder value can be shown by the market price of a company's shares; the company's market price can be seen from the market reaction to the company's condition. For investors, maximum shareholder value is the main goal in investing. There are several reasons for the importance of a company to create shareholder value, including that companies must be competitive in increasing their market activity in the business world. Then, maintaining good relations with investors so that funds remain available with the aim of the Company's future needs and can help the Company's existence in the long term. In addition, investors also consider that a company that creates a more attractive company value will make investors more interested and motivated to invest in the company (Kariuki Grace Muthoni et al., 2019; Kurniawan, 2021). Innovation encourages companies to continue to innovate to continue to compete with their competitors. Companies implement strategies to survive and win increasingly fierce business competition. Companies need to maximize shareholder value because investors believe that shareholder value is a consideration and evaluation when investing (Selvina et al., 2019).

In the investment world, the interests of the company's shareholders are paramount. Every company always tries to increase the value of its company in order to increase shareholder prosperity. An increase in the shareholder value of a company indicates an increase in the performance of the company itself. (Handarini, 2018).

In the development of an increasingly tight business world which results in high competition between several companies. Companies are expected to have advantages in technology, products, and human resources. The manufacturing sector is expected to survive because the manufacturing sector is a sector with great potential in product development and a significant market share. Of course, the state of the Indonesian economy is also experiencing instability which is a threat to companies, one of which is food and beverage

companies. In the food and beverage sector, it is expected to provide more value for investors so that investors are more eager to invest their capital in maintaining stock price stability. In every food and beverage sector manufacturing company, the main goal is to improve the company's performance and maximize the company's value as measured by the company's stock price. With the uncertainty of the situation and conditions, it is hoped that companies will be able to read and see the situation when the economy experiences ups and downs. Therefore, the Company's ability to manage, especially in financial policy, can create and increase shareholder value.

The phenomenon experienced by companies in the food and beverage sector is the decline in household consumption growth. Based on data from the Central Statistics Agency (2019), the economy in Indonesia in the first quarter of 2019 only grew 5.07% compared to the same period last year -0.52% compared to the previous year's quarter. According to the Central Bureau of Statistics (2019), the impact of restrained consumption on society in the first quarter of 2019 caused the performance of companies engaged in the food and beverage sector to decline.

Shareholder value itself also has several factors that influence it, such as investment decisions, funding decisions, free cash flow, and financial sustainability, which of these factors can affect shareholder value.

Investment decisions are important financial decisions that affect shareholder value. Investment decisions can determine and influence shareholder value. According to (Mutmainnah et al., 2019) Investment decisions are interpreted as action decisions related to activities to manage funds over a long period so that financial managers can plan and consider the best way to turn over funds so that in the future it does not harm the Company.

According to (Emilia Huriyatur Rozinah & Nur Fadrijih Asyik, 2021), companies that have high debt are captured by investors as companies that have confidence in terms of their company's future growth prospects, with these shareholders feeling happy to put their capital in the company's shares to increase shareholder value. Funding decisions are defined as decisions concerning the composition of funding chosen by the company. The funding decision in this study is confirmed through the Debt-to-Equity Ratio (DER). This ratio shows the ratio between financing and funding through debt and funding through equity.

In the research that has been done (Daniyah et al., 2020) Free cash flow is the cash flow available to be paid to investors (shareholders and debt holders) after the company has made investments in fixed assets, new products, and working capital needed to maintain the company's ongoing operations. The greater the cash flow available, the greater the flexibility of the free cash flow. Therefore, the definition of cash flow is the presence of excess funds, which should be distributed to shareholders, and the decision is influenced by management policy.

Financial Sustainability is the ability of an organization to compare all costs (financial costs, e.g. interest expense on loans, and operating costs, e.g. employee salaries, equipment, supplies) with the money or income received from its activities (e.g. interest income and income from bank deposits) (Tita Nurvita, 2022). Financial sustainability is a crucial factor for shareholder value. Companies that focus on sustainable profits, effective risk management, operational efficiency, and sustainable development can also create greater shareholder value over the long term. High shareholder value also reflects the financial sustainability of the Company. Therefore, a company needs to maintain a balance between short-term financial performance and investment for long-term sustainability. It can be concluded that financial sustainability and shareholder value are interrelated and reinforcing.

This research has differences from previous research conducted by (Isma & Nurlaily, 2022). This study adds 2 variables, namely free cash flow and financial sustainability, besides that this study also focuses on the food and beverage sector. The reason researchers add these 2 variables is that the free cash flow variable provides a representation of the cash owned by the Company for the value of shareholders through dividends, share buybacks, investments, and debt reduction. Meanwhile, financial sustainability is used to create greater value for shareholders in the long term. Through this research, it is hoped that it can provide an overview of the factors that affect shareholder value in the food and beverage industry. Thus, the authors will examine the effect of investment decisions, funding decisions, free cash flow, and financial sustainability on shareholder value in the food and beverage sector listed on the IDX for the period 2018-2022.

REVIEW OF LITERATURE

Shareholder Value

According to (Ariyanti et al., 2019), shareholder value is the value observed from developments in the stock market and a form of market appreciation of the shares offered when the share price exceeds the book value per share. As owners of a company, shareholders invest capital in the hope of making a profit. This profit can be in the form of dividends or capital gains, share ownership also carries certain characteristics, namely limited risk, ultimate control of the company, and rights or remnants of the company's assets after liquidation (Handarini, 2018).

Return of value to shareholders comes from the purchase of shares, which can be in the form of an increase in the share price or dividend distribution (Khusna & Nahar, 2022). This value reflects market appreciation if the share price exceeds the book value per share. The market price is also a representation of the market's reaction to the Company's condition, and shareholder value realized through dividends.

Shareholder value plays an important role in measuring the performance of a business. This is because maximizing shareholder wealth is considered an appropriate goal, as it promotes efficient long-term growth (Kariuki Grace Muthoni et al., 2019).

In this study, the formula for calculating shareholder value is used as follows:

$$SHV = \frac{(\text{Total shares outstanding} \times \text{Closing share price}) + \text{Equity}}{\text{Total Asset}}$$

Investment Decisions

Investment decisions are critical to determining the long-term growth and profitability of a company, these decisions play an important role in shaping shareholder value. (Mutmainnah et al., 2019). These decisions can significantly affect how investors view the Company's future potential and stability.

Investment decisions regarding capital investment can come from 2 directions, both from within and outside the company. Investments are short, medium, and long-term. However, the period determined depends on the company's policy. Investment is also one of the main aspects of financial management policy because investment is a form of capital allocation whose realization must produce benefits or profits in the future (Mila Erviana,

2021). Investors view a company's investment as a positive signal because investment decisions contain information and signals for the future development of a company (Isma & Nurlaily, 2022).

Investment decisions in this study are formulated using the Price Earning Ratio (PER) as stated by (Mutmainnah et al., 2019), as follows:

$$\text{PER} = \frac{\text{Share Price}}{\text{Earning Per Share}}$$

Funding Decisions

Funding decisions can include determining the source of funds to be used, determining the optimal funding composition, and choosing between internal and external funding (Zannati & Pratiwi, 2018). The main objective of funding decisions is to provide sufficient funds at minimal cost to support company operations and investment, to maximize company value for shareholders.

Funding decisions are company decisions related to the form and composition of funding that will be used to finance employees in a company (Rusmanto et al., 2021). Companies with good and consistent business prospects tend to make funding decisions that have a positive impact on company value. One of the considerations in this funding decision is the use of forests as an alternative to meet operational needs. The funding decision in this study is confirmed through the Debt to Equity Ratio (DER). This ratio shows the ratio between financing and funding through debt and funding through equity, as follows :

$$\text{DER} = \frac{\text{Total Liability}}{\text{Total Equity}}$$

Free Cash Flow

Free cash flow is the cash flow available to be paid out to investors (shareholders and debt holders) after the company has made investments in fixed assets, new products, and working capital needed to maintain the company's ongoing operations (Daniyah et al., 2020). Free cash flow is also used by investors to assess the intrinsic value of the company. Companies with high free cash flow tend to be more attractive to investors, as it shows the company's ability to generate cash and deliver returns. However, the analysis of free cash

flow should be done in conjunction with the analysis of financial metrics in order to determine the financial health of the company.

Free cash flow is a fund available for distribution to shareholders after deducting investment needs, providing flexibility for companies in various activities. Such as investment, purchasing treasury shares, increasing liquidity, and paying off debt. The greater the cash flow, the greater the flexibility. Although the distribution decision is influenced by management policy and has the potential to cause conflicts of interest between managers and shareholders, high free cash flow correlates with company performance which ultimately has a positive impact on shareholder value through increased retained earnings or increased shares that can be reinvested.

In this study, the formula for calculating free cash flow is used as follows:

$$\text{Free cash flow ratio} = \frac{\text{Operating Cash Flow} - \text{Capital Expenditure} - \text{Net Working Capital}}{\text{Total Asset}}$$

Financial Sustainability

Financial sustainability is the ability of an organization to balance all financial and operational costs with revenues. The challenge of financial sustainability is more pronounced in emerging markets due to the different financial, political, and socio-economic dynamics compared to developed countries (Tita Nurvita, 2022). Financial sustainability itself can also be measured by the organization's ability to compare all costs. Such as interest on loans, salaries, equipment, and supplies with the income generated (e.g. revenue, bank performance, and deposits).

Financial sustainability consists of two components, namely expenses and income. Financial sustainability is said to be good if the value is greater than 100%, meaning that the total income must be greater than the total expenses incurred (Osazefua Imhanzenobe, 2020). However, keep in mind that values above 100% are just one indicator. A more in-depth analysis needs to be done to consider other factors, such as sources of income, types of expenses, and overall economic conditions. For example, if revenue is dependent on a single source, then the company may be more vulnerable to risks even if its financial sustainability

score is above 100%. Therefore, diversification of income sources and effective risk management are required, as they are important aspects of financial sustainability.

This study used the following formula to calculate financial sustainability:

$$\text{Financial sustainability} = \frac{\text{Total Revenue}}{\text{Operating Expense}}$$

RESEARCH METHOD

This study aims to examine the effect of investment decisions (X1), funding decisions (X2), free cash flow (X3), and financial sustainability (X4) on shareholder value (Y). The research conducted is quantitative and the data obtained is secondary data in the form of financial reports of manufacturing companies in the food and kinuman sub-sectors that have been published by the Indonesia Stock Exchange. Data was obtained through the website www.idx.co.id the official website of the IDX in the 2018-2022 period, as well as through the Company's official website. The object of this research is the financial statement data of food and beverage sub-sector manufacturing companies listed on the IDX in the 2018-2022 period.

The Company Industry in the food and beverage sub-sector is an essential sector because it provides basic human needs. Demand for food and beverage products is relatively stable and even tends to increase with population growth. In addition, the food and beverage sector also makes a significant contribution to a country's economy, high industry competition and increasing consumer trends in the food and beverage sector are very tight with various brands and products competing for market share. It is expected to improve marketing strategies, product innovation, and operational efficiency. Meanwhile, the selection of the 2018-2022 period is based on the availability of the latest data, and the existence of certain relevant events or conditions such as the COVID-19 event where before and after the event there was an increase or decrease in profits obtained by an industry in the food and beverage sub-sector.

The sampling method is determined by the following criteria: (1) Food and beverage sub-sector companies that have been published by the IDX for the period 2018-2022. (2) Food and beverage sub-sector companies that report complete financial reports from the

2018-2022 period. (3) Food and beverage sub-sector companies whose financial statements end on December 31. (4) Food and beverage sub-sector companies whose financial statements use rupiah currency. In total, 94 companies are the population in this study, but only 45 companies meet the criteria. Based on these criteria and sampling with purposive sampling method, and get the results of 225 data to be studied.

The data analysis process begins with descriptive statistics to examine the characteristics of the data, including measures of central tendency (mean, median) and variability (standard deviation). Next, several classical assumption tests will be conducted: (1) Normality test to check whether the data follows a normal distribution, which is essential for performing regression analysis. (2) Multicollinearity test to assess the intercorrelations among the independent variables, to ensure that they do not cause problems in estimating the regression coefficients. (3) Autocorrelation test to check whether residuals are correlated over time, which may violate regression assumptions. (4) Heteroscedasticity test to verify whether the variance of the errors is constant across all levels of the independent variables. After ensuring that these assumptions are met, multiple linear regression will be used to assess the impact of the independent variables on shareholder value.

This study formulates a multiple regression equation model as described in the equation below:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + b_4X_4 + e$$

Description:

Y = Shareholder Value

a = Constant

b = Regression Coefficient

X1 = Investment Decision

X2 = Funding Decision

X3 = Free Cash Flow

X4 = Financial Sustainability

e = Error Value

To determine the significance of the model and individual predictors, both the F-test (for overall model significance) and the t-test (for individual variable significance) will be used. Data analysis was conducted using SPSS software version 25. SPSS also provides convenience in handling the Company's financial data and the ability to run regression

models. SPSS presents the results of the analysis in a format that is easy to read and interpret through clear tables, graphs, and summary statistics.

RESULTS AND DISCUSSION

Object and Research Description

Table 1
Selection Results with Purposive Sampling

No.	Sample Criteria	Total
1	List of Food and Beverage Companies listed on the IDX	94
2	Companies that are not regularly listed from 2018 - 2022	(44)
3	Companies that do not report regular financial reports from 2018 - 2022	(3)
4	Companies that do not use Financial Statement reporting ending December 31st	0
5	Companies that do not use rupiah currency	(2)
	Number of Companies	45
	Total Research Period	5
	Sample Quantity	225

Source: Data Analysis Results, 2024.

From the selection criteria above, there are 94 food and beverage companies listed on the IDX, there are 44 companies that are not regularly listed from 2018-2022, 3 companies that do not report routine financial reports from 2018-2022, and 2 companies that do not use rupiah currency. With a research period of 5 years, the number of samples used is 225.

Descriptive Statistics

Table 2
Descriptive Statistics Analysis Results

	N	Minimum	Maximum	Mean	Std. Deviation
Shareholder Value	225	-1.04	12.07	1.9889	1.84850
Investment Decisions	225	-1594.82	11005.64	74.2490	749.82480
Funding Decisions	225	-10.31	29.32	1.4997	3.18607
Free Cash Flow	225	-.75	2.57	-.0755	.38315
Financial Sustainability	225	1.99	52.98	11.1627	8.31253
Valid N (listwise)	225				

Source: Data Analysis Results, 2024

From the results of descriptive statistical testing in the table above, it is explained that as many as 45 companies in the 5 years have an average shareholder value of 1.9889. The investment decision variable has an average value of 74.2490, the funding decision variable is 1.4997, the free cash flow variable is -0.0755, and the financial sustainability variable has

an average value of 11.1627. It is known that the lowest value of investment decisions is -1.04 and the highest value is 12.07 with a standard deviation of 1.84850. In the funding decision variable, the lowest value is -1594.82 and the highest value is 11005.64 with a standard deviation of 749.82480. For the free cash flow variable, the lowest value is -0.75 and the highest value is 2.57 with a standard deviation of 0.38315. In the financial sustainability variable, the lowest value is 1.99 and the highest value is 52.98 with a standard deviation of 8.31253. Meanwhile, the shareholder value variable has the lowest value of -1.04 and the highest value of 12.07 with a standard deviation of 1.84850.

Classic Assumption Tests

Normality Test Results

Table 3
Normality Test Results

	Unstandardized Residual
Asymp. Sig. (2-tailed)	.200 ^c

Source: Data Analysis Results, 2024

The results of the Kolmogrov-Smirnov data test above show that the asymp.sig (2-tailed) value is $0.200 > 0.05$, thus indicating that this research data is normally distributed.

Multicollinearity Test

Table 4
Multicollinearity Test
Coefficients^a

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Investment Decisions	.999	1.001
	Funding Decisions	.937	1.067
	Financial Sustainability	.996	1.004
	Free Cash Flow	.935	1.070

Shareholder Value

Source: Data Analysis Results, 2024

From the multicollinearity test results above, the tolerance value of the investment decision is $0.999 > 0.10$, the tolerance value of the funding decision is $0.937 > 0.10$, the

tolerance value of free cash flow is $0.935 > 0.10$, and the value of financial sustainability is $0.996 > 0.10$. Meanwhile, for the VIF value, the VIF value of the investment decision is $1.001 < 10.00$, the VIF value of the funding decision is $1.067 < 10.00$, the VIF value of free cash flow is $1.070 < 10.00$, and the VIF value of financial sustainability is $1.004 < 10.00$. From these results, it can be concluded that there is no multicollinearity because the tolerance value is greater than > 0.10 and the VIF value is smaller than < 10.00 .

Autocorrelation Test

Table 5
Model Summary^b

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.967 ^a	.934	.933	.27207	.983

Source: Data Analysis Results, 2024

Based on the test results above, the resulting Durbin-Watson value is 0.983. Where it can be known in the Durbin Watson table:

- N (company sample) : 45 Companies
- K (independent variables) : 4 Variables
- DL Value : 1.3357
- DU Value : 1.7200
- 4-DL Value : 2.6643
- 4-DU Value : 2.2800

So, it can be concluded according to the Durbin-Watson table that the test results above occur in autocorrelation. Because the resulting Durbin Watson (DW) value (0.983) is smaller than the DL value (1.3357).

Heteroscedasticity Test

Table 6
Coefficients^a

Model		Sig.
1	(Constant)	.000
	Investment Decisions	.578
	Funding Decisions	.118
	Financial Sustainability	.113

Free Cash Flow	.208
----------------	------

a. Dependent Variable: ABS_RES
Source: Data Analysis Results, 2024

From the heteroscedasticity test results that the significance value of the investment decision variable is $0.578 > 0.05$, the significance value of the funding decision variable is $0.118 > 0.05$, the significance value of the free cash flow variable is $0.208 > 0.05$, and the significance value of the financial sustainability variable is $0.113 > 0.05$. It can be concluded from these results that there are no symptoms of heteroscedasticity, because of the four variables the significance value is greater than 0.05.

Result of Hypothesis Testing

Multiple Linear Regression Result

Table 7
Coefficients^a

Model	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1 (Constant)	2.219	.032		70.241	.000
Investment Decisions	6.297E-5	.000	.045	2.596	.010
Funding Decisions	-.088	.006	-.274	-15.350	.000
Financial Sustainability	-.016	.002	-.127	-7.313	.000
Free Cash Flow	-.996	.021	-.857	-47.933	.000

a. Dependent Variable: Shareholder_Value

Source: Data Analysis Results, 2024

Based on the table of multiple linear regression test results obtained as follows:

$$Y = a + \beta_1X_1 - \beta_2X_2 - \beta_3X_3 + \beta_4X_4$$

$$Y = 2.219 + 6.297E-5X_1 - 0.088X_2 - 996X_3 - 0.016X_4$$

F-Test

Table 8
ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	231.232	4	57.808	780.946	.000 ^b
Residual	16.285	220	.074		
Total	247.517	224			

- a. Dependent Variable: Shareholder_Value_Y
- b. Predictors: (Constant), Investment Decisions (X1), Funding Decisions (X2), Free Cash Flow (X3), Financial Sustainability (X4)

Source: Data Analysis Results, 2024

The results of the F test in the table above show that the sig value is $0.000 < 0.05.$, so it can be concluded that the variables of investment decisions, funding decisions, free cash flow, and financial sustainability simultaneously affect shareholder value.

T-Test

Table 9
Coefficients^a

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	2.219	.032		70.241	.000
	Investment Decisions	6.297E-5	.000	.045	2.596	.010
	Funding Decisions	-.088	.006	-.274	-15.350	.000
	Financial Sustainability	-.016	.002	-.127	-7.313	.000
	Free Cash Flow	-.996	.021	-.857	-47.933	.000

a. Dependent Variable: Shareholder_Value

Source: Data Analysis Results, 2024

It can be seen from the results of the t-test above which is a test of the significance of the influence of variable Investment decisions, funding decisions, free cash flow, and financial sustainability on shareholder value partially. Based on the regression test that has been carried out, it is concluded that all of the independent variables above have no (negative) effect partially on the dependent variable.

The Effect of Investment Decisions on Shareholder Value

Based on the test results, the Investment Decision (X1) obtained a significance value of 0.010 which means that the Investment Decision variable (X1) has a negative and significant effect on shareholder value (Y).

Investment decisions can have a significant impact on shareholder value. If this decision is not made wisely, such as choosing projects with low returns or investments that are too speculative, the company can face financial losses. This reduces investor confidence in management's ability to manage the company's assets. A study by (Fitriana, 2019) showed

that inappropriate investment decisions can lead to a decline in stock prices as investors tend to sell their shares to avoid further risk

Effect of Funding Decisions on Shareholder Value

Based on the test results, the funding decision (X2) obtained a significance value of 0.000 which means that the funding decision variable (X2) has a negative and significant effect on shareholder value (Y).

Improper funding decisions can result in a heavy financial burden for the company, especially if the funding involves a high level of debt. High-interest expenses from debt can reduce the company's net income and reduce the amount of dividends that can be distributed to shareholders. Research by (Andriani, 2018) shows that a poor capital structure, especially one that uses too much debt, tends to have a negative impact on firm value and stock prices.

Effect of Free Cash Flow on Shareholder Value

Based on the test results, Free Cash Flow (X3) obtained a significance value of 0.000 which means that the Free Cash Flow variable (X3) has a negative and significant effect on Shareholder Value (Y).

Negative free cash flow indicates that companies are spending more money than is generated from their operations, which can reduce shareholder value. Investors tend to see negative free cash flow as a sign that companies may face liquidity problems and have difficulty meeting their financial obligations. Research by (Setiawan, 2020) shows that negative free cash flow is significantly associated with a decrease in stock prices because investors respond negatively to the company's liquidity problems.

The Effect of Financial Sustainability on Shareholder Value

Based on the test results, Financial Sustainability (X4) obtained a significance value of 0.000 which means that the financial sustainability variable (X4) has a negative and significant effect on shareholder value (Y).

Unstable financial sustainability indicates that the company is unable to maintain consistent financial performance. This can reduce investor confidence because it shows uncertainty in the company's ability to generate profits in the future. Research by (Pratama, 2019) shows that companies with low financial sustainability often experience high stock price volatility, which can reduce shareholder value.

CONCLUSION

The results show that there are several important points regarding the impact of investment decisions, financing decisions, free cash flow, and financial sustainability on shareholder value in the food and beverage manufacturing sector in Indonesia from 2018 to 2022. The research shows that effective investment decisions, measured through the Internal Rate of Return (IRR), positively affect growth prospects and overall value for shareholders. A high return on investment is critical to increasing shareholder value. The importance of financial sustainability in maintaining and increasing shareholder value serves to manage their finances well and is more likely to provide better returns to shareholders. This research also highlights the fluctuating growth of the manufacturing sector in Indonesia, particularly in the food and beverage industry, which has experienced significant ups and downs in its contribution to the national economy. Therefore, it is expected that companies should focus on strategic investment and funding decisions to navigate economic challenges and improve their financial performance, which ultimately benefits shareholders.

REFERENCES

- Amin, N. F., Garancang, S., & Abunawas, K. (2023). Konsep umum populasi dan sampel dalam penelitian. *Pilar*, 14(1), 15-31.
- Andriani, N. , S. D. (2018). Pengaruh Struktur Modal terhadap Nilai Perusahaan pada Perusahaan Sektor Pertambangan di Indonesia. *Jurnal Akuntansi*, 10(2), 211–224.
- Anthoni, L., & Sudirman, G. (2021). Company Value in Terms of Capital Structure, Ownership Structure, And Company Profitability In Manufacturing Companies In The Food And Beverage Industry Sector Listed On The Indonesia Stock Exchange In 2017–2019. *Journal Of Industrial Engineering & Management Research*, 2(5), 173-187. <https://doi.org/10.7777/jiemar.v2i5.206>
- Ariyanti, I., Askandar, N. S., & Mahsuni, A. W. (2019). Faktor yang Mempengaruhi Nilai Pemegang Saham dengan dimoderasi Set Kesempatan Investasi dan Dividen. *e_Jurnal Ilmiah Riset Akuntansi*, 8(01).
- Arizki, A., Masdupi, E., & Zulvia, Y. (2019). Pengaruh Keputusan Investasi, Keputusan Pendanaan Dan Kebijakan Dividen Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur. *Jurnal Kajian Manajemen Dan Wirausaha*, 1(1).
- Bahrn, MF, Tifah, T., & Firmansyah, A. (2020). Pengaruh Keputusan Pendanaan, Keputusan Investasi, Kebijakan Dividen, Dan Arus Kas Bebas Terhadap Nilai

Perusahaan. *Jurnal Ilmiah Akuntansi Kesatuan*, 8 (3), 263-276.
<https://doi.org/10.37641/jiakes.v8i3.358>

Daniyah, Wazin, & Surahman. (2020). *Pengaruh Aliran Kas Bebas Dan Keputusan Pendanaan Terhadap Nilai Pemegang Saham Pada Subsektor Otomotif Dan Komponen Di BEI (Studi Pada Perusahaan yang Terdaftar di ISSI Tahun 2016 – 2018)*.

Erviana, M. (2021). Pengaruh Keputusan Investasi Keputusan Pendanaan Dan Kebijakan Dividen Terhadap Nilai Perusahaan (Studi Pada Perusahaan Subsektor Konstruksi Yang Terdaftar Di Bursa Efek Indonesia). *Jurnal Ilmiah Mahasiswa Feb*, 9(2).

Emilia Huriyatur Rozinah, & Nur Fadrijih Asyik. (2021). *Dampak Set Kesempatan Investasi Pada Pengaruh Aliran Kas Bebas, Keputusan Pendanaan, Dan Keputusan Operasi Terhadap Nilai Pemegang Saham*.

Fitriana, E. , L. E. (2019). Pengaruh Keputusan Investasi terhadap Nilai Perusahaan pada Perusahaan Manufaktur di Bursa Efek Indonesia. *Jurnal Ekonomi Dan Bisnis*, 22(3), 145–160.

Handarini, D. (2018). Faktor-Faktor Yang Mempengaruhi Penciptaan Nilai Pemegang Saham Perusahaan Manufaktur Yang Terdaftar Di Bei. *Jurnal Ilmiah Wahana Akuntansi*, 13(2), 157–175. <https://doi.org/10.21009/wahana.013.2.5>

Haryadi, R. (2013). Pengaruh Aliran Kas Bebas Dan Keputusan Pendanaan Terhadap Nilai Pemegang Saham.

Hasibuan, M. E., & Wirawati, N. G. P. (2020). The Effect Of Financial Performance, Good Corporate Governance, Corporate Social Responsibility On Company Value (Empirical Study On Food And Beverage Companies Listed On The Indonesia Stock Exchange 2017-2019). *American Journal Of Humanities And Social Sciences Research (AJHSSR)*, 5(1), 391-397.

Isma, A. A., & Nurlaily, F. (2022). The Influence of Investment Decisions and Funding Decisions on Shareholder Value (Study on Manufacturing Companies Listed on the Indonesia Stock Exchange Period 2016-2020). *The Indonesian Journal of Accounting Research*, 25(02). <https://doi.org/10.33312/ijar.599>

Kariuki Grace Muthoni, Dr. Ambrose Jagongo (PhD), & Dr. Joseph Muniu (PhD). (2019). Effect of Equity Financing on Shareholder Value Creation of Non-Financial Firms Quoted at the Nairobi Securities Exchange. *Stratford Peer Reviewed Journals and Book Publishing Journal of Finance & Accounting*, 3(5), 32–52.

Khusna, N. F., & Nahar, A. (2022). Analisis Investasi Opportunity Set dan Dividen sebagai variabel Moderasi dalam Faktor Penentu Nilai Pemegang Saham. *Jurnal Dinamika Ekonomi Dan Bisnis*, 19(1), 207–226. <https://doi.org/10.34001/jdeb.v20i2.3669>

Kolibu, M. F., Nainggolan, N., & Langi, Y. A. R. (2024). Analisis Faktor-faktor yang Mempengaruhi Harga Cabai Merah di Kota Manado Provinsi Sulawesi Utara

- Menggunakan Analisis Regresi Linear Berganda. *Jurnal MIPA*, 13(1), 32-36. <https://doi.org/10.35799/jm.v13i1.52258>
- Kurniawan, A. , B. B. , & P. D. B. (2021). Effect Of Profitability And Working Capital On Company Value On Food And Beverage Companies On The Indonesia Stock Exchange In 2015- 2019. *Journal Of Industrial Engineering & Management Research*, 2(2), 65–72. <https://doi.org/10.7777/jiemar.v2i2.135>
- Maretha, E. L., Selvina, Y. E., & Trimeningrum, E. (2019). Penilaian kinerja perusahaan berbasis penciptaan nilai untuk strategi keuangan dan keputusan investasi. *Jurnal Ekonomi Dan Bisnis*, 22(1), 23-44. <https://doi.org/10.24914/jeb.v22i1.2050>
- Mila Erviana. (2021). *Pengaruh Keputusan Investasi Keputusan Pendanaan Dan Kebijakan Dividen Terhadap Nilai Perusahaan (Studi Pada Perusahaan Subsektor Konstruksi yang Terdaftar di Bursa Efek Indonesia)*.
- Mutmainnah, Zarah Puspitaningtyas, & Yeni Puspita3. (2019). Pengaruh Kebijakan Dividen, Keputusan Investasi, Ukuran Perusahaan Dan Kepemilikan Manajerial Terhadap Nilai Perusahaan. *Buletin Studi Ekonomi*, 24.
- Nasrudin, A. (2019). Nilai Pemegang Saham. Retrieved from <https://cerdasco.com/nilaipemegang-saham/>
- Nugraha, S., & Widyastuti, E. (2020). Dampak Keputusan Investasi Terhadap Kinerja Keuangan Perusahaan. *Jurnal Manajemen*, 14(2), 87-102.
- Nugroho, W., & Dewi, R. (2020). Pengaruh Keputusan Pendanaan terhadap Kinerja Keuangan dan Nilai Perusahaan. *Jurnal Manajemen dan Bisnis*, 15(1), 89-105
- Nurvianda, G., & Ghasarma, R. (2018). Pengaruh keputusan investasi, keputusan pendanaan dan kebijakan dividen terhadap nilai perusahaan. *Jurnal manajemen dan bisnis sriwijaya*, 16(3), 164- 176.
- Osazefua Imhanzenobe, J. (2020). Managers' financial practices and financial sustainability of Nigerian manufacturing companies: Which ratios matter most? *Cogent Economics and Finance*, 8(1). <https://doi.org/10.1080/23322039.2020.1724241>
- Palar, M. C. K., Nelwan, O. S., & Pandowo, M. H. (2024). Analisis Pengaruh Budaya Organisasi, Rotasi Kerja Dan Kebahagiaan Terhadap Prestasi Kerja Di Badan Pusat Statistik Provinsi Sulawesi Utara. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 12(01), 386-396. <https://doi.org/10.35794/emba.v12i01.54070>
- Pratama, A. , N. H. (2019). Analisis Keberlanjutan Keuangan dan Pengaruhnya Terhadap Nilai Perusahaan. *Jurnal Keuangan Dan Perbankan*, 23(3), 456–472.
- Priyatno, D. (2023). Olah data sendiri analisis regresi linier dengan SPSS dan analisis regresi data panel dengan Eviews. Penerbit Andi.

- Puspitaningtyas, Z., & Puspita, Y. (2019). Pengaruh Kebijakan Dividen, Keputusan Investasi, Ukuran Perusahaan Dan Kepemilikan Manajerial Terhadap Nilai Perusahaan. *Buletin Studi Ekonomi*. Vol, 24(1).
- Razzaq, M. Pengaruh Aliran Kas Bebas, Keputusan Pendanaan, Dan Konsentrasi Kepemilikan Institusional Terhadap Nilai Pemegang Saham Pada Perusahaan Manufaktur Yang Terdaftar Di BEI.
- Rusmanto, Indra Saputra, & Lili Rahmawati. (2021). Pengaruh Keputusan Investasi, Keputusan Pendanaan, Dan Kebijakan Dividen Terhadap Nilai Perusahaan. *Jurnal Ekonomi Dan Bisnis*, 14, 2.
- Selvina, Y. E., Maretha, E. L., & Trimeningrum, E. (2019). Penilaian kinerja perusahaan berbasis penciptaan nilai untuk strategi keuangan dan keputusan investasi I N F O A R T I K E L. *Jurnal Ekonomi Dan Bisnis*, 22(1), 23–44. <https://doi.org/10.24914/jeb.v22i1.2050>
- Setiawan, B. , R. A. (2020). Pengaruh Aliran Kas Bebas Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur. *Jurnal Akuntansi Dan Keuangan*, 15(1), 34–49.
- Sugiyono. (2019). Metodologi Penelitian Kuantitatif dan Kualitatif Dan R&D. Bandung: ALFABETA.
- Suhardi, R., & Anwar, F. (2018). Aliran Kas Bebas dan Pengaruhnya Terhadap Kinerja Keuangan dan Nilai Perusahaan. *Jurnal Ekonomi dan Manajemen*, 17(2), 201-218.
- Sulimany, H. G., Ramakrishnan, S., Chaudhry, A., & Bazhair, A. H. (2021). Impact Of Corporate Governance and Financial Sustainability On Shareholder Value. *Studies Of Applied Economics*, 39(4). <https://doi.org/10.25115/eea.v39i4.4318>
- Tita Nurvita. (2022). Pengaruh Financial Sustainability, Kebijakan Dividen, Keputusan Investasi Dan Profitabilitas Terhadap Nilai Perusahaan Pada Perusahaan Manufaktur Yang Terdaftar di Bursa Efek Indonesia Pada Tahun 2015-2019. *Jurnal Manajemen Bisnis*, 25.
- Utama, N. S. P., & Gayatri, G. (2018). Pengaruh Profitabilitas, Investment Opportunity Setdan Free Cash Flow Pada Kebijakan Dividen. *E-Jurnal Akuntansi*, 22(2), 976-1003.
- Utami, S., & Kusuma, H. (2019). Pengaruh Keberlanjutan Keuangan Terhadap Kinerja dan Nilai Perusahaan. *Jurnal Bisnis dan Manajemen*, 21(2), 123-138
- Zannati, R., & Pratiwi, W. (2018). Pengaruh Aliran Kas Bebas Terhadap Keputusan Pendanaan Melalui Set Kesempatan Investasi Dan Nilai Pemegang Saham Sebagai Moderasi. *Jurnal Riset Manajemen Dan Bisnis*, 3, 2018.