

THE EFFECT OF PROFITABILITY, LIQUIDITY, LEVERAGE, AND COMPANY SIZE ON FIRM VALUE WITH DIVIDEND POLICY AS A MODERATING VARIABLE

Ibarhim Bin Muhammad Firdaus¹, Fatmasari Sukesti²

^{1,2} Accounting Program, Faculty of Economics and Business, Muhammadiyah University of Semarang, Semarang, Indonesia

Abstract

This study aims to examine the effects of profitability, liquidity, leverage, and firm size on firm value with dividend policy as a moderating variable. The research subjects are companies in the food and beverage sector for the period 2022–2024. This study employs a quantitative approach using secondary data in the form of annual financial statements. The sampling technique used is purposive sampling. Data analysis was conducted using multiple linear regression and Moderated Regression Analysis (MRA). The results indicate that profitability and liquidity have a significant positive effect on firm value. Leverage does not have a significant effect on firm value. Firm size has a significant negative effect on firm value. Dividend policy does not strengthen or weaken the effects of profitability, liquidity, leverage, and firm size on firm value.

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

Article Information

Received: April 2026

Revised: Mei 2026

Accepted: Mei 2026

*Corresponding Author:
fatmasari@unimus.ac.id

INTRODUCTION

Enterprise value can serve as a primary benchmark for assessing how the market views an entity's performance, growth potential, and financial condition. The higher the enterprise value, the greater the level of investor confidence in the company's sustainability and prospects. In the context of increasingly dynamic business competition, every company naturally wants to appear attractive to investors, from maintaining profits and managing finances well to determining the right policies. Therefore, a comprehensive understanding of the factors that influence corporate value is a crucial aspect for management in formulating effective strategies to enhance market confidence.

Company valuations, as reflected in stock price movements in the market, indicate potential investment opportunities. A notable phenomenon in the valuation of companies within the food and beverage (F&B) sector is the drastic rise and fall of stock prices. This situation indicates that stock price movements in the Food and Beverage (F&B) sector are

relatively sensitive to various influencing factors. Furthermore, these fluctuations also demonstrate that investors still view this sector as having significant dynamism.

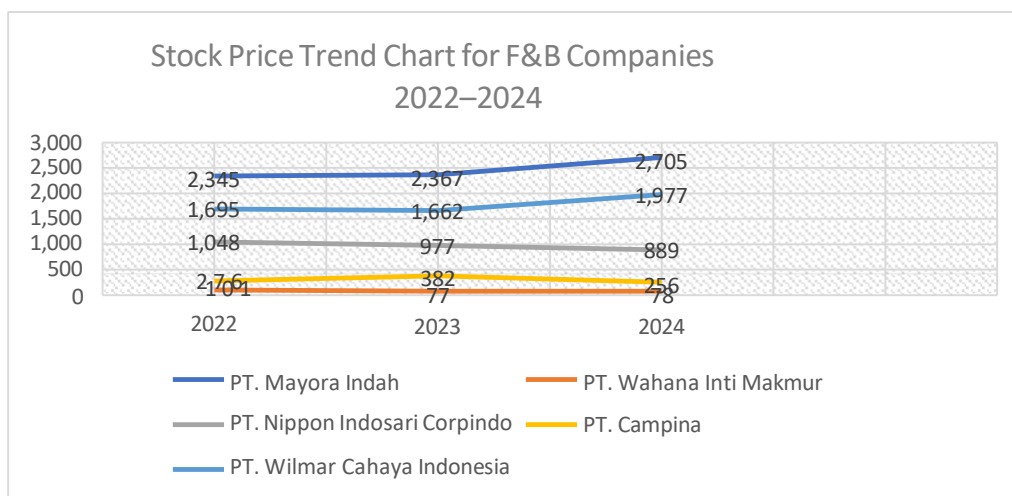


Figure 1.1 Stock Price Trend Chart for F&B Companies, 2022–2024

Based on the stock price trend chart for F&B companies for 2022–2024, it is evident that each company has a distinct value trajectory. Consequently, stock price movements that reflect a company's value are determined by various fundamental factors that reflect the company's financial and operational conditions. Various studies have examined the influence of profitability, liquidity, leverage, and firm size on firm value. These studies are relevant for providing a deeper understanding of the factors that play a role in enhancing firm value within the F&B sector in Indonesia.

Profitability describes a company's ability to generate profits through the utilization of sales, assets, and capital (Sagita et al., 2023). According to Sarimin & Oktari (2023), profitability is an indicator reflecting a company's success in generating profits. A high level of profitability indicates the company's ability to maximize profits.

Liquidity reflects a company's ability to meet its short-term obligations. A high liquidity ratio indicates increasingly sound financial health as the company has the ability to settle short-term debts. This indicates that the company's assets are current or easily liquidated, thereby enhancing investor confidence in the company's ability to pay dividends (Sari & Purbowati, 2023).

Leverage refers to a company's ability to optimize debt or loan funds to increase profits. Leverage can also serve as a variable influencing firm value; as the leverage ratio increases, the firm's value rises accordingly. This perspective aligns with the findings of a previous study by Sari & Purbowati (2023), which demonstrated that leverage has a positive and significant impact on firm value. The leverage ratio illustrates the proportion of a company's funding derived from debt relative to total assets; thus, a high leverage level in a company with substantial assets may influence investors' caution when making investment decisions.

Company size reflects the scale of a company, which can be measured by sales volume, equity, or total assets (Darmayanti, 2019). Research by Aldi et al. (2020) found that company size has a positive effect on firm value. This is because company size reflects the company's scale, as evidenced by its total assets. Large-scale companies are generally perceived to have good operational performance and stable financial conditions, thereby attracting investor interest and leading to an increase in firm value. Dividend policy is often used as a moderating variable influencing the relationship between profitability, liquidity, leverage, and firm size with

firm value due to its strategic role in shaping investor perceptions. Dividends serve as a means of conveying information or signals to investors regarding the company's the company.

A company's of the company to distribute dividends on a consistent basis reflects financial stability and strong performance, thereby strengthening the link between profitability and corporate value. Additionally, dividend policy plays a role in influencing investors' perceptions of the risk associated with a company's liquidity and leverage, as companies with adequate liquidity and a well-managed debt structure that continue to pay dividends tend to be viewed more favorably by the market, whereas dividends that do not align with the company's financial condition may creates a negative perception.

THEORETICAL FOUNDATION AND HYPOTHESIS DEVELOPMENT

Signaling Theory

Signaling *Theory* is a concept in information economics that explains how the party with more information (*the informed party*) can send signals to the party with less information (*the uninformed party*) to reduce information asymmetry (Spence, 1973). *Signaling theory* highlights the importance of information symmetry between managers and investors, as managers generally possess information that provides a more comprehensive picture of the company's condition compared to what is available to shareholders and investors. Thus, when the company's condition is favorable, this information can be interpreted as a positive signal reflecting the company's prospects for investors (Wijaya and Viriany, 2021).

Based on these fundamental principles, it can be said that *signaling theory* serves to provide information to stakeholders such as investors, company executives, and potential investors. This theory is important because a company's information can be used as a basis for investment decisions by external parties. In a study (Santosa, 2022), *signaling theory* states that high-quality companies, whether directly or indirectly, will send positive signals to the market. These signals are needed by external parties to assess the company's growth prospects, and to evaluate the company so that this information can be considered by investors before making an investment.

Company Value

Corporate value reflects the level of prosperity for its owners and shareholders. Sari & Purbowati (2023) state that a company's value reflects certain agreed-upon conditions, including public trust in it. Meanwhile, corporate value reflects investors' assessment of management's ability to manage entrusted resources, which is generally linked to stock prices.

Profitability

Profitability is a company's ability to generate profits at a given level of sales, assets, and equity (Sagita et al., 2023). According to Sarimin & Oktari (2023), profitability refers to a measure that reflects how effectively a company generates profits. Profitability plays a role in the valuation of a company; the higher a company's profitability, the greater its value.

Liquidity

Liquidity describes a company's capacity to meet its short-term obligations. The higher the liquidity level, the better the company's financial condition, as it indicates the company's ability to pay short-term debts on time (Darmayanti, 2019). From the perspective of signaling theory, this condition serves as a positive signal to investors that the company is in sound financial health and is well-managed.

Leverage

Leverage refers to the amount of debt a company uses to finance the management of its assets (Anggraeni & Sulhan, 2020). *Leverage* reflects a company's capacity to increase its profits by utilizing external funding sources (Arifin & Fitriana, 2022). Information regarding the *leverage* ratio can be viewed by investors as a signal to assess the company's ability to manage financial risks and ensure the sustainability of its operations.

Company Size

Company size is defined as the scale of a company, which can be observed or measured by the value of total assets, investments, capital turnover, production equipment, number of employees, extent of the business network, market share, production output, value added, and taxes paid (Aldi et al., 2020). Company size reflects the total assets owned by the company. Company size can be described in terms of how large or small a company is, which can be illustrated by the company's total assets, sales volume, average sales, and market capitalization (Sagita et al., 2023).

Dividend Policy

Dividend policy is often used as a moderating variable that influences the relationship between profitability, liquidity, leverage, and firm size with firm value due to its strategic role in influencing investor perception. Dividends serve as a means of conveying information or signals to investors regarding the company's condition. A company's ability to consistently pay dividends reflects stability and sound financial performance, thereby strengthening the relationship between profitability and firm value. Furthermore, dividend policy also plays a role in influencing investor perceptions of the risk associated with a company's liquidity and leverage, as companies with adequate liquidity and a controlled debt structure that continue to pay dividends tend to be viewed more favorably by the market, whereas dividends that do not align with financial conditions can lead to negative perceptions.

In this study, dividend policy serves as a moderating variable in the relationship between profitability and firm value; when a firm's profitability ratios are high and supported by a clear dividend policy, this enhances its appeal to investors. This view is supported by research conducted by Anggraeni & Sulhan (2020). Dividend policy is also used as a moderating variable in the relationship between liquidity and firm value; when a firm's liquidity ratio increases and is combined with a clear dividend policy, this encourages investors to invest in the firm, and the consistent implementation of a dividend policy can serve as a positive signal to them that the firm's financial condition is stable and capable of providing returns to shareholders. Dividend policy also acts as a moderating variable in the relationship between leverage and firm value; when a firm increases its leverage ratio combined with a dividend policy, this encourages investors to invest their capital in the firm. This line of thinking is supported by research conducted by Arifin & Fitriana (2022). Dividend policy also acts as a moderating variable in the relationship between firm size and firm value; when a firm is large but has a low dividend payout ratio, this can weaken the firm's value in the eyes of investors. This indicates that even though a company is large, it does not necessarily ensure high firm value if the company is unable to provide dividend distributions that meet investor expectations.

The Effect of Profitability on Firm Value

Profitability refers to a company's ability to generate profits from its operations. Profitability can be measured using profitability ratios such as return on assets (ROA) and

return on equity (ROE). Return on assets (ROA) is used to measure a company's ability to generate profits by utilizing its assets (Sari & Purbowati, 2023). According to signaling theory, profitability is one of the strongest signals capable of indicating a company's internal condition to investors. When a company is able to record high and stable profits, this serves as a positive signal that management can manage assets efficiently and has a promising outlook for the future.

According to research conducted by Darmayanti (2019), the profitability variable has a significant positive effect on firm value. These results align with research conducted by Sagita et al. (2023), who also found that profitability has a positive effect on firm value. Research conducted by Aldi et al. (2020) also supports the results of previous studies stating that profitability has a positive influence on firm value; therefore, the hypothesis of this study is:

H_1 : Profitability has a positive and significant effect on firm value.

The Effect of Liquidity on Firm Value

Liquidity refers to a company's ability to pay its short-term liabilities or debts (Aldi et al., 2020). Liquidity can be measured using liquidity ratios such as the current ratio and quick ratio. Low liquidity can reduce a company's value. According to signaling theory, liquidity serves as an indicator of a company's ability to meet its short-term obligations. When a company has good liquidity, it signals to investors that the company has stable and secure financial conditions, is not experiencing cash flow difficulties, and is capable of running its operations smoothly. This positive signal makes the company appear more stable and well-managed.

Research conducted by Darmayanti (2019) states that liquidity has a significant positive effect on a company's value. These results align with research conducted by Anggraeni & Sulhan (2020), which also indicates that liquidity has a significant positive effect on a company's value. Based on existing research, the hypothesis regarding the liquidity variable is:

H_2 : Liquidity has a positive and significant effect on firm value

The Effect of Leverage on Firm Value

Leverage refers to a company's use of assets and funding sources obtained from third parties or creditors that entail fixed costs (fixed expenses) borne by the company, with the aim of increasing potential returns for shareholders (Aldi et al., 2020). In this study, leverage is proxied by the Debt-to-Equity Ratio (DER). From the perspective of signaling theory, leverage can provide important signals regarding the firm's capital structure and management's confidence in the company's future performance. When a firm uses debt in a measured manner, this can be interpreted as a signal that management is confident in managing the debt burden through adequate cash flow and profitability.

Research conducted by Sari & Purbowati (2023) indicates that the leverage variable has a positive effect on firm value. The results of this study are consistent with the research conducted by Aldi et al. (2020), which also found that leverage has a significant positive effect on firm value. Referring to existing research, the hypothesis regarding the leverage variable is:

H_3 : Leverage has a positive and significant effect on firm value

The Effect of Firm Size on Firm Value

Company size is categorized into large firms, medium-sized firms, and small firms. Company size is defined as the scale of a firm, which can be observed or measured by the magnitude of total assets, investments, capital turnover, production equipment, number of

employees, business network reach, market share, production output, value added, and taxes paid (Aldi et al., 2020). According to signaling theory, company size is often viewed as an early signal reflecting operational capacity and stability. However, companies of increasing size are not always met with a positive response from the market. A large company scale can create the perception of high operational complexity, more intricate bureaucracy, and potential inefficiencies in resource management. These conditions can reduce a company's flexibility in adapting to a dynamic business environment.

Research conducted by Fajriah & Idris (2022) indicates that firm size has a negative effect on firm value. These findings are consistent with the results of the study by Fajriah & Idris (2022), which found that firm size has a significant negative effect on firm value. Based on existing research, the hypothesis regarding the firm size variable is:

H_4 : Firm size has a significant negative effect on firm value.

Dividend policy as a moderating variable between the effect of profitability on firm value

Dividend policy refers to the determination of how much of the profit should be paid to shareholders and how much should be reinvested in the company (Aldi et al., 2020). In this study, dividend policy is measured using the Dividend Payout Ratio (DPR) because this indicator is considered the most appropriate for assessing whether management exhibits opportunistic tendencies. According to Signaling Theory, the market interprets dividend payments as forward-looking signals. By increasing dividend payments, investors can predict that the profits the company will generate will continue and increase (Riki et al., 2022).

Research conducted by Anggraeni & Sulhan (2020) suggests that dividend policy can moderate the relationship by strengthening the influence between profitability and firm value. Referring to existing research, the hypothesis regarding the influence of profitability on firm value, with dividend policy as a moderating variable, is:

H_5 : Dividend policy can strengthen the effect of profitability on firm value

Dividend policy as a moderating variable between the effect of liquidity on firm value

Dividend policy refers to the determination of how much of the profit should be paid out to shareholders and how much should be reinvested in the company (Aldi et al., 2020). In this study, dividend policy is measured using the Dividend Payout Ratio (DPR) because this indicator is considered the most appropriate for assessing whether management exhibits opportunistic tendencies. Through the DPR, we can determine how much of the profit is distributed to shareholders as dividends and how much is retained within the company. According to Signaling Theory, an above-average increase in dividends typically signals to shareholders that company management anticipates promising returns in the future. It is believed that when dividends rise, so do stock prices. Dividends (Riki et al., 2022).

Research conducted by Arifin & Fitriana (2022) suggests that dividend policy can moderate the relationship by weakening the influence of liquidity on firm value. This view is supported by research conducted by (Aldi et al., 2020), which indicates that dividend policy can weaken the relationship between liquidity and firm value. Based on existing research, the hypothesis regarding the effect of liquidity on firm value with dividend policy as a moderating variable is:

H_6 : Dividend policy can weaken the relationship between liquidity and firm value.

Dividend policy as a moderating variable in the relationship between leverage and firm value

Dividend policy refers to the determination of how much of the profit should be paid to shareholders and how much should be reinvested in the company (Aldi et al., 2020). Based on Signaling Theory, an increase in dividends reflects that the company can maximize the returns on its debt to increase corporate profits. In this way, the company can create a positive impression among investors. Research conducted by Arifin & Fitriana (2022) suggests that dividend policy can moderate by strengthening the relationship between leverage and firm value. Drawing on existing research, the hypothesis regarding the effect of leverage on firm value with dividend policy as a moderating variable is:

H_7 : Dividend policy strengthens the relationship between leverage and firm value.

Dividend policy as a moderating variable between the effect of firm size on firm value

Dividend policy refers to the determination of how much of the profit should be paid out to shareholders and how much should be reinvested in the company (Aldi et al., 2020). In this study, dividend policy is measured using the Dividend Payout Ratio (DPR) because this indicator is considered the most appropriate for assessing whether management exhibits opportunistic tendencies. Through the DPR, we can determine how much of the profit is distributed to shareholders as dividends and how much is retained within the company.

According to Signaling Theory, a continuous increase in dividends may indicate that the company is growing more successfully. A company's growth can send a positive signal to investors. Research conducted by Areta & Setijaningsih (2024) suggests that dividend policy can moderate the relationship by strengthening the influence between firm size and firm value. Referring to existing research, the hypothesis regarding the influence of firm size on firm value with dividend policy as a moderating variable is:

H_8 : Dividend policy strengthens the relationship between firm size and firm value.

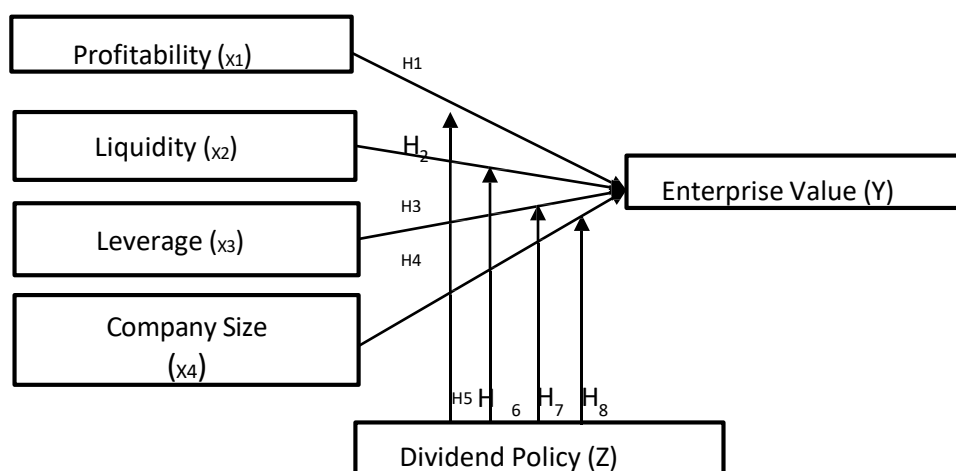


Figure 2

Conceptual Framework

RESEARCH METHODOLOGY

This study utilizes secondary data, which is publicly available data accessible through various sources such as records, reports, websites, and so on. The data sources for this study are derived from the financial reports of companies operating in the food and beverage (F&B) sector and listed on the Indonesia Stock Exchange (IDX) for the period from 2022 to 2024. The data was obtained from the IDX's official website, www.idx.co.id, as well as from annual reports uploaded by each company via its official website.

This study employs the documentary method as a technique to obtain data related to the variables under investigation. Data were collected from the financial statements of F&B (Food and Beverage) companies obtained from the official website of the Indonesia Stock Exchange (IDX) as well as annual reports published on each company's official website for the period from 2022 to 2024.

This study employed data analysis methods including descriptive statistics, classical assumption tests, and hypothesis testing using multiple regression analysis. In this study, the researcher utilized Statistical Product and Service Solutions (SPSS) version 21 and Microsoft Office Excel version 2013 as tools to analyze the data and test the hypotheses.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 1
Results of Descriptive Statistical Analysis

Variable	N	Minimum	Maximum	Mean	Standard Deviation
Profitability	99	-0.15	.51	.0524	.09040
Liquidity	99	.05	9.40	2.2172	1.86086
Leverage	99	-3.31	1,285.00	14.1599	129.03537
Company Size	99	6,653.00	29,808.00	16,762.9091	7,213.05940
Enterprise Value	99	-1.00	13.92	3.2772	2.55406
Dividend Policy	99	.00	8.46	1.6847	1.99208
Valid N (Listwise)	99				

Based on the results of descriptive statistics for 99 observations, an overview of the characteristics of each research variable was obtained. Profitability has a minimum value of -0.15 and a maximum of 0.51, with a mean of 0.0524 and a standard deviation of 0.09040. The relatively low mean value indicates that, in general, the companies' profit levels remain low; in fact, some companies incurred losses during the study period.

Liquidity has a minimum value of 0.05 and a maximum of 9.40, with a mean of 2.2172 and a standard deviation of 1.86086. A mean value above 1 indicates that, in general, companies are able to meet their short-term obligations, although there is variation among companies.

Leverage shows a minimum value of -3.31 and a maximum of 1,285.00, with an average of 14.1599 and a standard deviation of 129.03537. A standard deviation significantly larger than the average indicates very high data variation in the companies' financing structures.

Company size has a minimum value of 6,653 and a maximum of 29,808, with an average of 16,762.9091 and a standard deviation of 7,213.05940, indicating that the research sample consists of companies of varying scales.

The company's market value has a minimum of -1.00 and a maximum of 13.92, with an average of 3.2772 and a standard deviation of 2.55406. This indicates that, in general, the company has a fairly good market value, although there is variation among companies. Meanwhile, the dividend policy has a minimum value of 0.00 and a maximum of 8.46, with an average of 1.6847 and a standard deviation of 1.99208, indicating differences in dividend distribution policies among companies.

Classical Assumption

Test : Normality Test

Table 2
Normality Test Results

	Unstandardized Residual
N	99
Test Statistic	.743
Asymptotic Significance (2-tailed)	.639 ^c

Based on the results of the normality test on the unstandardized residuals, an Asymp. Sig. (2-tailed) value of 0.639 was obtained with a sample size (N) of 99. This significance value is greater than the significance level of 0.05 ($0.639 > 0.05$), so it can be concluded that the residual data are normally distributed. Thus, the normality assumption in the regression model has been met, and the data are suitable for use in further analysis

Multicollinearity Test

Table 3
Results of the
Multicollinearity Test

. Model	Collinearity Statistics	
	Tolerance	VIF
Profitability	.866	1.155
Liquidity	.812	1,231

Leverage	.995	1,005
Company Size	.752	1.330
Dividend Policy	.944	1.06

Based on the results of the multicollinearity test, it is known that all independent variables have a Tolerance value above 0.10 and a Variance Inflation Factor (VIF) value below 10. In the table above, the profitability variable has a Tolerance value of 0.866 and a VIF of 1.155; the liquidity variable has a Tolerance value of 0.812 and a VIF of 1.231; the leverage variable has a Tolerance value of 0.995 and a VIF of 1.005, the firm size variable has a Tolerance value of 0.752 and a VIF of 1.330, and the dividend policy variable has a Tolerance value of 0.944 and a VIF of 1.060. These results indicate that multicollinearity does not occur.

Heteroscedasticity Test

The heteroscedasticity test is used to determine whether there is unequal variance of the residuals in the regression model (Ghozali, 2020). If the variance of the residuals remains constant from one observation to another, it is called homoscedasticity. In this study, the Glejser test was used, as shown in the following table:

Table 4
Heteroscedasticity Test

Variable	Sig.
Profitability	.971
Liquidity	.114
Leverage	.302
Company Size	.201
Dividend Policy	.204

Based on the results of the Glejser test, it is known that the significance values of all independent variables are above 0.05. The profitability variable has a significance value of 0.971, liquidity of 0.114, leverage of 0.302, firm size of 0.201, and dividend policy of 0.204. These significance values indicate that each variable does not have a significant effect on the absolute residual value.

Thus, it can be concluded that the regression model does not exhibit heteroscedasticity, meaning the classical assumption of no heteroscedasticity is met, and the model is suitable for further analysis.

Autocorrelation Test

The autocorrelation test is intended to show or test whether, in a linear regression model, there is a correlation between the error terms (residuals) in period t and the error terms in period t-1 (the previous period) (Ghozali, 2020). This study uses the Durbin-Watson (Dw-test) to test for autocorrelation; the test results are as follows:

Table 5
Autocorrelation Test

Model	R	R	Adjust R Square	Standard Error of the Estimate	Durbin-Watson
1	.568 ^a	.322	.286	2.15838	1.358

The results of this study show that the Durbin-Watson value is 1.358, indicating that the data is autocorrelated because the dU value of 1.7799 is greater than the DW value of 1.358. Next, the Cochrane-Orcutt method was used, with the following results:

Table 6
Autocorrelation Test Using the Cochrane-Orcutt Method

Model	R	R-Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson
1	.507 ^a	.257	.217	1.97825	1.941

The results of the autocorrelation test using the Cochrane-Orcutt method show a Durbin-Watson value of 1.941. This value will be compared using a significance level of 5%, where the sample size $n = 99$ and the number of independent variables is 5 ($k = 5$), with $dL = 1.5683$ and $dU = 1.7799$. Autocorrelation does not occur if $(DU < DW < 4 - DU)$, so $(1.7799 < 1.941 < 2.2201)$, meaning there is no autocorrelation in the data from this study.

Multiple Regression Analysis (MRA)

Multiple regression analysis in this study was used to calculate the magnitude of the influence of independent variables (x), namely profitability, liquidity, leverage, and firm size, on the dependent variable (Y), namely firm value, with dividend policy as a moderating variable. In this study, multiple regression analysis was performed using SPSS 21 software, and the following results were obtained:

Table 7
MRA Regression Test Output 1

Variables	Beta	Sig.
(Constant)		.000
Profitability	.258	.006
Liquidity	.250	.010
Leverage	.005	.955
Company Size	-.426	.000
Dividend Policy	.109	.216

Based on the results of the Moderated Regression Analysis (MRA), profitability has a Beta value of 0.258 with a significance level of 0.006 (< 0.05), indicating a positive and significant effect on firm value. Liquidity also shows a positive and significant effect on firm

value with a Beta value of 0.250 and a significance level of 0.010 (<0.05). Meanwhile, leverage has no significant effect on firm value with a Beta value of 0.005 and a significance level of 0.955 (>0.05). Company size has a negative and significant effect on firm value with a Beta value of -0.426 and a significance level of 0.000 (<0.05), making it the most dominant variable in influencing firm value. As for dividend policy, it does not have a significant effect on firm value with a Beta value of 0.109 and a significance level of 0.216 (>0.05).

Table 8
MRA Regression Test Output 2

Variable	Beta	Sig.
(Constant)		.000
Profitability	.333	.011
Liquidity	.270	.025
Leverage	.009	.915
Company Size	-.294	.018
Dividend Policy	.569	.009
Profitability * Dividend Policy	-.102	.455
Liquidity * Dividend Policy	-.072	.639
Leverage * Dividend Policy	-17,004	.108
Company Size * Dividend Policy	-.417	.073

Based on the results of the Moderated Regression Analysis (MRA), profitability has a positive and significant effect on firm value with a Beta value of 0.333 and a significance level of 0.011 (<0.05). Liquidity also shows a positive and significant effect on firm value with a Beta of 0.270 and a significance level of 0.025 (<0.05). Conversely, leverage has no significant effect on firm value with a Beta of 0.009 and a significance level of 0.915 (>0.05). Firm size has a negative and significant effect on firm value with a Beta of -0.294 and a significance level of 0.018 (<0.05). Meanwhile, dividend policy has a positive and significant effect on firm value with a Beta of 0.569 and a significance level of 0.009 (<0.05).

However, all interaction terms between dividend policy and the independent variables showed significance levels above 0.05; thus, dividend policy was unable to moderate the relationship between profitability, liquidity, leverage, and firm size on firm value. Consequently, in this study, dividend policy functions solely as an independent variable that directly influences firm value.

Hypothesis Testing

Simultaneous Significance Test (F-Test)

The F-test is used to assess the validity of the regression model in explaining the relationship between independent and dependent variables. According to Ghazali (2018), this test aims to determine whether all independent variables can simultaneously explain the dependent variable. The research model is considered valid if the significance level of the F-test is less than 0.05, meaning the regression model can be used to predict firm value.

Table 9
Simultaneous Significance F-Test (F-Statistic Test) in MRA Regression Output 1

F	Sig	Conclusion
8.845	.000 ^b	Meets the <i>goodness-of-fit</i> <i>test</i>

Based on the results of the simultaneous significance test (F-test), the calculated F-value was 8.845 with a significance level of 0.000 (<0.05). This indicates that the variables of profitability, liquidity, leverage, firm size, and dividend policy simultaneously have a significant effect on firm value. Thus, the regression model used meets the goodness-of-fit criteria and is suitable for analyzing the influence of these variables on firm value.

Table 10
Simultaneous Significance F-Test (F-Statistic Test) in MRA Regression Output 2

F	Sig	Conclusion
2.903	.026 ^b	Meets the <i>goodness of fit</i>

Based on the results of the simultaneous significance test (F-test) in the Moderated Regression Analysis (MRA) model, the calculated F-value was 2.903 with a significance level of 0.026 (<0.05). These results indicate that the variables of profitability, liquidity, leverage, firm size, dividend policy, as well as the interaction between dividend policy and each independent variable simultaneously have a significant effect on firm value. Thus, the MRA regression model meets the goodness-of-fit criteria and is therefore suitable for analyzing both the direct and moderating effects of dividend policy on firm value.

Partial Significance Test (t-Test)

Table 11
Partial Significance Test (t-Test)

Variable	B	t	Sig.	Conclusion
Profitability	.258	2,807	.006	Hypothesis Accepted
Liquidity	.250	2,639	.010	Hypothesis Accepted
Leverage	.005	.057	.955	Hypothesis Rejected
Size Company	-.426	-4.329	.000	Hypothesis Accepted
Policy Dividend	.109	1,245	.216	Hypothesis Rejected

Based on the results of the t-test (partial significance test), profitability has a coefficient of 0.258 with a t-value of 2.807 and a significance level of 0.006 (<0.05), indicating a positive and significant effect on firm value. Liquidity also shows a positive and significant effect on firm value with a coefficient of 0.250, a t-value of 2.639, and a significance level of 0.010 (<0.05). Conversely, leverage does not have a significant effect on firm value with a coefficient of 0.005, a t-value of 0.057, and a significance level of 0.955 (>0.05). Meanwhile, firm size has a negative and significant effect on firm value with a coefficient of -0.426, a t-value of -4.329, and a significance level of 0.000 (<0.05). These results indicate that not all independent variables have a partial effect on firm value.

Table 12
Partial Significance Test (t-Test) on Output 2

Variable	B	t	Sig.	Conclusion
Profitability	.333	2,613	.011	Hypothesis Accepted
Liquidity	.270	2,276	.025	Hypothesis Accepted
Leverage	.009	.107	.915	Hypothesis Rejected
Company Size	-.294	-2.406	.018	Hypothesis Accepted
Profitability * Policy Dividend	-.102	-.750	.455	Hypothesis Rejected
Liquidity * Policy Dividends	-.072	-.471	.639	Hypothesis Rejected
Leverage * Policy Dividend	-17,004 ^b	-1,626	.108	Hypothesis Rejected
Company Size * Dividend Policy	-.417	-1.814	.073	Hypothesis Rejected

Based on the t-test results in the moderation regression model, profitability has a coefficient of 0.333 with a t-value of 2.613 and a significance level of 0.011 (<0.05), indicating a positive and significant effect on firm value. Liquidity also has a positive and significant effect on firm value with a coefficient of 0.270, a t-value of 2.276, and a significance level of 0.025 (<0.05). Conversely, leverage does not have a significant effect on firm value with a coefficient of 0.009, a t-value of 0.107, and a significance level of 0.915 (>0.05). Meanwhile, firm size has a negative and significant effect on firm value with a coefficient of -0.294, a t-value of -2.406, and a significance level of 0.018 (<0.05).

Furthermore, all interaction terms between dividend policy and each independent variable showed significance levels above 0.05, indicating that dividend policy fails to moderate the relationship between profitability, liquidity, leverage, and firm size on firm value.

Coefficient of Determination Test

Table 13
Coefficient of Determination Test for Output 1

R	R-Square	Adjusted R-Square	Standard Error of the Estimate
.568 ^a	.322	.286	2.15838

Given that the R-square value is 0.322 or 32.2%, it can be concluded that the influence of the independent variable on the company's value (Y) is 0.322 or 32.2%.

Table 14
Coefficient of Determination Test for Output 2

R	R-Square	Adjusted R-Square	Standard Error of the Estimate
.603 ^a	.363	.306	2.12710

Given that the R-square value is 0.363 or 36.3%, it can be concluded that the influence of the independent variable on the company's value (Y) is 0.363 or 36.3%.

CONCLUSION

Based on the results of the analysis and tests conducted, it can be concluded that profitability and liquidity have a positive and significant effect on firm value, indicating that a company's ability to generate profits and meet its short-term obligations can enhance investor confidence and lead to an increase in firm value. Conversely, leverage does not have a significant effect on firm value, indicating that the level of debt usage is not a primary consideration for investors in evaluating a firm. Meanwhile, firm size has a negative and significant effect on firm value, suggesting that an increase in firm scale does not always lead to an increase in firm value.

Furthermore, the research results also show that dividend policy fails to moderate the relationship between profitability, liquidity, leverage, and firm size on firm value. Thus, dividend policy in this study does not act as a moderating variable but merely functions as an independent variable that neither strengthens nor weakens the relationship between these variables and firm value.

REFERENCES

- Aldi, M. F., Erlina, E., & Amalia, K. (2020). The Effect of Firm Size, Leverage, Profitability, and Liquidity on Firm Value with Dividend Policy as a Moderating Variable in Consumer Goods Industry Companies Listed on the IDX for the Period 2007–2018. *Journal of Social Sciences and Humanities*, 4(1), 264–273. <https://doi.org/10.22437/jssh.v4i1.9921>
- Anggraeni, M. D. P., & Sulhan, M. (2020). The Effect of Profitability, Liquidity, and Leverage on Firm Value with Dividend Policy as a Moderating Variable. *Journal of Applied Management and Accounting (JIMAT)*, 11(1), 100–112. <https://doi.org/10.36694/jimat.v11i1.225>
- Arifin, A., & Fitriana, M. F. (2022). The Effect of Profitability, Liquidity, and Leverage on Firm Value with Dividend Policy as a Moderating Variable (An Empirical Study of Manufacturing Companies Listed on the Indonesia Stock Exchange from 2018 to 2020). *Proceedings of Hubisintek*, 2(1), 20.
- Darmayanti, I. G. A. D. N. Y. N. P. A. (2019). Non-Participant. *Unud Management E-Journal*, 8(4), 2297–2324.
- Darmawan, A., Ciptaningrum, F., Aryoko, Y. P., & ... (2020). Analysis of the Relationship Between Growth Rate, Firm Size, and Profitability on Firm Value with Capital Structure

- as a Moderating Variable. *Journal of Productivity ...*, 7, 152–159
- Detama, G. R., & Laily, N. (2021). The Effect of Profitability, Liquidity, and Leverage on Firm Value (in Pharmaceutical Companies Listed on the IDX). *Journal of Management Science and Research*.
- Dian Safitri, D., Sudjinan, S., & Nurlia, N. (2022). The Effect of Liquidity, Leverage, Profitability, and Investment Decisions on Firm Value in Pharmaceutical Subsector Companies Listed on the Indonesia Stock Exchange. *Media Riset Ekonomi [Mr.Eko]*, 1(1), 20–35. <https://doi.org/10.36277/mreko.v1i1.88>
- Dirganpratiwi, P., & Yuniati, T. (2021). The Effect of Profitability, Leverage, and Liquidity on Firm Value in Food and Beverage Companies Listed on the Indonesia Stock Exchange. *Journal of Accounting and Finance Research*, 10(4), 1–17.
- Emerentiana Asti Areta^{1*}, H. T. S. (2024). The Effect of Sales Growth, Profitability, and Firm Size on Firm Value with Dividend Policy as a Moderating Variable. *Cakrawala*, 07, 329–340.
- Fajriah, B., & Idris, N. (2022). The effects of sales growth, firm growth, and firm size on firm value. 7(1), 1–12.
- Febriyanti, N. R., Aryani, F., Hendratni, T. W., Faculty of Economics, M., & Business, D. (2023). The Influence of Leverage and Profitability on Firm Value (A Case Study of Telecommunications Sub-Sector Companies Listed on the Indonesia Stock Exchange (IDX) for the Period 2016–2021). *JIMP*, 3(2), 99–109.
- Firnanda, T. and H. W. Oetomo. 2016. Analysis of Liquidity, Profitability, Solvency, and Inventory Turnover on Firm Value. *Journal of Management Science and Research*. 5(2): 1-15.
- Ghozali, I. (2013). Application of multivariate analysis using IBM SPSS 21 with regression updates. Diponegoro University, Hardiningsih Pancasakti.
- Irawan, D., & Kusuma, N. (2019). The Influence of Capital Structure and Firm Size. 17(1), 66–81.
- Meivinia, L. (2018). The Influence of Liquidity, Profitability, Capital Structure, and Interest Rates on Firm Value. *Muara Journal of Economics and Business*, 2(2), 380–393. <https://doi.org/10.24912/jmieb.v2i2.1562>
- Nadhifah, H., & Mildawati, T. (2020). The Effects of Profitability, Leverage, and Liquidity on Firm Value. *Journal of Accounting and Finance Research*, 9(4), 1–17
- Putri, M. R. S., Hermuningsih, S., & Wiyono, G. (2024). The Effects of Profitability, Leverage, Firm Size, and Asset Growth on Firm Value. *Owner*, 8(2), 1823–1838. <https://doi.org/10.33395/owner.v8i2.1997>
- Riki, M., Tubastuvi, N., Darmawan, A., & Rahmawati, I. Y. (2022). Capital Structure, Profitability, and Liquidity on Firm Value with Dividend Policy as a Moderator. 5(1), 62–75. <https://doi.org/10.22219/jaa.v5i1.19409>
- Sagita, R. M., Negara, I. K., & Kusmayadi, I. (2023). Analysis of the Effects of Profitability, Liquidity, Firm Size, and Dividend Policy on Firm Value with Capital Structure as a Moderating Variable. *ALEXANDRIA (Journal of Economics, Business, & Entrepreneurship)*, 4(2), 60–66. <https://doi.org/10.29303/alexandria.v4i2.458>
- Sari, D. N., & Purbowati, R. (2023). The Effect of Profitability, Liquidity, and Leverage on Firm Value. *Journal of Economics and Business UBS*, 12(4), 2087–2099. <https://doi.org/10.52644/joeb.v12i4.292>