FACTORS THAT CAN SUPPORT AND INFLUENCE THE FINANCIAL PERFORMANCE AND VALUE OF GO-PUBLIC COMPANIES IN INDONESIA

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ABSTRACT

Introduction: The company's brand equity is one of the important factors to increase the company's cash flow in the future. This study aims to analyze the effect of brand equity on cash flow, the effect of brand equity on capital structure, the effect of cash flow on firm value, and capital structure on firm value.


Method: The data analysis method used in this study uses the PLS model and data processing using the WarpPLS (Partial Least Square) program. The study used a sample of consumption subsector companies listed on the Indonesia Stock Exchange in 2015-2019 and met the requirements for calculating the brand value of the Hirose method (2002).

Results and Discussion: brand equity has a significant effect on cash flow; brand equity has a significant effect on capital structure, cash flow has an insignificant effect on firm value, capital structure has a significant effect on firm value.

Conclusion: The findings of increasing brand equity have an influence on the company's cash flow which is characterized by an increase in NCFOSA and a decrease in the company's FLD. Increasing brand equity has an impact on capital structure. Changes in cash flow have no effect on firm value. Increased debt in the capital structure has an impact on firm value.

Keywords: Brand Equity, Cash Flow, Capital Structure, Firm Value, Business.

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RESUMO

Introdução: O brand equity da empresa é um dos fatores importantes para aumentar o fluxo de caixa da empresa no futuro. Este estudo tem como objetivo analisar o efeito do brand equity no fluxo de caixa, o efeito do brand equity na estrutura de capital, o efeito do fluxo de caixa no valor da empresa e da estrutura de capital no valor da empresa.

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Resultados e Discussão: o brand equity tem efeito significativo no fluxo de caixa; o valor da marca tem um efeito significativo na estrutura de capital, o fluxo de caixa tem um efeito insignificante no valor da empresa, a estrutura de capital tem um efeito significativo no valor.

Conclusão: As constatações de aumento do brand equity influenciam o fluxo de caixa da empresa que se caracteriza por um aumento do NCFOSA e uma diminuição do FLD da empresa. O aumento do valor da marca tem impacto na estrutura de capital. Mudanças no fluxo de caixa não têm efeito sobre o valor da empresa. O aumento da dívida na estrutura de capital tem impacto no valor da empresa.


FACTORES QUE PUEDEN RESPALDAR E INFLUIR EN EL DESEMPEÑO FINANCIERO Y EL VALOR DE LAS EMPRESAS PÚBLICAS EN INDONESIA

RESUMEN

Introducción: El valor de marca de la empresa es uno de los factores importantes para aumentar el flujo de caja de la empresa en el futuro. Este estudio tiene como objetivo analizar el efecto del valor de marca en el flujo de caja, el efecto del valor de marca en la estructura de capital, el efecto del flujo de caja en el valor de la empresa y la estructura de capital en el valor de la empresa.


Método: El método de análisis de datos utilizado en este estudio utiliza el modelo PLS y el procesamiento de datos mediante el programa WarpPLS (Partial Least Square). El estudio utilizó una muestra de empresas del subsector de consumo que cotizaron en la Bolsa de Valores de Indonesia entre 2015 y 2019 y cumplió con los requisitos para calcular el valor de marca del método Hirose (2002).

Resultados y Discusión: el valor de marca tiene un efecto significativo en el flujo de caja; El valor de marca tiene un efecto significativo en la estructura de capital, el flujo de efectivo tiene un efecto insignificante en el valor de la empresa, la estructura de capital tiene un efecto significativo en el valor.

Conclusión: Los hallazgos del aumento del valor de marca influyen en el flujo de caja de la empresa, que se caracteriza por un aumento en NCFOSA y una disminución en el FLD de la empresa. El aumento del valor de la marca tiene un impacto en la estructura de capital. Los cambios en el flujo de caja no tienen ningún efecto sobre el valor de la empresa. El aumento de la deuda en la estructura de capital tiene un impacto en el valor de la empresa.

Palabras clave: Valor de Marca, Flujo de Caja, Estructura de Capital, Valor de la Empresa, Negocio.

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INTRODUCTION

Brand equity, today, is an important concept in business practice. According to Davcik (2013) brand equity is recognized as a strategic business asset of the company in contemporary marketing theory and practice. The American Marketing Association defines a brand as a name, term, sign, symbol, or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to distinguish them from competitors (Kotler and Keller, 2012: 241). A brand is essentially the essence or promise that is delivered to buyers or experienced by buyers or consumers (Lee, 2012).

Aaker, (1991) defines a brand as a name, term, sign, design symbol or a combination of these, to identify goods or services from a person or group of sellers to distinguish them from competitors, not just names and symbols. This brand is a fundamental element of the relationship between companies and consumers. In the 1980s, the discussion of corporate brand equity attracted attention and became an in-depth study in the business community (Huang, 2015; Hasan, Ullah and Bhattacharjee, 2015). Brand equity provides a strong platform for manufacturers to introduce new products and to secure the brand against competing products. For retailers, brand equity contributes to the overall image of the retail outlet and helps to build merchandise turnover in the store, maintain consistency of merchandise inventory volume, and reduce the risk of unsold goods in the provision of merchandise space or shelves.

This brand equity concept also changes the perception of brand value by showing that brands are not only a tactical aid to generate short-term sales, but also strategic support for business strategies that will add long-term value to the organization. Increased sales through brand equity will generate positive cash flow that can increase the value of the company. Positive cash flow makes it possible for companies to pay off debt, pay prizes or cash dividends, and fund their growth through expansion of investment activities. (Hery, 2017). In research conducted by Mendoza (2017) intangible assets or brand equity have a significant impact on total cash flow, cash flow from investment activities, operating activities, financing activities. On the other hand, companies using high leverage can increase firm value. This conception is in accordance with the theory of Modigliani and Miller (1963). The increase in firm value is due to the payment of interest on debt resulting in tax savings. This tax saving provides benefits to company owners, so that the value of companies that use debt can increase. By using the logic developed, this study aims to answer the following questions:

1. Does brand equity positively affect cash flow and capital structure?
2. Do cash flow and capital structure have a positive effect on firm value?
The context of this research seeks to identify factors that can support and influence the financial performance and value of go-public companies in Indonesia, especially the consumption subsector listed on the Indonesia Stock Exchange for the period 2015 - 2019, therefore brand equity in this study will be tested and explained its effect on cash flow, capital structure, and company value. The development of the consumer goods subsector industry has a very important role in economic development in Indonesia. The economic capacity of the consumer goods subsector can be seen from the Gross Domestic Product (GDP) indicator, market capitalization share, percentage of unemployment reduction and sales.

The effect of brand equity on firm value in Indonesia needs to be tested empirically, especially in the consumer goods subsector. The importance of this test is to determine the consistency of the effect of brand equity on firm value. In terms of brand equity, it can improve performance and company value, this significance has been discussed in studies such as Wang et al., (2015), Arora and Chaudhary, 2016), Kapareliotis and Panopoulos (2010), Camgoz. et.al (2016). Building and managing brands has become a priority for companies of various sizes in various professions to maximize the value of this intangible asset to be more significant (Lehman, et.al., 2008). In addition to the unique ability to place real options or appropriate decision-making in this complex brand valuation problem, the rationalization of alternative marketing strategic plans and their relationship to value creation are important benefits of this approach.

2 THEORETICAL BACKGROUND AND HYPOTHESIS DEVELOPMENT

2.1 BACKGROUND THEORY

2.1.1 Brand Equity

Hirose (2002) states that brands are symbols including names, logos, signs, symbols, design packages, etc. used by companies to identify and distinguish brand products and services from competitors. Signals can be defined as "manipulable attributes or activities that convey information" (Spence, 1994). The business environment is full of signals, for example: companies are characterized through brand strength. Keller and Lehmann (2006) state that brands are considered the most valuable intangible assets for companies, and in the past managers were very concerned about brand development. Good brand equity signals that the company's reputation is also good. A good corporate reputation makes various strategic
business choices easy to make, for example when the company needs a source of funding for business development.

One of the assumptions used as a rationale by Ross (1977) is the existence of asymmetric information, where investors have imperfect information about the company's profitability. This information asymmetry is because the company's management understands more about the company's future prospects than investors. Spence (1973) states that the company's growth factor can provide a positive signal about the company's condition that is captured by shareholders and other stakeholders.

### 2.1.2 Cash Flow

According to PSAK No. 2 (2016), information from cash flows is accommodated in the form of an entity's cash flow statement which is useful for users of financial statements as an authority to assess the entity's ability to generate cash and cash equivalents and evaluate the entity's interest in taking advantage of cash flows. Theory cash flow signaling hypothesis (Lintner, 1956) states that changes in payment obligations for company operations will provide information about cash flow or cash flow at this time and the company's future cash flow. Cash flow reporting aims to provide information about cash receipts, cash expenditures of a company and supply information about operating, investing, and financing activities during the accounting period. Cash flow information is important for stakeholders, among others: 1). identifying the sources and uses of the company's cash and cash equivalents because they are the most liquid assets and lives of the business. 2). provide historical information about the company's cash and cash equivalents classified by operating, investing and financing activities. According to Jensen (1996), cash flow has a fundamental role. Often many construction companies experience difficulties because they cannot manage their finances properly. Cash flow is useful internally for management and externally for investors and creditors. Managers are responsible for planning how and when cash will be obtained and used. If there is a budgeted cash outflow, managers should decide what to do about it. Managers may obtain funding through borrowing or issuing shares or dispose of some investments by selling assets. Other times managers also limit budgeted activities by revising plans for promotional activities, new investments or loan repayments, reducing distributions to shareholders in the form of dividends.
2.1.3 Capital Structure

Capital structure according to: 1) Enhardt and Brigham (2011: 328) explain that capital structure is a mixture of company equity, this is because companies need operating capital growth to pursue sales growth; 2) Paramasivan and Subramanian (2012) state that capital structure refers to the type of securities and the proportional amount that makes up the capacity, this is a mixture of various long-term sources such as equity shares, preferred shares, bonds and long-term loans; 3) Keown, et al. (2005: 414) is a mixture of several long-term sources of funds used by the company.

Modigliani and Miller (1963), leverage can increase the value of the company due to the value of tax protection. The higher the use of leverage, the higher the corporate tax savings will be, and ultimately will have a positive impact on the company's profitability. leverage signaling theory (Ross, 1977) states that the use of high leverage signals that the company is in good condition. Companies with good brand equity signal that the company is in good condition. This makes creditors confident in the company's ability to pay off all its obligations, so that creditors can easily provide loans to the company.

Capital structure policy is part of the company's funding decision (financing decision) which is the main decision in financial management in addition to investment decisions and dividend decisions or policies. Capital structure is a mixture of equity and corporate debt, this is because companies need operating capital growth to pursue sales growth. Research conducted by Singh and Bansal (2016) examines the impact of financial leverage on firm profitability and firm value. His research found that leverage has a significant negative impact on corporate performance indicators, EVA ROA and Tobin'Q corporate value indicators. This research produces a different impact that capital structure has a significant positive impact on firm value. This means that the positive path coefficient indicates that improving capital structure can increase firm value.

2.1.4 Company Value

The value of the company will be reflected in the market price of its shares (Fama, 1978). According to Fama and French (1998) the company's goal in optimizing the value of the company can be achieved by carrying out the functions of financial management. Signaling theory (Spence, 1973) states that investment spending is a good signal of the company's future development, thereby increasing the stock price as an indicator of the company's value.
Meanwhile, the Signaling Theory (Spence, 2002) states that the net benefits of issuing signals are positively correlated with invisible attributes that contribute positively to firm value.

Firm value is important for various parties, such as: company management, company shareholders, or potential investors. This study shows that cash flow has an insignificant effect with a negative relationship direction on firm value. Investors have no effect on firm value, this shows that investors do not pay much attention to the company's cash flow. This means that investors prefer the company's profit that has been realized at this time, so that the cash flow obtained from the company's operating profit can increase the company's value. Research conducted by Liao et al (2018) tried to examine cash flow in his research measured by cash flow from investment activities, the results of the study concluded that the company's cash flow can increase the company's value.

2.2 HYPOTHESIS DEVELOPMENT

Several studies that try to examine the factors that support and influence financial performance and firm value, brand equity has a significant effect on cash flow. For example, research by Mendoza, (2017), Skalický, (2016), Sivric et al (2019), Guentherb and Guentherb (2019), Wardianto (2018) state brand equity has a direct relationship with capital structure. Singh and Bansal (2016) examined the impact of financial leverage on firm profitability and firm value. Demirgüneş (2017), Hong (2017), Aggarwal and Padhan (2017), Singh and Bansal (2016), Shaharb et al (2015), formulate that capital structure has a significant effect with a positive direction on firm value. Liao et.al (2018) examined cash flow in their research measured by cash flow from investment activities the results of the study concluded that the company's cash flow can increase firm value. However, only a few studies link brand equity to capital structure, therefore this study answers the void of how the company through this capital structure will provide an increase in firm value.

By using extensive theories, this theory uses several theories to test the hypothesis, namely the brand equity model theory (Aaker, 1992) to test the significance of the effect of brand equity on cash flow, signaling theory (Ross, 1977) to test the significance of the effect of brand equity on capital structure. Also, the cash flow signaling hypothesis (Lintner, 1956) to test the effect of cash flow on firm value and the theory (Modigliani and Miller, 1963) to test the significance of the effect of capital structure on firm value. Managing brand equity, it is important to the value that can be created to manage brand equity effectively and to make the right decisions about brand building activities and the ability of the brand to generate marginal
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cash flows to the market. Lintner (1956) states that changes in payment of liabilities for company operations will provide information about the current cash flow and future cash flow of the company which can increase the value of the company.

The results of testing the research hypothesis are also outlined in the form of a path diagram, as presented in the following figure.

**Figure 1**
*Research Model*

Using the logics discussed and intensely reviewed discussed, this research uses the following hypotheses:

- H1: Brand equity has a positive effect on cash flow
- H2: Brand equity has a positive effect on capital structure
- H3: Cash flow has a positive effect on firm value
- H4: Capital structure has a positive effect on firm value

**3 RESEARCH METHODS**

**3.1 TYPES OF RESEARCH**

This research is an explanatory type, which is research that aims to explain the position of variables with the formulation of problems or hypotheses and research instruments. One
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The technique is to link variables, problem formulations or hypotheses, and survey items so that readers can easily identify how the items are used.

3.2 SAMPLE

This research sample is a consumption subsector company in Indonesia that meets certain requirements such as frequently publishing its financial statements during the period 2015 to 2019 and its brand value can be calculated using the Hirose (2002) method.

3.3 DATA COLLECTION TOOLS

This research was not conducted directly, but through the data source of the audited financial statements of the consumption subsector as the object of research. This research was conducted in two stages, the first was carried out by purposive sampling, namely quantitative data collection with consideration of certain characteristics or characteristics and the second stage using saturated sampling. Saturated sampling is a method of determining the sample if the entire population is used as a sample.

3.4 DATA COLLECTION

Data collection in this study uses the documentation method, namely retrieving data from the financial statements of companies that are always included in the list of consumer goods subsector companies on the Indonesia Stock Exchange from 2015 to 2019. The data used is factual data not perceptions which is a formative indicator model.

3.5 DATA ANALYSIS METHOD

The data analysis method is a method used to analyze data so that it is expected to achieve a result that can answer the questions posed. The data analysis method used in this study is to use the PLS model and data processing using the WarpPLS (Partial Least Square) program.
4 RESULTS AND ANALYSIS

In this study, processing used the PLS model and data processing using the WarpPLS (Partial Least Square) program. Steps to design a structural model (inner model), design a measurement model (outer model), hypothesis testing

Table 1 The coefficient of determination ($R^2$) for the endogenous variables Cash Flow, capital structure and Firm Value are, respectively, 0.248, 0.296, and 0.675. Based on the value of $R^2$ can be calculated the value of $Q^2$ predictive relevance as follows: $Q^2 = (1 - (1 - 0.248)(1 - 0.296)(1 - 0.675)) = 0.8279 = 82.79\%$. Therefore, it can be said that the model is good, which can explain the phenomenon or system studied by 82.79%. The remaining 17.21% is influenced by other variables that have not been included in the model and errors.

Table 1

<table>
<thead>
<tr>
<th>R-squared coefficients</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Brand_Equity</strong></td>
</tr>
<tr>
<td>0.248</td>
</tr>
</tbody>
</table>

4.1 BRAND EQUITY HAS A SIGNIFICANT EFFECT ON CASH FLOW

The indicator used to measure the Brand Equity variable after exploration is only one indicator, namely ED. The weight of a single indicator is 1, equivalent to the manives variable. Thus the single indicator is fixed (can be considered significant).

Table 2 shows the results of testing the hypothesis of the effect of brand equity (X) on cash flow (Y2) obtained a path coefficient of -0.498 and p-value <0.001 (significant). Thus, it can be said that the hypothesis of the effect of brand equity on cash flow is accepted. The negative path coefficient indicates that an increase in brand equity will reduce the company's cash flow. This decrease in company cash flow is characterized by a decrease in NCFOSA. The FLD indicator produces a component weight with a negative sign (-0.291). In other words, there is no alignment of direction between FLD and cash flow. This illustrates that an increase in FLD will signal a decrease in cash flow. The average ED value of the strongest indicator of brand equity in the consumer goods subsector in 2015 amounted to 7.809, increasing to 8.189 in 2019. The average DR value in 2015 amounted to 0.405 and increased to 0.441. The average NCFOSA value of the consumer goods subsector in 2015 amounted to 0.125, increasing to
0.194 in 2019. This difference trend results in brand equity having a significant negative effect on cash flow.

Table 2

<table>
<thead>
<tr>
<th>No.</th>
<th>Variables</th>
<th>Indicator</th>
<th>Weight</th>
<th>P value</th>
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<td>Brand Equity</td>
<td>PD</td>
<td>-0.062</td>
<td>0.261</td>
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<tr>
<td></td>
<td></td>
<td>LD</td>
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<td>0.341</td>
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<td></td>
<td>ED</td>
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<td>Cash Flow</td>
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<td></td>
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<td>NCFOSA</td>
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<td></td>
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<td>ITA</td>
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<tr>
<td></td>
<td></td>
<td>FLD</td>
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<td>Capital Structure</td>
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<td></td>
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<td>DER</td>
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<td></td>
<td></td>
<td>LDTA</td>
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<td>4</td>
<td>Company Value</td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td>KP</td>
<td>-0.235</td>
<td>0.006</td>
</tr>
</tbody>
</table>

4.2 BRAND EQUITY HAS A SIGNIFICANT EFFECT ON CAPITAL STRUCTURE

Table 2 shows the results of testing the hypothesis of the effect of Brand Equity (X) on Capital Structure (Y3) obtained a path coefficient of -0.400 and p-value <0.001 (significant). Thus it can be said that the hypothesis of the effect of Brand Equity on Capital Structure is accepted. The negative path coefficient indicates that an increase in Brand Equity will result in the company's Capital Structure decreasing. This indicator produces a weight with a negative sign (-0.778). In other words, there is no alignment of direction between LDTA and Capital Structure. This illustrates that an increase in LDTA will signal a poor capital structure of the company. The second most important indicator is DER, with positive direction. It means that the increase of DER will form a better capital structure of the company. So the improvement of Capital Structure can be done by decreasing LDTA and increasing DER. Companies with good brand equity signal that the company is in good condition. This makes creditors confident in the company's ability to pay off all its obligations, so that creditors can easily provide loans to the company. The average ED value of the consumer goods subsector indicator in 2015 amounted to 7.809, increasing to 8.189 in 2019. The average DR value in 2015 amounted to 0.405 and increased to 0.441. The average DER value in 2015 amounted to 0.785 increased to 0.972. And the average LDTA in 2015 amounted to 0.096 increased to 0.112. The difference in this trend results in brand equity having a significant negative effect on capital structure.
4.3 CASH FLOW HAS A SIGNIFICANT EFFECT ON FIRM VALUE

Table 2 shows the results of testing the hypothesis of the effect of cash flow (Y2) on firm value (Y5) obtained a path coefficient of -0.009 and p-value = 0.462 (not significant). The statistical test results show a negative and insignificant path coefficient. The negative and insignificant path coefficient means that changes in the company's cash flow do not provide changes in firm value. The path coefficient is negative and insignificant, meaning that changes in the company's cash flow do not provide changes in firm value. The development of the average NCFOSA value as an indicator of cash flow in the last year has decreased. The average NCFOSA value of the consumer goods subsector in 2015 amounted to 0.125, rising to 0.194 in 2019. The average MBR value in 2015 amounted to 5.409 and decreased to 0.006. The difference in NCFOSA and MBR trends shows that in general cash flow has an insignificant effect on firm value.

4.4 CAPITAL STRUCTURE HAS A SIGNIFICANT EFFECT ON FIRM VALUE

Table 2 shows the results of testing the hypothesis of the effect of Capital Structure on Firm Value obtained a path coefficient of 0.170 and p-value = 0.035 (significant). Thus it can be said that the hypothesis of the effect of Capital Structure on Firm Value is accepted. The positive path coefficient indicates that the improvement of Capital Structure (characterized by increasing DR and DER and decreasing LTDA) can increase Firm Value (characterized by increasing Tobin-Q and decreasing KP). Leverage can increase firm value due to the value of tax protection. The higher the use of leverage, the higher the corporate tax savings will be, and in the end, it will have a positive impact on the company's profitability. Increasing debt can increase firm value if it has not reached its optimal point, this is reinforced by the use of debt to reduce the company's tax burden and agency costs. Overall, from 2015 to 2019 the average value of DR is 0.372 and 0.773. The value of consumer goods subsector companies increased with the average value of Tobin'Q value in 2015 of 2.577 decreased in 2019 to 41. The average value of KP increased in 2015 the average value of 16.638 increased to 47.822 in 2019. The argumentation of this research means that companies that have high leverage will reflect that the company has a high company value.

The results of testing the research hypothesis are also outlined in the form of a path diagram, as presented in the following figure.
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Figure 2
Path Diagram of Hypothesis Testing Results

5 DISCUSSION

5.1 BRAND EQUITY HAS A SIGNIFICANT EFFECT AND NEGATIVE DIRECTION ON CASH FLOW

Based on the results of the study, it is known that high brand equity is able to convince consumers of the quality of the products they buy. This can maintain sales stability and ultimately increase company value. The results of this study indicate that brand equity is a signal of a good company condition that can affect cash flow, namely companies with a) high brand equity as measured by ED which tends to increase, b) have cash flow as measured by NCFOSA increasing, and FLD decreasing. This finding shows that an increase in brand equity has a negative directional effect on the company's cash flow, which is characterized by an increase in NCFOSA and a decrease in the company's FLD. In general, consumer goods subsector companies listed on the Indonesia Stock Exchange from 2015 to 2019 have an average company's ability to meet the availability of liquid funds of 56%.
5.2 BRAND EQUITY HAS A SIGNIFICANT EFFECT AND HAS A NEGATIVE DIRECTION ON CAPITAL STRUCTURE

Increased brand equity has a negative and significant impact on cash flow. Decreased brand equity is a signal of consumer dissatisfaction in consuming the company's products. In general, consumer goods sub-sector companies listed on the Indonesia Stock Exchange from 2015 to 2019 have an average company's ability to meet the availability of funds of 10.3%, indicating that in consumer goods sub-sector companies that went public on the Indonesia Stock Exchange (IDX) from 2015 to 2019, the LDTA indicator is the most important indicator. Companies that have high brand equity are companies that have a low level of dependence on external funding sources to respond to shortages of internal funding sources, and vice versa companies that have low brand equity have a high level of dependence on the external capital structure.

5.3 CASH FLOW HAS AN INSIGNIFICANT EFFECT AND NEGATIVE DIRECTION ON FIRM VALUE

The results of this study found that companies that have the characteristics: a) cash flow, namely with an increasing NCFOSA size, while FLD decreases b) have a company value, namely with a high Tobin'Q size and a decreasing KP, the company will have a low company value, meaning that changes in the company's cash flow do not provide changes to the company's value. Changes in cash flow have no effect on firm value. The argument from this statement is because the company value is more influenced by basic earning power, so that whatever the level of cash flow in the company has no effect on the company value.

5.4 CAPITAL STRUCTURE HAS AN INSIGNIFICANT EFFECT AND NEGATIVE DIRECTION ON FIRM VALUE

In general, consumer goods subsector companies listed on the Indonesia Stock Exchange from 2015 to 2019 have an average company's ability to meet the availability of funds of 10.3%. The results of this study mean that companies that have characteristics: a) use a capital structure, namely with a high DER and DR measure, LDTA decreases, b) have a company value, namely with a high Tobin'Q measure, and KP decreases, causing the company to have a high company value. High capital structure is a signal that the company is in good
condition. The good condition of the company is then utilized by the company management to convince the creditor to provide loan. The average value of capital structure is high and the average value of the company is high, indicating that the benefits of capital structure have a positive impact and significant effect on the value of the company.

Table 3
Structural Model

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficient</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brand Equity has a significant effect on cash flow</td>
<td>-0.498</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Brand equity has a significant effect on capital structure</td>
<td>-0.400</td>
<td>&lt;0.001</td>
</tr>
<tr>
<td>Cash flow has a significant effect on firm value</td>
<td>-0.009</td>
<td>0.462</td>
</tr>
<tr>
<td>Capital structure has a significant effect on firm value</td>
<td>0.170</td>
<td>0.035</td>
</tr>
</tbody>
</table>

Significance P-value < 0.05

Visually, the trend of ED indicators of brand equity for the average of the 21 companies used as research objects during 2015-2019 is presented as follows.

Figure 3
Average Extension Driver Year 2015-2019

Visually, the trend of the NCFOSA indicator of cash flow for the average of the 21 companies used as research objects throughout 2015-2019 is presented as follows.
6 CONCLUSIONS

In conclusion, the findings of this study indicate that brand equity has a significant effect with a negative direction on cash flow. The company's cash flow reflects the productivity of operations carried out by a business entity and can also be used to assess the company's ability to meet the availability of funds and liquidity. Brand equity has a significant effect and has a
negative direction on capital structure, companies with good brand equity signal that the company is in good condition. This makes the creditor believe in the company's ability to pay off all its obligations, so that the creditor can easily provide loans to the company. Cash flow has an insignificant effect and has a negative direction on firm value, changes in payment of obligations for company operations will provide information about cash flow or cash flow at this time and the company's cash flow in the future. The implication of this study is that an increase in cash flow has no effect on increasing firm value. Capital structure has a significant effect and has a positive direction on firm value. The higher the use of leverage, the higher the corporate tax savings will be, and ultimately will have a positive impact on the company's profitability. The implication of this research is that increasing debt from the capital structure has an effect on increasing firm value.

Although there are important findings that have been answered, this study is not without limitations. The limitations of this research include: This study uses subsectors that actually have various types, namely the food and beverage subsector, the pharmaceutical subsector, the cigarette subsector and the cosmetics subsector, these consumption subsector companies are considered to have the same characteristics, so that differences in the types of companies from one type to another cause bias in the data used in the study. In this study, the number of samples was only 21 companies with a research period of five years. This study produces a predictive relevance Q value obtained that explains the phenomenon or system studied by 82.79%, the remaining 17.21% is influenced by other variables.

In addition to the limitations of the study, it may be useful if this research is expanded into several possible suggestions for developing future concepts. Suggestions for further research can be done by replacing research objects that are more uniform or similar to avoid biased research results, using a larger number of samples and a longer period of time and using other variables for more comprehensive research results. Furthermore, it can understand the relationship between brand equity and financial policies such as company growth, financial performance. It is also recommended to study the effect of company growth and financial performance on brand equity, because it is possible that brand equity is also influenced by company growth and financial performance. Finally, similar research should be conducted in other industries to fully understand the application of brand equity in Indonesia.
AUTHOR'S CONTRIBUTION

All authors have contributed to this research. Endang Karyawati developed the research proposal, research concept, methodology. Taher Alhabsji developed the concept of research methodology and research data analysis. Nila Firdausi Nuzula developed procedures for preparing research writing and developed descriptive analysis of research results. Ari Darmawan developed theories related to the research concept. Supervisors Taher Alhabsji, Nila Firdausi Nuzula, Ari Darmawan.

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Factors that Can Support and Influence the Financial Performance and Value of Go-Public Companies in Indonesia


