

**THE EFFECT OF PROFITABILITY AND CAPITAL STRUCTURE ON FIRM VALUE WITH DIVIDENDS AS A MODERATING VARIABLE  
(CASE STUDY OF COMPANIES LISTED ON THE LQ-45 INDEX FOR THE 2018-2021 PERIOD)**

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**Abstract**

*The purpose of this study is to test whether (1) profitability has a positive effect on company value. (2) The capital structure of the company has a positive effect on its value. (3) the positive effect of profitability on company value through a dividend policy. (4) the positive influence of capital structure on company value through dividend policy. The population in this study are companies listed in the LQ-45 Index for the period 2018–2021. As for the samples to be tested, namely those from companies listed on the LQ-45 Index, as many as 92 research samples from 23 companies were collected. The analysis methods used for this study are: variable descriptive statistical testing; panel data regression analysis with a common effects model (CEM) approach; fixed effect modeling (FEM); random effect modeling (REM); the R<sup>2</sup> coefficient of determination; the F test; the T test; the normality test; and the moderation test. (1) Profitability (X1) partially has no significant effect on company value at LQ-45 in 2018–2021. (2) Partial capital structure (X2) has no significant effect on company value at LQ-45 in 2018–2021. (3) The dividend payout ratio is significant as a moderator of the relationship between profitability (ROE) and company value at LQ-45 in 2018–2021. (4) The dividend payout ratio is not significant as a moderator of the relationship between capital structure (DER) and company value at Lq-45 in 2018-2021.*

*Keyword: PBV, DER, ROE, DPR*

**Abstrak**

*Tujuan dari penelitian ini adalah untuk menguji: (1) profitabilitas berpengaruh positif terhadap nilai perusahaan. (2) struktur modal berpengaruh positif terhadap nilai perusahaan. (3) pengaruh positif profitabilitas terhadap nilai perusahaan melalui kebijakan deviden. (4) pengaruh positif struktur modal terhadap nilai perusahaan melalui kebijakan deviden. Populasi dalam penelitian ini adalah Perusahaan yang terdaftar di Indeks LQ-45 periode tahun 2018 – 2021. Sedangkan untuk sampel yang akan diuji yaitu Perusahaan yang terdaftar di Indeks LQ-45 sebanyak 92 sampel penelitian dari 23 perusahaan. Metode analisis yang digunakan untuk penelitian ini yaitu: Uji Statistik Deskriptif Variabel, Analisis regresi data panel dengan pendekatan Common Effects Model (CEM), Fixed Effect Model (FEM), Random Effect Model (REM), Koefisien Determinasi R<sup>2</sup>, Uji F, Uji T dan Uji Normalitas dan Pengujian Moderasi. (1)*

*Profitabilitas (X1) secara parsial tidak berpengaruh signifikan terhadap nilai perusahaan pada Lq-45 tahun 2018-2021. (2) Struktur modal (X2) secara parsial tidak berpengaruh signifikan terhadap nilai perusahaan pada Lq-45 tahun 2018-2021. (3) Dividen Payout Ratio signifikan sebagai pemoderasi hubungan antara Profitabilitas (ROE ) terhadap nilai perusahaan pada Lq-45 tahun 2018-2021. (4) Dividend Payout Ratio tidak signifikan sebagai pemoderasi hubungan antara Struktur Modal (DER) terhadap nilai perusahaan pada Lq-45 tahun 2018-2021*

*Kata Kunci: PBV, DER, ROE, DPR*

## INTRODUCTION

The rapid economic development in Indonesia will further encourage the company to produce better financial performance than the previous period. With the various innovations that exist, now everyone can have the desired company just by buying an investment product in the capital market. One of the products that is becoming a trend in the capital market today is stocks. Shares are a sign of capital participation by a person or party (a business entity) in a company or limited liability company. Or it can also be interpreted as proof of ownership of a company or business entity.<sup>1</sup>

With the development of publicly listed companies on the list of the LQ-45 Index for the 2018–2021 period, it has become part of the economy in Indonesia, especially for the public to invest in stocks. This is proven by the appearance of a publicly listed company on the list of the LQ-45 Index for the 2018–2021 period. With the principle of having a "company with regular financial statements", this company attracts many good investors. Muslims and non-Muslims alike recognize that knowledge management and capital structure are powerful tools to promote innovation in organizations.<sup>2</sup> Resources are seen as valuable because they are considered the main factors that determine the success of a company.<sup>3,4</sup> The maximum knowledge of resource management will influence the investor's view of the company, thus affecting the overall market value, which has an impact on financial performance.<sup>5</sup>

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<sup>1</sup> Ina Indrawaty, "Pengaruh Profitabilitas , Leverage , Likuiditas Terhadap Nilai Moderasi," n.d.

<sup>2</sup> Mihaela Herciu and Claudia Ogrea, "Does Capital Structure Influence Company Profitability?," *Studies in Business and Economics* 12, no. 3 (2017): 50–62, <https://doi.org/10.1515/sbe-2017-0036>.

<sup>3</sup> M. Hirdinis, "Capital Structure and Firm Size on Firm Value Moderated by Profitability," *International Journal of Economics and Business Administration* 7, no. 1 (2019): 174–91, <https://doi.org/10.35808/ijeba/204>.

<sup>4</sup> Samsul Huda, Diana Zuhroh, and Achmad Firdiansjah, "The Effect of Profitability and Capital Structure on Firm Value Through Dividend Policy in Transportation Companies Listed on the Indonesia Stock Exchange for the Period of 2015-2018," *International Journal of Advances in Scientific Research and Engineering* 06, no. 09 (2020): 44–55, <https://doi.org/10.31695/ijasre.2020.33878>.

<sup>5</sup> Andini Nurwulandari and Yudi Wibowo, "Effect of Liquidity, Profitability, Firm Size on Firm Value with Capital Structure as Intervening Variable the Creative Commons Attribution 4.0 International License. Site Using OJS 3 PKP Optimized," *Atestasi: Jurnal Ilmiah Akuntansi* 4, no. 2 (2021): 257–71.

If the management of the capital structure is better, the value of the company will be assessed better.<sup>6</sup> VAIC concerns the efficiency of three types of capital, namely: human capital, structural capital, and measurement capital.<sup>7</sup> Journals on capital structure are the most productive and frequently cited journals. An industry that increasingly recognizes capital structure as a vital component to achieve competitiveness and financial sustainability.<sup>8</sup> In this study, we will refer to Pulic's research using the DPR. Capital structure is the proportion of the use of own capital and debt in meeting the company's fund needs. If the capital structure of a company is large, the level of productivity will increase in accordance with the capital structure owned by the company and will have a positive impact on its business continuity.<sup>9</sup> The optimal capital structure is a combination of debt and equity that will maximize the value of the company.

In practice, it is difficult for companies to obtain an optimal capital structure. The capital structure for shareholders can provide important information about how the company is doing because the composition of funding will affect the value of the company. Many theories of capital structure have been put forward by experts, but what is used in this study is only the pecking order theory. Capital structure describes how a company finances all operating activities and company growth from various funding sources, and capital structure also refers to how far the company utilizes debt financing to increase company profits. This research was conducted to determine the effect of profitability and capital structure on publicly listed companies in the LQ-45 Index for the 2018–2021 period. The object retrieval is due to a significant influence after the impact of COVID-19, so it is important for researchers to discuss the capital structure in the LQ-45 Index.

Research has shown Value et al. that ROA has an influence and is significant for ROE. The difference with Erika Luciawati's research Dyah et al. Profitability has a significant positive effect on company value. In contrast, the capital structure has no effect and is not significant on the value of the company.<sup>10</sup> But dividend policy cannot mediate the relationship between profitability and company value. And dividend policy can mediate the relationship between capital structure and company value. Based on the background above, the author intends to

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<sup>6</sup> Darush Yazdanfar, Peter Öhman, and Saeid Homyoun, "Financial Crisis and SME Capital Structure: Swedish Empirical Evidence," *Journal of Economic Studies* 46, no. 4 (2019): 925–41, <https://doi.org/10.1108/JES-04-2018-0147>.

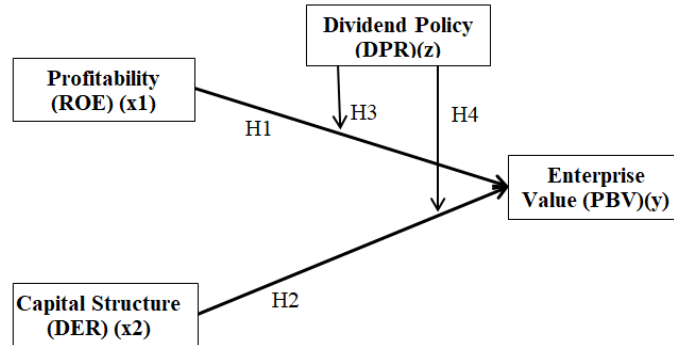
<sup>7</sup> Munajat Mubaraq et al., "The Moderating Effect of Corporate Governance on the Relationship between Dividend Policy , Capital Structure , and Firm Value : Evidence from Indonesian Manufacturer Companies" 07, no. 03 (2020): 4402–12.

<sup>8</sup> Dani Rahman Hakim et al., "Journal of Business, Social and Technology (Bustechno)" 4, no. 1 (2023).

<sup>9</sup> Ready Wicaksono, "Analisis Pengaruh Profitabilitas Dan Kebijakan Dividen Terhadap Nilai Perusahaan Dengan Struktur Modal Sebagai Variabel Mediasi" 4 (2020): 396–411.

<sup>10</sup> Putu Dyah, Pradnya Paramitha, and Universitas Warmadewa, "The Role of Profitability in Mediating the Effect of Capital Structure and Liquidity on Firm Value in Food and Beverage Sub-Sector in Indonesian Stock Exchange" 7 (2020): 80–91.

conduct research with the title: The Effect of Profitability and Capital Structure on Company Value with Dividends as a Moderating Variable (Study on companies listed in the LQ-45 index for the 2018–2021 period).



**Figure 1 Thinking Framework**

## RESEARCH METHODS

The population in this study is 21 companies listed in the LQ-45 index for the period 2018–2021, which is the latest company data that can give an idea of company value. This research uses financial statement data for the last four years, namely 2018, 2019, 2020, and 2022, which is the latest company data that can provide the latest picture of the company's financial performance.

### Independent Variables

This ratio measures the level of profitability, namely the return on equity (ROE), to generate profits by utilizing the equity owned.<sup>11</sup> The calculation (ROE) can be done with the following formula:

$$\text{ROE} = \frac{\text{Net profit after interest and tax}}{\text{Total Equity}}$$

The debt-to-equity ratio is used to measure the percentage of liabilities in a company's capital structure. This ratio is important to measure the company's business risk, which is increasing with the addition of its liabilities.

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

<sup>11</sup> Haogonasokhi Telaumbanua et al., “Pengaruh Struktur Modal , Perputaran Modal Kerja , Kebijakan Dividen Terhadap Nilai Perusahaan Dengan Perusahaan Infrastruktur Yang Terdaftar Dibursa Efek Indonesia Periode 2015-2018” 12, no. 2 (2021): 266–77.

### Dependent variables

PBV has identified a decrease in the quality and value of the company concerned. The following is the formulation of price to book value (PBV):

$$PBV = \frac{\text{Share Price}}{\text{Book Value Per Share}}$$

### Moderation Variables

*Dividend Payout Ratio (DPR) (X)*

The "dividend payout ratio" is the ratio of the total amount of dividends paid to shareholders relative to the company's net income.<sup>12</sup> The following is the formulation of the dividend payout ratio (DPR):

$$DPR = \frac{\text{deviance per share}}{\text{Net income per share}}$$

## RESULTS AND DISCUSSION

### Variable Descriptive Statistical Test

This table shows the descriptive number of each variable with 84 observations. The objects selected in this study are companies listed in the LQ-45 Index for the 2018–2021 period. So that 21 research samples were selected as research samples.<sup>13</sup>

**Table 4.1 Descriptive Statistical Test Results**

	PBV	ROE	DER	DPR
Mean	2.266548	0.147262	2.211548	0.592143
Median	1.645000	0.140000	0.855000	0.455000
Maximum	12.20000	0.400000	16.08000	2.680000
Minimum	0.620000	0.010000	0.190000	0.010000
Std. Dev.	1.787524	0.080261	3.210223	0.506607
Skewness	2.627352	1.046833	2.465737	1.718632
Kurtosis	13.11680	4.295760	9.426154	6.409665
Jarque-Bera	454.8657	21.21851	229.6521	82.04210
Probability	0.000000	0.000025	0.000000	0.000000
Sum	190.3900	12.37000	185.7700	49.74000
Sum Sq. Dev.	265.2051	0.534670	855.3589	21.30201
Observations	84	84	84	84

Source: secondary data obtained with eViews 12, 2023

<sup>12</sup> Syamsudin Syamsudin, "Capital Structure and Investment Decisions on Firm Value with Profitability as a Moderator," n.d., 287–95.

<sup>13</sup> Remila Aprilia Ginting, "The Effect Of Capital Structure , Earning Management , Profitability , Free Cash Flow And Environment Cost On Firm Value With Dividend Policy As Moderating Variables In Pharmaceutical Sub Sector Companies Listed On The 2007-2019 Indonesia Stock Exchange Period" 5 (2021): 981–95.

Based on Table 4.1, it is known that the minimum value of PBV is 0.6200, while the maximum value is 12.2000. The average PBV is 2.2665, with a standard deviation of 1.7875. It is known that the minimum value of ROE is -0.0100, while the maximum value is 0.4000. The average ROE is 0.1472, with a standard deviation of 0.0802. It is known that the minimum value of DER is 0.1900, while the maximum value is 16.0800. The average DER is 2.2115, with a standard deviation of 3.2102. It is known that the minimum value of DPR is 0.0100, while the maximum value is 2.6800. The average DPR is 0.5921, with a standard deviation of 0.5066. The financial statements used are annual financial statements from 2018 to 2021 for 21 companies, so the number of samples used is 84.

### Model Selection Analysis

The method of estimating regression models using panel data can be done through three approaches: pooled least squares (PLS), fixed effect models (FEM), or random effect models (REM).<sup>14</sup> Of the three regression models that can be used for panel data estimation, the one with the best results is used to analyze the data. So in this study, to find out the best model to use, we will test it.

**Table 4.2 Chow Test Results**

Effects Test	Statistic	d.f.	Prob.
Cross-section F	5.802527	(20,60)	0.0670
Cross-section Chi-square	90.419832	20	0.0610

Source: secondary data obtained with eViews 12, 2023

The value of prob. Cross-section Chi-square is greater than 0.05, i.e.,  $0.0610 > 0.05$ , hence using FEM. This Chow test was conducted to compare common effect (CEM) and fixed effect (FEM) models. If the value of prob. is appropriate, the suitable model is fixed effect, but if the value of prob.  $>$  is appropriate, the suitable model is common effect (Bawono et al., 2018: 145). If the value of prob. cross-section chi-square is greater than or equal to 0.000, then the model chosen in this test is common effect.

<sup>14</sup> Ida Ayu et al., "The Effect of Profitability , Institutional Ownership on the Value of the Company with Dividend Policy as a Meditation," n.d., 234–42.

**Table 4.3: Results of Lagrange Multiplier Tests**

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	36.19676 (0.0000)	0.312706 (0.5760)	36.50946 0.065000
Honda	6.016374 (0.0000)	-0.559201 (0.7120)	3.858804 (0.0001)
King-Wu	6.016374 (0.0000)	-0.559201 (0.7120)	1.651401 (0.0493)
Standardized Honda	6.665898 (0.0000)	-0.229570 (0.5908)	0.828853 (0.2036)
Standardized King-Wu	6.665898 (0.0000)	-0.229570 (0.5908)	-0.679803 (0.7517)
Gourieroux, et al.	--	--	36.19676 (0.0000)

Source: secondary data obtained with eViews 12, 2023

From the data above, the prob value of the cross-section is greater than 0.05, so in this test the model chosen is the common effect.

### Panel Data Regression

Regression on the model in one panel was found using the Random Effect Model (REM). The regression equation for REM data is as follows:<sup>15</sup>

$$PBV = \alpha + \beta_1 ROE + \beta_2 DER + \beta_3 ROE * DPR + \beta_4 DER * DPR + e$$

**Table 4.4: Results of Regression Analysis of EGLS Panel Data**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.257843	0.606125	2.075220	0.0413
ROE	4.042952	3.657845	1.105283	0.2724
DER	-0.085124	0.067415	-1.262688	0.2105
DPR	-0.515531	0.658079	-0.783388	0.4358
ROE*DPR	10.01117	4.096202	2.444012	0.0168
DER*DPR	0.050971	0.075195	0.677858	0.4999
Root MSE	1.389784	R-squared		0.388224
Mean dependent var	2.266548	Adjusted R-squared		0.349008
S.D. dependent var	1.787524	S.E. of regression		1.442247
Akaike info criterion	3.639031	Sum squared resid		162.2460
Schwarz criterion	3.812661	Log likelihood		-146.8393
Hannan-Quinn criter.	3.708829	F-statistic		9.899549
Durbin-Watson stat	0.609054	Prob(F-statistic)		0.000000

Source: secondary data obtained with eViews 12, 2023

$$PBV = \alpha + \beta_1 ROE + \beta_2 DER + \beta_3 ROE * DPR + \beta_4 DER * DPR + e$$

The panel data regression equation can be explained below:

<sup>15</sup> Indrawaty, "Pengaruh Profitabilitas , Leverage , Likuiditas Terhadap Nilai Moderasi."

1. The constant of 1.257 states that the independent variables in regression, namely capital structure (X1), profitability (X2), and dividend value (Z), have a value of 0, then the company value/price to book value is 1,257.
2. If profitability (X1) has a regression coefficient value of 4,042, then with the addition of one capital structure, assuming another variable has a value of 0, the value of the company increases by 4,042.
3. Capital structure (X2) has a regression coefficient value of -0.0851, which indicates that for every additional unit of profitability, assuming other variables have a value of zero, the value of the company has a decrease of 0.0851 units.
4. The dividend policy (Z) has a regression coefficient value of -0.5155, which indicates that for every additional unit of dividend value, assuming other variables have a zero value, the value of the company has a decrease of 0.5155

#### **Coefficient of Determination Test R<sup>2</sup>**

Based on the table, it shows whether the adjusted squared value of the assessment model is 0.3882 or 38.82%. That is, the independent variable consisting of the capital structure And the company's value can be affected by dividends paid by LQ-45 companies in 2018–2021 of 38.82%. While 61.18% is influenced by profitability and capital structure variables,

#### **Uji F**

Based on the table shows that prob (f-statistical) with a value of 0.00000 or less  $\alpha = 0.05$  the value shows if this study occurs simultaneous influence of the dependent variable with independent. So that profitability, capital structure, and dividends affect the value of the company.

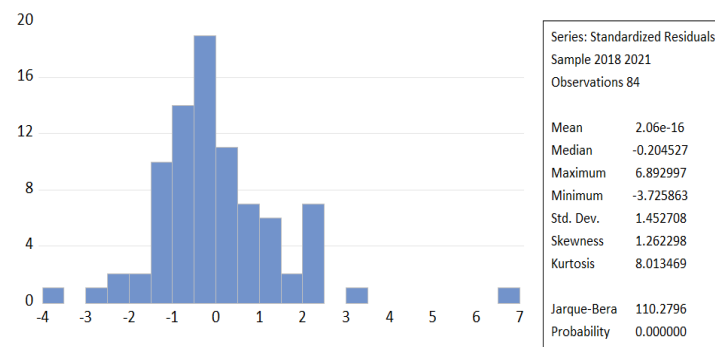
#### **Uji (t)**

Based on the results of the hypothesis, the following conclusions can be drawn:

1. Profitabilitas (X1)  
has a probability value of  $0.2724 > = 0.05$  with a coefficient of 4.0429, then H0 is accepted and H1 is rejected. This means that partial performance does not have a significant effect on the company's value in Lq-45 in 2018-2021.
2. If capital structure (X2) has a probability value of  $0.2105 > = 0.05$  with a coefficient of -0.0851, then H0 is accepted and H1 is rejected. This means that partial performance does not have a significant effect on the company's value in Lq-45 in 2018-2021



### Normality Test



Source: secondary data obtained with eViews 12, 2023

**Figure 4.6: Normality Test Results**

At the jarquebera value of 110.2796 with a probability value of 0.0000, it can be concluded that this study is abnormally distributed, because the probability of 0.0000 is smaller than 0.05 (smaller probability).

### Moderation Testing

**Table 4.7 Moderation Testing Table**

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.257843	0.606125	2.075220	0.0413
ROE	4.042952	3.657845	1.105283	0.2724
DER	-0.085124	0.067415	-1.262688	0.2105
DPR	-0.515531	0.658079	-0.783388	0.4358
ROE*DPR	10.01117	4.096202	2.444012	0.0168
DER*DPR	0.050971	0.075195	0.677858	0.4999
Root MSE	1.389784	R-squared		0.388224
Mean dependent var	2.266548	Adjusted R-squared		0.349008
S.D. dependent var	1.787524	S.E. of regression		1.442247
Akaike info criterion	3.639031	Sum squared resid		162.2460
Schwarz criterion	3.812661	Log likelihood		-146.8393
Hannan-Quinn criter.	3.708829	F-statistic		9.899549
Durbin-Watson stat	0.609054	Prob(F-statistic)		0.000000

Source: secondary data obtained with eViews 12, 2023

Based on Table 4.7, we obtained the moderation equation as follows:

$$Y = 1.257843 + 4.042952ROE + 0.085124DER - 0.515531DPR + 10.01117ROE * DPR + 0.050971DER * DPR + e$$

The moderation equation can be explained below:

- 1) Dividend Payout Ratio is significant as moderating the relationship between Profitability (ROE) to company value (PBV) Prob value =  $0.0168 < 0.05$
- 2) The dividend payout ratio is not significant as moderating the relationship between capital structure (DER) and company value (PBV). Probable value =  $0.0499 > 0.05$

## RESEARCH DISCUSSION

### The effect of profitability on company value

Based on the Partial Test (t) Profitability (X1) has a probability value of  $0.2724 > \alpha = 0.05$  with a coefficient of 4.0429, then H0 accepted H1 is rejected. This means that partial profitability does not have a significant effect on the company's value in Lq-45 in 2018-2021. Profitability (x1) has a regression coefficient value of 4.0429, so in the addition of one capital structure assuming another variable has a value of 0, the value of the company increases by 4.0429 units. So this statement is not in accordance with the hypothesis previously explained that profitability has a positive effect on company value. This study supports research Nurwulandari, Ayu, and Akun aims to analyze and obtain empirical evidence of the effect of liquidity, profitability, company size on company value with capital structure as an intervening variable.<sup>16,17,18</sup> The population in this study is manufacturing companies of primary industry and chemical subsectors listed on the Indonesia Stock Exchange in 2014-2019, This study shows that liquidity, profitability, and company size directly negatively and significantly affect capital structure; Liquidity directly negatively and insignificantly affects the value of the company.

### The effect of the capital structure on the value of the company

Based on the partial test (t), if the capital structure (DER) has a probability value of  $0.2105 > = 0.05$  with a coefficient of  $-0.0851$ , then H0 is accepted and H1 is rejected. This means that the partial capital structure does not have a significant effect on the company's value in LQ-45 of 2018–2021. Capital structure (DER) has a regression coefficient value of  $-0.0851$ , which indicates that for every additional unit of profitability, assuming other variables have a value of zero, the value of the company decreases by 0.0851 units. So this statement is not in accordance with the hypothesis previously explained that capital structure has a positive effect on

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<sup>16</sup> Nurwulandari and Wibowo, "Effect of Liquidity, Profitability, Firm Size on Firm Value with Capital Structure as Intervening Variable the Creative Commons Attribution 4.0 International License. Site Using OJS 3 PKP Optimized."

<sup>17</sup> Ayu et al., "The Effect of Profitability , Institutional Ownership on the Value of the Company with Dividend Policy as a Meditation."

<sup>18</sup> Zulfa Latifia Hanif, Yulianti Yulianti, and Farikha Amilahaq, "Dampak Mediasi Struktur Modal terhadap Hubungan Profitabilitas, Kebijakan Dividen, dan Ukuran Perusahaan serta Nilai Perusahaan," *Jurnal Akuntansi Indonesia* 9, no. 1 (2020), <https://doi.org/10.30659/jai.9.1.65-87>.

company value. This research is supported by research Widyaswati aimed at the current ratio (CR). In quantitative research, independent variables used the debt-to-equity ratio (DER) and dependent variables used the return on assets (ROA). The results of the study indicate that there is no significant influence between capital structure and financial performance.

### **The effect of profitability on company value through dividend policy.**

From the results of moderation testing in Table 4.7, it is found that the variable (ROE \* DPR) has a regression coefficient markedly positive (10.01117) and a p-value of 0.0168. This means that dividend policy variables amplify the effect of financial performance and profitability on company value. The higher financial performance supported by the increase in dividends will be able to increase the value of the company. In theory, if the company's performance increases, accompanied by dividend distribution, then the company's shares become attractive to investors, as a result of which the price will increase. The higher the profitability, the higher the company value, and the lower the profitability, the lower the company value. The better the company pays returns to shareholders, the higher its value will be. The results of this study support research Simangunsong and Solikhin that shows that companies that have a high level of profitability will distribute high dividends so that the company's value is high because investors see that the company is still able to generate high profits.<sup>19</sup>

### **The effect of capital structure on company value through dividend policy**

From the results of moderation testing in Table 4.7, it is found that the variable (DER\*DPR) is not significant as moderating the relationship between capital structure (DER) and company value (PBV), with a regression coefficient markedly positive (0.0509) and a p-value of  $0.4999 > 0.05$ . So this statement is not in accordance with the hypothesis previously explained that there is a positive influence of the capital structure on company value through dividend policy. This study supports research Huda et al. This study aims to analyze the effect of profitability and capital structure on dividend policy in transportation companies listed on the IDX for the 2015–2018 period.<sup>20</sup> The results showed that profitability and capital structure did not affect the dividend policy of transportation companies listed on the Indonesia Stock Exchange (IDX) for the 2015–2018 period.

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<sup>19</sup> Adi Simangunsong and Agus Solikhin, "Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan ( Kebijakan Dividen Sebagai Variabel Moderating )" 11, no. 03 (2022): 713–26.

<sup>20</sup> Huda, Zuhroh, and Firdiansjah, "The Effect of Profitability and Capital Structure on Firm Value Through Dividend Policy in Transportation Companies Listed on the Indonesia Stock Exchange for the Period of 2015-2018."

## **CONCLUSION**

1. Based on research testing on the effect of profitability and capital structure on company value with dividends as a moderating variable that has been carried out (on companies listed in the Lq-45 Index for the 2018-2021 period), the following conclusions can be drawn: Partial profitability (ROE) does not have a significant effect on the company's value in Lq-45 of 2018-2021
2. The company's capital structure (DER) partially does not have a significant effect on the company's value in Lq-45 of 2018–2021.
3. The dividend payout ratio is significantly able to moderate the effect of profitability (ROE) on company value in Lq-45 of 2018-2021.
4. The dividend payout ratio is unable to moderate the effect of capital structure (DER) on company value in Lq-45 of 2018-2021.

## **RESEARCH LIMITATIONS**

1. Researchers are aware of limitations in this study, including the following: This study only took samples from the LQ-45 Index listed on the Indonesia Stock Exchange, which only amounted to 45 companies for the 2018-2021 period, and there were 21 companies that entered the research criteria, so that there were only 84 samples used.
2. Researchers only examine Profitability (ROE), Capital Structure (DER), and Dividends (DPR) on company performance (PBV) even though there are many other variables that can be used.

## **SUGGESTION**

1. Based on the conclusions and limitations described above, we can conclude that: Further research is expected to further expand the range of research by adding samples and several other factors that affect the company's financial performance.
2. This research can also be used as an additional reference to conduct research that discusses the impact of profitability (ROE), capital structure (DER), and dividends (DPR) on company performance (PBV).
3. This research can be taken into consideration when investing, as the higher the company's dividend value, the higher the company's value. The level of capital structure also affects the value of the company, so investors are expected to be more careful in choosing issuers in which to invest.

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