The Effect Of Profitability, Liquidity, And Leverage On Firm Value With Dividend Policy As A Moderating Variable

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Abstract

This study aims to determine and analyze the effect of profitability, liquidity, and leverage on firm value with dividend policy as a moderating variable in consumer goods sector companies for the 2021-2023 period. The approach uses a quantitative approach. The population in this study were 281 companies in the consumer goods sector listed on the Indonesia Stock Exchange for the period 2021-2023. The sample selection technique used a purposive sampling method and resulted in 56 consumer goods sector companies listed on the Indonesia Stock Exchange for the 2021-2023 period. The data analysis used is multiple linear regression, and MRA (Moderated Regression Analysis) using SPSS software version 25. The results of this study indicate that profitability, liquidity, and leverage have no significant effect on firm value, dividend policy is able to moderate the effect of profitability, liquidity, and leverage on firm value in the consumer goods sector for the 2021-2023 period.

Keywords: Profitability, Liquidity, Leverage, Dividend Policy, Firm Value.

1. Introduction

The long-term goal of forming a company is to maximize company value by increasing the prosperity of owners or shareholders. By maximizing the value of the company, it is expected to invite new investors to invest. In addition, the company value will also reflect the potential and prospects of the company in maintaining and increasing its business in the future which is also an attraction for investors. High company value is also the desire of company owners, because with high value, it shows that shareholder prosperity is also high. The wealth of shareholders and companies is represented by the market price of shares which is a reflection of investment, funding, and asset management decisions Pertiwi & Pratama (2012). To maximize company value can be achieved through the implementation of financial management functions, where one financial policy or decision taken will affect other financial decisions and have an impact on company value (Sukirni, 2012).

Company performance is one of the indicator factors seen by potential investors in terms of stock investment. Maintaining and improving financial performance for companies is necessary so that shares remain in demand by investors. Financial statements are the end of the accounting process with the aim of providing financial information that can explain the company in one period. This financial information has a function as a means of information, a management accountability tool to shareholders, a depiction of indicators of the company's success and as a consideration in decision making. The users of this information are often used as benchmarks or guidelines in buying and selling shares of Harahap companies (Mahendra et al, 2012).

The use of financial information usually analyzes financial statements using financial ratios covering profitability, leverage, liquidity. With the disclosure of the results of the calculation of these financial ratios, it is hoped that it will be taken into consideration in taking steps to invest and become a material comparison between the current period and the previous period. This study uses an analysis of the company's financial ratios, including: profitability ratio, liquidity ratio, leverage ratio with dividend policy as a moderating variable.

Profitability is assessed from the investor's point of view as one of the important indicators to see the company's prospects in the future, this indicator is very important to pay attention to to find out how much return investors can receive on their investment. Research by Bukit et al. (2018) states that profitability has a positive and significant effect on firm value. Meanwhile, research conducted by Hirdinis (2019) states that profitability has an insignificant effect on firm value.

Liquidity is thought to affect firm value. The higher the liquidity of the company, the more funds are available for the company to pay short-term debt, dividends, finance its operations and investments. So that investors' perceptions of the company's performance are considered good, the stock price is expected to increase and the company's value will increase Wijaya & Purnawati (2014). The results of previous research conducted by Sondakh (2019) state that liquidity has a positive and significant effect on firm value. Meanwhile, research conducted by Andriani (2019) states that liquidity has a significant negative effect on firm value.

Leverage is thought to affect firm value. The existence of company leverage can be utilized to obtain higher profits by using capital derived from debt or assets financed by debt so that the company can maximally run its business so that the profit earned by the company increases. Previous research conducted by Zuhroh (2019) and Cheng & Tzeng (2011) stated that leverage has a significant positive effect on firm value, however, research conducted by Fajaria & Isnalita (2018) states that leverage has a significant negative effect on firm value.

An investor in investing his capital certainly wants to get profits from the company. The investment profit is in the form of dividends. Dividends are the profits of a company given to its shareholders and investors. The company will be considered good if it pays dividends stably from time to time than companies that pay dividends fluctuating, because stable payments can reflect good financial performance conditions and vice versa if the dividend payment is uncertain, it shows that the financial condition is uncertain (Sudana, 2011: 197). Therefore, the company must maintain its financial performance so that it can stably pay its dividends from time to time. If the company's profitability, liquidity, and leverage are good, dividend payments will be stable because the company has a favorable financial condition.

2. Literature Review

1. Signalling Theory

Signalling theory explains that inaccurate information that is confusing in the market causes managers to correct information through real actions as a signal that distinguishes it from other companies (Tandelilin, 2010: 579). Signalling theory is a theory used to understand an action by management in conveying information to investors which in turn can change investors' decisions in seeing the condition of the company (Suganda, 2018: 15). Signal theory is a theory that explains an action taken by company management that provides clues to investors about how the company views the company's prospects (Brigham & Houston, 2019).

It can be concluded that signal theory is a theory regarding the accurate delivery of information by company management to every shareholder and stakeholder who needs a signal or clue about how the company's prospects are going forward and to avoid confusing information asymmetry in the community. Investors' responses to negative and positive

information greatly affect market conditions, and they will react in various ways in response to these signals which usually affect the company's stock price (Hanafi, 2015: 316).

2. Agency Theory

The concept of agency theory according to Supriyono (2018: 63), agency theory is a contractual relationship between the principal (contract giver) and the agent (contract recipient), the principal can contract the agent to work for the interests or goals of the principal so that the principal can give decision-making authority to the agent to achieve these goals. According to Sutedi (2012: 16) agency theory basically emphasizes that it is important for company owners (shareholders) to hand over the management of the company to experts (agents) who better understand and understand the implementation of business activities. Jensen and Meckling (1976) state that agency theory describes shareholders as principals and management as agents.

Management as an agent is a party contracted by shareholders to work to manage the company in the interests of shareholders. It can be concluded that agency theory is a theory that explains the relationship between shareholders as principals and company management as agents, where management is the party contracted by shareholders to manage the company in the interests of shareholders.

Agency theory considers the company as the center of the contract between agents and principals due to the separation of ownership and control. This gives rise to two different interests in the company where each party seeks to achieve the desired prosperity. Agency problems arise because of the separation between owners and managers of companies (agents) and human nature that tends to self-interest. All parties involved in this agency problem will tend to maximize their utility. Agency problems will cause the company to bear agency costs.

Agency costs are costs that arise because of the mandate from shareholders to other parties (agents) to carry out company management for the survival of the company and the interests of shareholders (Apriada, 2013). Bathala et al. (1994) argue that to reduce agency costs can be done in several ways, including increasing management ownership, increasing Dividend Payout Ratio, increasing financing through debt. This will reduce conflicts because the management itself will become investors who monitor the management of the company and benefit from dividends, while debt can reduce agency costs by reducing free cash flow so that it is not misused by managers (Jensen, 1986).

3. Financial Performance

Financial performance is used to analyze the financial condition of a company and measure its performance over a period of time. Management decisions will have an impact on performance assessment, which will be announced through financial statements to funders. There are a number of financial ratios that will be used in this study, including profitability ratios, liquidity ratios, and leverage ratios. These ratios are used to assess the financial condition and performance of the company. In addition, this performance can be used as a reference to assess what needs to be done to improve or maintain management performance in accordance with company targets. Thus, the results of the company's financial condition can be interpreted.

4. Profitability

Profitability is the company's ability to earn profits through its own capital. According to Hanafi and Halim (2007), profitability ratios help business continuity because they can help companies know how much the company's profits contribute in the short or long term. So that it will affect dividends because dividends are calculated from the company's net profit. Therefore, the dividend payout ratio will be affected by the amount of profit earned by the company, because the company's opportunity to pay dividends will increase along with the

amount of profit earned by the company. Overall, the value of the company will increase as a result.

Murhadi (2013: 63) says that this ratio shows the company's ability to generate profits. On the other hand, Fahmi (2014: 81) says that the profitability ratio is a ratio that measures overall management effectiveness, which is indicated by the size of the level of profit obtained in relation to investment and sales.

Based on this definition, profitability can be defined as the level of a company's ability to generate net profits from all of its capital. Profitability ratios show how well management manages the company's operations. It determines how long the company survives. The fact that a company can make a profit is the reason why information about profitability is so important to various parties. For employees or workers, it shows how much compensation they will receive. However, investors have the right to know the share of profits that will go to shareholders. If a company's profitability ratio is higher, it shows that the company's performance is better in generating profit because the profit earned is greater. Conversely, if the company's profitability ratio is lower, it indicates that the company's performance is worse as less profit is earned.

5. Liquidity

According to Hanafi and Halim (2007), the liquidity ratio is defined as the ability of a company to calculate its short-term performance by comparing its current assets with its current debt, which is the company's obligation. Liquidity is beneficial for businesses because it helps management know how efficient its working capital is and for shareholders who ultimately know what the prospects for dividends and payments are in the future. The higher the company's liquidity level, the greater the company's ability to pay short-term debt.

6. Leverage

The leverage ratio is a ratio used to measure the extent to which the company's assets can be financed with debt. A higher leverage value indicates that the capital structure is more heavily financed by loans, which can lead to the company's dependence on creditors. Companies with higher debt ratios will pose a greater risk of loss, but companies with lower debt ratios will have higher stock returns.

According to Syamsudin (2007), the leverage ratio is the company's ability to use assets or funds that have a fixed cost (fund or fixed cost assets) which is useful for increasing the rate of return for the company owner. Thus, it can be concluded that the use of assets or funds ultimately aims to increase potential profits for shareholders.

According to Agus Harjito and Martono (2011:315), leverage refers to the use of assets and sources of funds by the company. In using these assets or funds, the company must incur fixed costs or liabilities. Syamsuddin (2011:89) in his book Corporate Financial Management, says that: By increasing the level of leverage, the level of uncertainty of the return to be obtained will increase, but at the same time it will also increase the amount of return to be obtained. This level of leverage may differ from one company to another, or may change over a period of time within one company. What is certain is that the higher the leverage, the greater the risk faced and the greater the expected income or return. Here, the term "risk" refers to uncertainty about a company's ability to pay its fixed payment obligations.

Based on the understanding of experts, leverage is the ability of a business to meet its daily needs by using assets and funds that incur fixed costs. Ultimately, leverage is expected to increase the level of income for shareholders or business owners.

7. Firm Value

According to Sujoko and Soebiantoro (in Hidayah, 2016) Firm value is the investor's perception of the company's success rate, which is often associated with stock prices. Therefore,

a high company value will increase market confidence in the company's performance and future prospects.

Harmono (2009: 233) says that company value is the company's performance as indicated by its stock price which is formed by the demand and supply of the capital market, and is a reflection of the public's assessment of the company's performance. Firm value can be defined as the value of current income cash flows or the value of cash expected to be received in the future, according to Sudana (2011: 8). Based on this description, researchers elaborate that the value of a company is often associated with its stock price; a high stock price will generate greater value, and an increase in stock value will provide greater value to shareholders. An increase in the value of the company can indicate the welfare of its owners, so the owners of the company will encourage their managers to try harder to make their business better.

Investors consider the value of the company before investing their funds in it because this value relates to the returns that investors will receive.

8. Dividend Policy

Companies pay dividends to their shareholders, usually based on profits earned (Harrison Jr et al., 2011). Dividends distributed to shareholders can be in the form of cash dividends and stock dividends. Cash dividends are dividends distributed to shareholders by the company in cash per share. While stock dividends are dividend payments by the company in the form of additional shares that are proportional to the shares owned by shareholders (Sunariyah, 2004: 118).

Framework of Thought
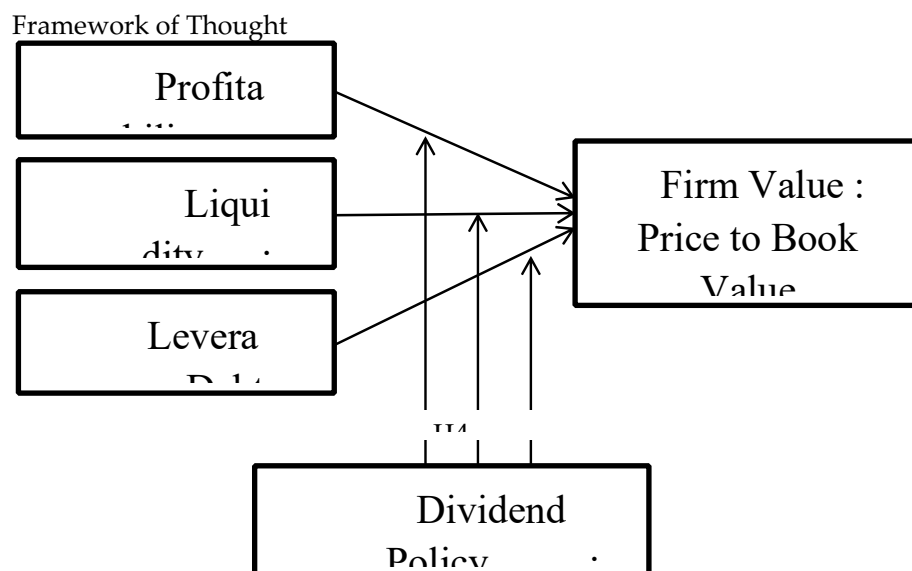
Source: Data processed by researchers

Hypothesis

Profitability is a ratio that measures the extent to which a company is able to use its resources, such as assets, capital, and sales, to generate profits. If this ratio is higher, it means

that the company uses its resources more effectively and efficiently to generate profits (Sudana, 2011: 25). In this study, profitability is determined using return on assets (ROA). This is a description of the company's ability to generate profits from its assets. The bigger the size, the better the asset management (Muryadi, 2023: 65).

If this profitability ratio increases, it indicates that profits are increasing which in turn can further prosper shareholders. Signaling theory states that a high level of profitability indicates good company prospects so that it will get a positive response from investors which can increase company value. Companies like this can attract investors to buy their shares, so demand will increase which in turn can increase the share price, which means that the company's value will also increase (Febrianti, 2012: 145). This is supported by research by Chen & Chen (2011), Safitri et al. (2014), Astutik (2017), Putri & Ukhriyawati (2016) and also Awulle et al. (2018) which shows that profitability affects firm value. Based on the description above, hypothesis is arranged as follows:

H1   :   Profitability has a significant effect on firm value.

Liquidity is a ratio that describes how the company's ability to meet its short-term obligations, which are no more than one year old. If liquidity is higher, this indicates that the company is good at paying its obligations on time, and vice versa if liquidity is low. High liquidity also means that the company has assets that are easily liquidated to fulfill its obligations (Murhadi, 2013: 57). In this study, liquidity uses the Current Ratio (CR) which compares the company's current debt with all of its current assets. The greater the CR indicates that the better the company is in meeting its short-term obligations (Sudana, 2011: 24). This shows that the company's image is good because it can pay its debts, so it can attract investors to buy shares in companies like this.

Signalling theory says that companies with high liquidity levels will be responded positively by the market because they show good financial performance by being able to fulfill their short-term obligations, which means the company can maintain its liquidity (Wulandari, 2013: 456). Because it is responded positively by the market, there will be a lot of demand for shares so that it can increase the share price which also has an impact on increasing the company's value. This is supported by research from Putra & Lestari (2016), Sudiani & Darmayanti (2016), Dunanti et al. (2017) which show the results that liquidity affects firm value. Based on the description above, hypothesis is arranged as follows:

H2   :   Liquidity has a significant effect on firm value.

Leverage is the level of funding of a company that comes from outside where later the company must generate more profit on the money borrowed than the interest expense borne (Harrison Jr et al., 2011: 277). This ratio is used to see how the company's ability to meet its short-term and long-term obligations. Leverage in this study uses Debt to Equity Ratio (DER) which is the ratio between total debt and total equity. This ratio shows how the company meets its debts using the equity it has. By calculating DER, it will also be known about the company's financial risk, small or large (Rahmawati, 2017: 6).

A low DER indicates that the company's ability to pay its debts using its own capital is getting better, while a high DER means that there is more debt which can later cause financial distress which causes investors to be unwilling to buy shares in the company because they assume that the company is unable to pay its debts so they will not get dividends either. On the other hand, according to Febrianti (2012: 146), more debt can increase company value because debt interest costs can reduce tax payments. Research by Adetunji et al. (2016), Yanti & Abundanti (2019), Febrianti (2012) show the results that leverage can affect firm value

because the size of the company's debt can affect the perception of investors in buying shares. Based on the description above, hypothesis is arranged as follows:

        H3   :   Leverage has a significant effect on firm value.

The more profit the company earns will have a positive impact, namely attracting investors to buy shares. High profitability indicates that the company's financial performance is good. Investors are happy with companies that have large and increasing profits because they assume that if the profits are large, the return obtained by investors will also be a lot (Lestari, 2017: 38). The return on investment is in the form of dividend payments, if the profit earned by the company is increasing, investors assume that the dividends paid will also be a lot. That is what makes investors interested. If many are interested in buying their shares, the demand will increase, then the share price can also increase, which reflects the high company value. This is supported by research by Mery et al. (2017) which shows the results that dividend policy can moderate the relationship between the effect of profitability on firm value. Based on the description above, hypothesis is arranged as follows:

        H4   :   Dividend policy is able to moderate the relationship between profitability and firm value.

Liquidity is the company's ability to meet its short-term obligations using its current assets. The higher the liquidity, the better the company is in paying its debts with its current assets that are easily and quickly turned into cash. Things like this are responded to well by the market because it shows good financial performance because it is able to fulfill its obligations on time (Febrianti, 2012: 456). This kind of company is preferred by investors because they think that if they buy shares in the company, they will benefit from the company's good prospects.

Companies with high liquidity illustrate that there is a lot of cash available so that dividend payments will also increase which will attract investor interest so as to increase stock demand which reflects an increase in company value as well (Mery et al., 2017: 2000). This is in line with research by Lestari (2017) which shows the results of research that dividend policy can strengthen the relationship between the influence of liquidity on firm value. Based on the description above, hypothesis is arranged as follows:

        H5   :   Dividend policy is able to moderate the relationship between liquidity and firm value.

Leverage shows how a company uses and manages its debt and how the company pays its debt. According to Febrianti (2012: 146) more debt can increase company value because debt interest costs can reduce tax payments. On the other hand, if debt is used for investments that do not provide benefits, the company will later face the risk of financial distress. However, if the company only relies on its own capital without debt, the company will not grow quickly. The addition of debt can also provide a positive response because investors assume that the company is able to maintain cash flow in the future well. With this positive response, there will be a lot of demand for shares which results in an increase in the share price which reflects the return in the form of dividends. With the dividend payments that shareholders want, the opportunity to invest by managers using cash is reduced. So that the company is able to maintain cash flow in the future, the company needs to increase the use of debt. Thus, investors assume that the company pays attention to the prosperity of its shareholders. This is supported by Martini & Riharjo's research (2014) which states that dividend policy strengthens the relationship between leverage and firm value. Based on the description above, hypothesis is arranged as follows:

H6 : Dividend policy is able to moderate the relationship between leverage and firm value.

3. Research Methods

The type of research used in this study is explanatory research. Explanatory research is research that explains the position between the variables studied and the influence between one variable and another (Sugiyono, 2017: 6). This study will explain the causal influence between profitability, liquidity, leverage, dividend policy and firm value variables through testing the hypotheses proposed in this study. This study uses a quantitative approach, namely research by looking at the relationship between the independent variable and the dependent variable on the object to be studied which is causal (causality). Then it is sought how much influence the independent variable (X) has on the dependent variable (Y) (Sugiyono, 2013: 13). This study uses a quantitative approach because the research data is in the form of numbers, then the data is analyzed using statistics, and conclusions are drawn from the results of the data processing. The quantitative approach is research to examine certain populations or samples with random sampling techniques which are then analyzed statistically with the aim of testing previously established hypotheses (Sugiyono, 2017: 14).

Researchers conducted research on consumer goods sector companies listed on the Indonesia Stock Exchange for the period 2021-2023, by collecting data on the official website of the Indonesia Stock Exchange, namely www.idx.co.id and the official website of each company selected as a sample in this study. The reason for choosing to collect data on the official website is that the data needed in this study is completely available on the official website.

The sampling technique used in this study is to use purposive sampling technique. Purposive sampling is a sampling technique with certain considerations or criteria set by the researcher (Sugiyono, 2017: 124). The purposive sampling technique is used by making certain criteria based on the needs of the variables used in this study. The criteria required for sampling in this study are as follows:

1. Manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange.
2. Manufacturing companies in the consumer goods sector that have published annual reports along with complete financial reports for 2021-2023, intended for the completeness of data on research variables.
3. Manufacturing companies in the consumer goods sector listed on the Indonesia Stock Exchange that distribute dividends to their shareholders in 2021-2023.

The population in this study are consumer goods sector companies listed on the Indonesia Stock Exchange for the period 2021-2023, which recorded 281 companies. From a population of 281 consumer goods sector companies listed on the Indonesia Stock Exchange for 3 years, namely 2021-2023, 56 companies were obtained that met the criteria that had been determined as a consideration for selecting samples in this study.

There are several data collection techniques used in a study, including interviews, documentation, observation, and questionnaires. The data collection technique used in this research is the documentation technique. The documentation technique is a technique used to find or record data from an event or event that has passed, it can be in the form of diaries, life histories, biographies, policies (Sugiyono, 2017: 329). The reason this study uses documentation techniques is because the type of data source used in this study is a secondary data source so that data collection in this study is carried out by searching and collecting data that already exists in the annual financial statements or annual reports published by each company every year.

4. Results and Discussion

1. Research Sample

Researchers use quantitative research methods, namely research that is processed with a statistical approach. The purpose of this study is to determine the effect of profitability, liquidity, and leverage on firm value with dividend policy as a moderating variable in companies listed on the Indonesia Stock Exchange during the 2021-2023 period. The secondary data used in the study were obtained from the annual report or annual report of each company.

The population in this study are all consumer goods sector companies that have been and are still listed on the Indonesia Stock Exchange for the 2021-2023 period, totaling 56 companies. The sample selection technique uses a purposive sampling method, namely sampling based on certain criteria. Based on the predetermined criteria, the sampling procedure is as follows:

Table 1 Sample Selection Criteria

No	Sample Criteria	Total
1	Consumer goods sector companies listed on the IDX for the period 2021-2023	281
2	Companies that do not publish annual reports consistently during the period 2021-2023.	(221)
3	Companies that do not distribute dividends	(4)
	Total sample for one year	56
	Total sample over three years	168
	Total research sample after outliers	166

Source : www.idx.co.id data processing result, 2025

Based on the results of the sampling criteria, there are 92 property & real estate sector companies listed on the IDX for the period 2019 - 2023, but there are 33 companies that do not meet the criteria used. The total sample used for 5 years amounted to 295 companies and the need for outliers for data processing amounted to 18 companies, so the total sample used for data processing for 5 years amounted to 277 companies.

2. Descriptive Statistics

Descriptive statistics provides an overview or description of the data by looking at the average value (mean), standard deviation, maximum value, and minimum value. The variables used in this study are Current Ratio, Return On Asset, Debt Equity Ratio, Total Asset Turnover as independent variables and Company Size as a moderating variable with Stock Price as the dependent variable. The results of descriptive statistical testing are as follows:

Table 2 Descriptive Statistical Analysis Results

Variable	N	Minimum	Maximum	Mean	Std. Dev
Return On Asset	166	-20,32	52,88	8,9225	8,01124

Debt Equity Ratio	166	4,61	1903,07	104,8901	179,93560
Current Ratio	166	49,04	1330,95	254,4254	211,42503
Dividend Payout Ratio	166	-6,67	11,76	0,7823	1,62161
Price To Book Value	166	0,16	245,29	4,9048	19,80247
Valid N (listwise)	166				

Source: SPSS Data Processing Results, 2025

Based on the results of descriptive statistical analysis in the table, it shows that the amount of data or N in this study is 166 samples in the form of financial reports published by consumer goods sector companies in the period 2021-2023 consecutively.

Return On Asset (ROA) has a maximum value obtained from PT Cisadane Sawit Raya Tbk (CSRA) in 2022 of 52.88, while the minimum value is obtained from PT Kino Indonesia Tbk (KINO) in 2022 of -20.32,. The mean value of the Return On Asset (ROA) variable is 8.9225 and the standard deviation has a value of 8.01124.

Debt Equity Ratio (DER) variable has a maximum value obtained from PT Matahari Department Store Tbk (LPPF) in 2023 of 1903.07, while the minimum value obtained from PT Eastparc Hotel Tbk (EAST) in 2023 is 4.61. The mean value of the Debt Equity Ratio (DER) is 104.8901 and the standard deviation has a value of 179.93560.

Current ratio (CR) variable obtained from PT Campina Ice Cream Industry Tbk (CAMP) in 2021 amounted to 1330.95, while the minimum value was obtained from PT Matahari Department Store Tbk (LPPF) in 2023 of 49.04. The current ratio (CR) variable has a mean value of 254.4254 and a standard deviation value of 211.42503.

Dividend Payout Ratio (DPR) variable has a maximum value obtained from PT Indo Kordsa Tbk (BRAM) in 2023 of 11.76, while the minimum value obtained from PT Buyung Poetra Sembada Tbk (HOKI) in 2023 is -6.67. The mean value of the Dividend Payout Ratio (DPR) is 0.7823 and the standard deviation has a value of 1.62161.

Price to Book Value (PBV) variable has a maximum value obtained from PT Indomobil Sukses Internasional Tbk (IMAS) in 2022 of 245.29, while the minimum value obtained from PT Erajaya Swasembada Tbk (ERAA) in 2023 of 0.16. The mean value of Price to Book Value (PBV) is 4.9048 and the standard deviation has a value of 19.80247.

3. Classic Assumption Test
Normality Test
The normality test is said to be normal if the p-value (Asymp.Sig) is more than 5% or more than 0.05. This test using the One Sample Kolmogorov-Smirnov Test was declared not passed because the p-value was less than 0.05. The normality test is then carried out using the Central Limit Theorem (CLT) assumption, namely if n is greater than 30 or the total data studied is more than 30, the data results are closer to normal.

This study uses data totaling 168 before outliers and totaling 166 after outliers, with this amount it can be said that if the amount of data exceeds 30, then this indicates that the data studied can be said to be normal.

Heteroscedasticity Test
The first test of heteroscedasticity is done using the park test which shows a significant value of less than 0.05 so that data testing with the park test is declared not passed. The second test of heteroscedasticity uses the Glejser test, where if the significance value is < 0.05 then

heteroscedasticity occurs, but if the significance value is > 0.05 then heteroscedasticity does not occur.

Table 3 Heteroscedasticity Test Results

Variable	Sig. (2-tailed)	Description
Return On Asset	0,680	No Heteroscedasticity Occurs
Debt Equity Ratio	0,077	No Heteroscedasticity Occurs
Current Ratio	0,494	No Heteroscedasticity Occurs
Dividend Payout Ratio	0,886	No Heteroscedasticity Occurs

Source: SPSS Data Processing Results, 2025

Based on the table, the test results show that all independent variables have a significance value of more than 0.05 (Return On Asset of 0.680; Debt Equity Ratio of 0.077; Current Ratio of 0.494; and Dividend Payout Ratio of 0.886 so it can be concluded that in this study all independent variables are free from heteroscedasticity problems.

Autocorrelation Test
The autocorrelation test aims to determine whether or not there is a correlation or deviation from the classic assumption of autocorrelation between residuals at the time of other observations in a linear regression model. The Durbin-Watson (DW) method is used in the autocorrelation test in this study. The following are the results of the Durbin-Watson (DW) test for this research data:

Table 4 Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0,206[a]	0,043	0,019	19,61548	2,042

Source: SPSS Data Processing Results ,2025

Based on the table above, it shows that dU < d < 4-dU or 1.7957 < 2.042 < 2.2043, it can be concluded that this research data does not occur autocorrelation. This absence of autocorrelation indicates that the residuals between observations are random and not related to each other. This means that the predictions generated by the regression model are not influenced by repeated patterns or relationships between observations, so that the validity of the model can be maintained. This is very important because classical regression assumptions require residuals to be independent. In the absence of autocorrelation problems, regression results can be relied upon and used to accurately test inter-variable relationships.

Multicolinearity Test
The multicolinearity test is used to determine whether there is a correlation between the independent variables in a regression model. VIF and Tolerance values are used to determine the presence or absence of multicollinearity. If the VIF value < 10 and the Tolerance

value> 0.1 then there is no multicolinearity and vice versa. The multicolinearity test results are as follows:

Table 5 Multicolinearity Test Results

Variable	Tolerance	VIF	Description
Return On Asset	0,984	1,017	No Multicollinearity Occurs
Debt Equity Ratio	0,891	1,122	No Multicollinearity Occurs
Current Ratio	0,890	1,123	No Multicollinearity Occurs
Dividend Payout Ratio	0,994	1,006	No Multicollinearity Occurs

Source: SPSS Data Processing Results, 2025

Based on the table, it shows that successively the Return On Asset, Debt Equity Ratio, Current Ratio, and Dividend Payout Ratio variables have a Tolerance value of 0.984; 0.891; 0.890; and 0.994, all of which are > 0.10 and a VIF value of 1.017; 1.112; 1.123; and 1.006, all of which are < 10. From this explanation, it can be concluded that there is no multicollinearity.

Multiple linear regression analysis

Multiple linear regression analysis was performed to prove the effect of the independent variable on the dependent variable. The results of multiple linear regression conducted using the SPSS program can be explained as follows:

Table 6 Multiple Linear Regression Test Model 1

	Unstandardized	Coefficients	Standardized Coefficients		
	B	Std.Error	Beta	t	Sig.
(Constant)	3,348	3,167		1,057	0,292
Return On Asset	0,210	0,192	0,085	1,095	0,275
Debt Equity Ratio	0,015	0,009	0,136	1,669	0,097
Current Ratio	-0,007	0,008	-0,079	-0,970	0,333

Dependent Variable: Price Book Value

Table 7 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,197[a]	0,039	0,021	19,59483

Predictors: (Constant), Return On Asset, Debt Equity Ratio, Current Ratio

It is known that the R Square value of 0.039 means that the influence of the Return On Asset, Debt Equity Ratio and Current Ratio variables on the company value variable is 3.9%.

Table 8 Multiple Linear Regression Test Model 2

	Unstandardized Coefficients		Standardized Coefficients		
	B	**Std.Error**	**Beta**	**t**	**Sig.**
(Constant)	3,809	0,377		10,099	0,000
Return On Asset	-0,13	0,028	-0,005	-0,475	0,636
Debt Equity Ratio	-0,20	0,001	-0,183	-13,436	0,000
Current Ratio	-0,10	0,001	-0,109	-11,994	0,000
Dividend Payout Ratio	-0,115	0,115	-0,009	-1,004	0,317
X1M	-0,004	0,001	-0,041	-2,497	0,014
X2M	0,002	0,000	0,646	27,589	0,000
X3M	0,005	0,000	0,467	18,480	0,000

Dependent Variable: Price Book Value

Coefficient of Determination

Table 9 Determination Coefficient Test Results

R	**R Square**	**Adjusted R Square**	**Std, Error of the Estimate**
0,995[a]	0,990	0,989	2,07112

Source: SPSS Data Processing Results, 2025

It is known that the R Square value of 0.990 means that the influence of the Return On Asset, Debt Equity Ratio and Current Ratio variables on the company value (PBV) variable after the moderation variable of dividend policy (DPR) is 99%.

Hypothesis Test (T Test)

The t test is used to determine the effect of the independent variable on the dependent variable. The criterion for the t test is that if the significance value of t ≥ 0.05, then the hypothesis set is rejected, otherwise if the significance value of t ≤ 0.05, then the hypothesis set is accepted. The interpretation of the t test contained in table 6 is as follows:

1. It is known that the significance value of the Return On Asset variable is 0.275 (>0.05), so it concludes that the Return On Asset variable has no significant effect on the company value variable (PBV).
2. It is known that the significance value of the Debt Equity Ratio variable is 0.097 (>0.05), so it concludes that the Debt Equity Ratio variable has no significant effect on the company value variable (PBV).
3. It is known that the significance value of the Current Ratio variable is 0.333 (>0.05), so it concludes that the Current Ratio variable has no significant effect on the company value variable (PBV).

The results of the interpretation of the t test contained in table 8 are as follows:

1. It is known that the significance value of the interaction variable between the Return On Asset variable and the dividend policy (DPR) is 0.014 (<0.05), it is concluded that the dividend policy variable (DPR) is able to moderate the effect of the Return On Asset variable on firm value (PBV).

2. It is known that the significance value of the interaction variable between the Debt Equity Ratio variable and the dividend policy (DPR) is 0.000 (<0.05), it is concluded that the dividend policy variable (DPR) is able to moderate the effect of the Debt Equity Ratio variable on firm value (PBV).

3. It is known that the significance value of the interaction variable between the Current Ratio variable and the dividend policy (DPR) is 0.000 (<0.05), it is concluded that the dividend policy variable (DPR) is able to moderate the effect of the Current Ratio variable on firm value (PBV).

4. Discussion

This study was conducted to determine the effect of profitability, liquidity, and leverage (Return On Asset, Current Ratio, Debt Equity Ratio) on firm value (Price to Book Value) with dividend policy (Dividend Payout Ratio) as a moderating variable in energy sector companies listed on the IDX 2021-2023.

Effect of Profitability (Return On Asset) on Firm Value

The test results for the first hypothesis (H1) obtained a t-count value of 1.095 and a significance value of 0.275. The significance result is 0.275 > 0.05 so it can be concluded that profitability has no significant effect on firm value.

Effect of Liquidity (Current Ratio) on Firm Value

The test results for the second hypothesis (H2) obtained a t-count value of -0.970 and a significance value of 0.333. The significance result of 0.333 > 0.05 so it can be concluded that liquidity has no significant effect on firm value.

Effect of Leverage (Debt Equity Ratio) on Firm Value

The test results for the third hypothesis (H3) obtained a t-count value of 1.669 and a significance value of 0.097. The significance result of 0.097 > 0.05 so it can be concluded that liquidity has no significant effect on firm value.

The Effect of Dividend Policy in Moderating Profitability (Return On Asset) on Firm Value

The test results for the fourth hypothesis (H4) obtained a t-count value of -2.497 and a significance value of 0.014. The significance result of 0.014 < 0.05 so it can be concluded that dividend policy has a significant effect in moderating the effect of profitability on firm value.

The Effect of Dividend Policy in Moderating Liquidity (Current Ratio) on Firm Value

The test results for the fifth hypothesis (H5) obtained a t-count value of 27.589 and a significance value of 0.000. The significance result of 0.000 < 0.05 so it can be concluded that dividend policy has a significant effect in moderating the effect of liquidity on firm value.

The Effect of Dividend Policy in Moderating Leverage (Debt Equity Ratio) on Firm Value

The test results for the sixth hypothesis (H6) obtained a t-count value of 18.480 and a significance value of 0.000. The significance result of 0.000 < 0.05 so it can be concluded that dividend policy has a significant effect in moderating the effect of leverage on firm value.

5. Conclusion

Based on the results of the research that has been discussed, it can be concluded that:

1. The results showed that profitability has no significant effect on firm value so that H1 is rejected. This shows that the company's profitability performance, as measured by ROA, is not the main factor influencing stock price movements in consumer goods sector companies.
2. The results showed that liquidity has no significant effect on firm value so that H2 is rejected. A high Current Ratio can reflect smooth operations and higher profit potential, which in turn can attract investor interest.
3. The results showed that leverage has no significant effect on firm value so that H3 is rejected. Investors tend not to consider DER as a major factor in investment decisions.
4. The results showed that dividend policy has a positive influence and can moderate the effect of profitability on firm value so that H4 is accepted. These results can be interpreted that the higher the dividend policy caused by the higher profitability tends to increase the value of the company.
5. The results showed that dividend policy has a positive influence and can moderate the effect of liquidity on firm value so that H5 is accepted. These results can be interpreted that the higher the dividend policy caused by the higher liquidity tends to increase the value of the company.
6. The results showed that dividend policy has a positive influence and can moderate the effect of leverage on firm value so that H6 is accepted. Leverage refers to the use of debt to finance assets, which can have a positive or negative impact on firm value depending on how the company manages its debt.

6. Suggestion

Based on the research results and conclusions that have been obtained, the following are some suggestions that are expected to be useful for company management, investors, and further researchers, among others:

1. For company management, it is expected to pay more attention to factors that can affect dividend policy and firm value, especially regarding company profitability and liquidity because these factors can determine investors' views on the proportion of dividend policy and whether or not the company's value is good, and can increase investor confidence in investing in the company.
2. For investors, it is hoped that before deciding to invest, investors also need to pay attention to other factors that can affect dividend policy and firm value besides the variables used and discussed in this study, for example the current economic conditions.
3. For future researchers, it is expected to conduct similar research but in other sectors with a more diverse sample size and a longer research year period so as to strengthen the results of previously conducted studies. Future research is also expected to add other variables that can affect dividend policy and firm value in order to produce more diverse findings.

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