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The Influence of Dividend Policy and Company Size on Company Value with Profitability as a Moderating Variable in Listed Energy Sector Companies on the Indonesian Stock Exchange 2018-2022 Period

Ety Ariyanti[1], Fahmi Natigor Nasution[2], Keulana Erwin[3]
[1,2,3] Faculty of Economic and Business, University of North Sumatera

ABSTRACT: This research aims to determine the effect of dividend policy and company size on company value with profitability as a moderating variable in energy sector companies listed on the BEI in 2018-2022. This research was conducted based on information obtained on the Indonesian Stock Exchange. The sampling technique for this research uses a purposive sampling method. The population in this study was 82 energy sector companies listed on the IDX in 2018-2022 and the sample used was 21 companies. The type of data used is secondary data and the data analysis technique is panel data regression and the Moderate Regression Analysis (MRA) test with analysis tools using Eviews 10 software. The results of this research show that dividend policy has no effect on company value and company size has a positive and significant effect on company value. Profitability is able to positively moderate (strengthen) of dividend policy on company value, while profitability is able to positively moderate (strengthen) the influence of company size on company value.

KEYWORDS: Company Size, Company Value, Dividend Policy, Energy Sector, Profitability.

INTODUCTION

One of the goals of a company is to improve the welfare of parties related to company activities, such as shareholders and other stakeholders (Dumitrescu & Zakriya, 2021). To achieve the welfare of shareholders and other stakeholders, one way is by maximizing company value. Company value can be a description of the company in certain conditions that it wants to achieve as a form of public trust in the company (Bukit, Mulyani, Nasution, & Sambath, 2019). Increasing company value is the goal and desire of many companies, especially energy sector companies, which is one of the industries considered for investment amidst volatile world economic conditions (Hirdinis, 2019). However, there are several energy sector companies that are unable to optimize company value in the 2018-2022 period. Company value in this research is calculated using the Tobin's Q ratio. Based on previous literature, a company's inability to optimize company value can be influenced by several factors, namely external company factors and internal company factors. The company's external factors consist of macroeconomic conditions and industrial conditions, such as the decline in world crude oil prices (Amin & Mollick, 2022), fluctuations in the value of the rupiah compared to the US dollar (Hughen, 2013), and the COVID-19 pandemic (Mazur, Dang, & Vo, 2020) which hit industry demand. Meanwhile, internal company factors are factors that originate from company performance (Bodie, Kane, & Marcus, 2021), specifically the company's financial performance. The company's financial performance is the main focus for investors who use it as a basis for evaluating potential profits and risks. In simple terms, positive financial performance can increase investor interest, which in turn will spur share prices to rise. A company's good financial performance can be reflected in the amount of returns to investors, this is because one of the priorities of the average investor in investing is return. There are 2 types of returns obtained by investors for their investment activities, namely dividends and capital gains (Bodie, Kane, & Marcus, 2021). Dividends are the distribution of company profits to shareholders proportionally according to the number of shares they own (Prayitno, Naz'aina, & Biby, 2020). Meanwhile, capital gain or loss is a return that reflects an increase or decrease in the price of securities which can be in the form of shares or long-term bonds. Previous literature studies say that investors perceive dividend risk as lower than capital gains risk. For this reason, in forming investors' expectations regarding the company's future prospects, companies tend to provide consistent and high dividends as a form of return to investors.

Good financial performance will also show that the company is able to generate profits and manage assets effectively (Kohlscheen, Murcia, & Contreras, 2018). Company assets are a reflection of company size (Beck, Kunt, Laeven, & Levine, 2008). However, in table 1.1, it is known that the company cannot manage company assets effectively to optimize company value. This has an impact on

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investors' low expectations regarding the company's future prospects, resulting in a correction in the company's share price. Therefore, this research only focuses on dividend policy and company size as factors that influence company value. Good financial performance can also be reflected in the company's ability to generate high profits. When investors perceive that the company has good financial performance, investor confidence will increase and will ultimately increase the value of the company (Bafera & Kleinert, 2022). The company's ability to generate profits from the management of its assets is one of the factors considered in company assessment. The indicator used to measure this ability is profitability. Profitability is a company's ability to generate profits and measures the level of operational efficiency and efficiency in using its assets (Ngatemin, Maksum, Erlina, & Sirojuzilam, 2018). Based on research by Lalitha, Sandhyavani, & Sudha (2020), it is stated that profitability has a positive effect on company value, the higher the level of company profitability, the higher the company value. Generally, investors will assess the company positively if the profitability ratio shows an increase, so that creditors, suppliers and investors who are company stakeholders will assess the company's performance favorably (Ngatemin, Maksum, Erlina, & Sirojuzilam, 2018).

Profitability is one of the factors that influences dividend policy to increase company value. When a company has a high level of profitability, this means the company has a high net profit value so that the company can have more flexibility in its dividend policy and is more likely to pay higher dividends to its shareholders. This is in line with the research results of Vasconcelos & Martins (2019) and Tekin & Polat (2021). Furthermore, when a company has increased profitability, this will have an impact on the company's ability to generate increased profits as well. Increasing profits will have an impact on increasing wealth or increasing company assets. When a company has large assets, the company will have a more stable condition (Pervan & Višić, 2012), and can help the company face risks and strengthen the company's image in the future (Ríos, 2023). This is in line with research by Sudiyatno, Puspitasari, Suwarti, & Asyif (2020) and Ilham, et al. (2022).

Based on the description of the phenomenon that occurs in energy sector companies listed on the Indonesia Stock Exchange and the inconsistencies in the results of previous studies regarding how dividend policy, company size and profitability influence company value in energy sector companies, this research reexamines how dividend policy and company size influences company value with profitability as a moderating variable in energy sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period.

THEORETICAL BASE

Signalling Theory

Signaling theory was first introduced by Spence (1973) who argued that a signal or signal gives a signal, the sender (owner of the information) tries to provide relevant pieces of information that can be utilized by the recipient. Signal theory consists of a sender, signal, and receiver (Bafera & Kleinert, 2022). In this research, the sender is company management, the signal is a financial report prepared in accordance with Financial Accounting Standards (SAK), and the recipient is an external party to the company.

Agency Theory

Agency theory was first coined by Jensen & Meckling (1976) who stated that agency theory is a theory of the inequality of interests between principals and agents. Agency theory considers an agency relationship as a contract where the principal (shareholder) engages an agent (manager) to carry out operational activities on behalf of the principal (Mishra & Kapil, 2018). When there is no agency conflict between managers and shareholders, managers will strive for optimal stakeholder welfare to maximize shareholder value.

Firm Value

Company value is the current financial market estimate of the return value for each rupiah of additional investment or is a description of the effectiveness of company management in utilizing strong economic resources (Bukit, Mulyani, Nasution, & Sambath, 2019). In this research, to measure company value, researchers used the Tobin's Q method developed by Nobel Prize winner James Tobin. Tobin's Q is calculated by comparing the ratio of the market value of the company's shares (market value of equity) to the book value of the company's equity.

Empirical studies show that in business development, company value can be influenced by several factors, including capital structure (Susanti & Restiana, 2018; Sudiyatno, Puspitasari, Suwarti, & Asyif, 2020), profitability (Susanti & Restiana, 2018; Siregar, Sadalia , & Silalahi, 2023), Corporate Social Responsibility (López-Pérez, Melero, & Sese, 2017; Khan, Bose, Sheehy, & Quazi, 2021), Good Corporate Governance (Qureshi, Kirkerud, Theresa, & Ahsan, 2019), company size (Sudiyatno, Puspitasari, Suwarti, & Asyif,

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2020), dividend policy (Ilham, et al., 2022; Lalitha, Sandhyavani, & Sudha, 2020; Ngatemin, Maksum, Erlina, & Sirojuzilam, 2018), Environmental, Social , and (Corporate) Governance (Aboud & Diab, 2018), and R&D investment (Kim, Park, Lee, & Kim, 2018). The factors that influence company value in this research are dividend policy, company size and profitability.

Dividend Policy

Dividend policy is the amount that must be paid to shareholders for funds that have been deposited with the company (Qureshi, 2007). In this research, dividend policy refers to the portion of dividends that will be distributed to shareholders and retained as retained earnings. There are many considerations that companies must make in determining the optimal dividend amount. This is important because dividend policy is one of the factors in retaining existing investors and attracting new investors (Ilham, et al., 2022). When a company can make the market believe in the company's future prospects by distributing stable and consistent dividends, the company is able to increase company value.

Based on agency theory, high dividend payments reflect good management performance and indicate low agency problems so that dividends can replace the supervisory role of shareholders (Baker & Jabbouri, 2016). Meanwhile, based on signal theory, the higher the level of dividend returns to shareholders shows a positive signal that the company's condition is good, so it will have an impact on increasing share prices and ultimately increasing company value (Setiawan & Phua, 2013).

Based on the research results of Mazur, Dang, & Vo (2020), Priya & Mohanasundari (2016), Silaturahmi & Novitasari (2022), Sari, Wati, & Rahardjo (2020), and Vasconcelos & Martins (2019), stated that dividend policy is considered as one of the most important financial decisions that can influence increasing the value of a company. So the higher the level of dividend distribution, the higher the company value. So it can be concluded that the first hypothesis in this research is as follows.

H_1 : Dividend policy has a positive and significant effect on company value.

Firm Size

The size of the company in this research is a reflection of the size of the company which is visible from the total value of the company's assets. The larger the company size, the faster the asset turnover will be, so that the company's net sales and profits will increase, and ultimately the company value will also increase. The larger the company size will influence investors' expectations of the company's performance (Kanakriyah, 2020). Increasing company size indicates that the company is experiencing good growth. This is in line with signal theory, where investors will perceive positive signals from companies that have large assets because they are considered to have large asset growth (Lumapow & Tumiwa, 2017). Investor sentiment will have an impact on increasing and decreasing demand for a company's shares, thereby triggering increases and decreases in share prices on the capital market. An increase in share prices indicates that the company is considered to have a value greater than book value, thus reflecting the increasing value of the company (Bukit, Nasution, Ginting, Nurzaimah, & Sambath, 2017).

Based on the research results of Sudiyatno, Puspitasari, Suwarti, & Asyif (2020), Bukit, Nasution, Ginting, Nurzaimah, & Sambath (2017), Lumapow & Tumiwa (2017), Dang, Vu, Ngo, & Hoang (2020) and Susanti & Restiana (2018), stated that company size is considered capable of influencing company value. The larger the company size, the higher the company value. Therefore, it can be concluded that the second hypothesis in this research is as follows.

H_2 : Company size has a positive and significant effect on company value.

Profitability

When a company has increased profitability, this reflects the company's ability to generate increased profits as well. Increasing profits will have an impact on the company's financial flexibility. The dividend payment ratio refers to the amount of dividends that will be distributed to shareholders from the company's net profit, so that the company's profits will greatly influence the level of dividend payments.

Based on signal theory, shareholders can interpret high profitability as a signal of increased dividend payments in the future (Priya & Mohanasundari, 2016). Management will pay dividends to provide a signal about the company's success in generating profits. This signal concludes that the company's ability to pay dividends is a function of profits. If the market reacts positively to high dividend payments then share prices will rise. Rising share prices will increase the value of the company. Meanwhile, based on agency theory, dividends are used as a disciplinary tool to limit managerial policies when the company's profitability level is high (Baker & Jabbouri, 2016). Dividends are one of the optimal impacts of reducing agency transaction costs in managing company

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funds which can reflect company performance (Driver, Grosman, & Scaramozzino, 2020). So as the level of company profitability increases, dividend policy is considered one of the most important financial decisions that can influence company value.
Based on research results from Silaturahmi & Novitasari (2022), Tekin & Polat (2021), Wulandari, Wibowo, & Yunanto (2020), Octaviani & Astika (2016), and Jóźwiak (2015), it is stated that companies that have increased profitability will be more likely to increase dividends to maximize company value. So it can be concluded that the third hypothesis in this research is as follows.
H_3 : Profitability is able to strengthen the influence of dividend policy on company value.

If a company adopts a generous dividend policy, investors are likely to perceive it as having promising prospects, making it a Company with a high level of profitability will tend to have a large growth rate in company size (Pervan & Višić, 2012). Companies that have increased profitability are companies that have assets that are managed efficiently (Alarussi & Alhaderi, 2018). Company size is the total assets of the company which shows how much wealth the company has. Large companies find it easier to access funding needs in the capital market. By easily connecting with capital markets, large companies have greater flexibility to obtain much-needed funds to implement profitable investment opportunities (Brun & González, 2017).
Based on signal theory, increasing profitability in larger companies will influence investor sentiment which is interpreted as a positive signal and will then have an impact on increasing company value (Lumapow & Tumiwa, 2017). This condition will cause an increase in the company's share price in the capital market which in turn will increase the company's value. Meanwhile, in agency theory, a company that has good financial performance will be able to increase company profits and become one of the considerations for investors to invest capital in the company. The stock market price of large-scale companies will increase if the resulting profitability is high (Sudiyatno, Puspitasari, Suwarti, & Asyif, 2020).
Based on the research results of Lalitha, Sandhyavani, & Sudha (2020), Ríos (2023), Putri & Mutumanikam (2022), Firda & Efriadi (2020), and Pervan & Višić (2012), stated that the higher the level of company profitability indicates that the company able to manage company assets optimally in order to maximize company value. So it can be concluded that the fourth hypothesis in this research is as follows.
H_4 : Profitability is able to strengthen the influence of company size on company value

RESEARCH METHODS

In this research, the population used is Energy Companies listed on the Indonesia Stock Exchange in the 2018-2021 period. The sampling technique used in this research was purposive sampling. The sampling criteria used in this research are as follows: (1) Energy companies listed on the Indonesia Stock Exchange for the 2018-2022 observation period. (2) Energy companies that do not have positive profits during the 2018-2022 period. therefore, there are 21 companies which used as samples. The secondary data collected in this research will be analyzed with the help of the EViews program which aims to predict the population average and the average value of the dependent variable.
To see the influence of the variables studied on firm value, researchers used panel data regression analysis with the following regression equation:

$$\mathbf{Y_{1it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \mu_{it}}$$

Information:
i = 1, 2, ….. n (cross section (firm))
t = 1, 2, ….. n (time series (years))
α = intercept coefficient which is a scalar
β = 1, 2, …..n (regression coefficient)
Y = dependent variable (firm value)
X1 = independent variable (dividend policy)
X2 = independent variable (company size)
μ = error term

To see the influence of the moderating variables moderate dividend policy and firm size on firm value, researchers used Moderated Regression Analysis (MRA) with the following regression equation:

$$\mathbf{Y_{2it} = \alpha + \beta_1 X_{1it} + \beta_2 X_{2it} + \beta_3 Z_{it} + \beta_6 X_{1it} {*} Z_{it} + \beta_7 X_{2it} {*} Z_{it} + \mu_{it}}$$

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Information:
i = 1, 2, 3, ….. n (cross section (companies))
t = 1, 2, 3, ….. n (times series (years))
α = intercept coefficient which is a scalar
β = 1, 2, 3, ….. n (regression coefficient)
Y = dependent variable (firm value)
X1 = independent variable (dividend policy)
X2 = independent variable (company size)
Z = moderating variable (profitability)
μ = error term

RESEARCH RESULT

The research sample obtained the results of the number of observations from 2018-2022 as many as 105 observations. The description of variables in this study includes mean, median, standard deviation, minimum, maximum.

Descriptive Statistical Analysis

Table 1. Descriptive Statistics Results

	X1	X2	Z	Y
Mean	0.446608	15.37039	0.113760	1.432829
Median	0.327654	15.63253	0.076456	1.109333
Maximum	2.023981	18.50003	0.520175	11.77260
Minimum	0.000000	9.730502	0.008633	0.202929
Std. Dev.	0.411684	1.642418	0.111496	1.298043
Skewness	1.429387	-1.391096	1.801387	5.308767
Kurtosis	5.115571	6.757188	5.868398	40.22830
Jarque-Bera	55.33599	95.62460	92.78362	6556.719
Probability	0.000000	0.000000	0.000000	0.000000
Sum	46.89379	1613.891	11.94484	150.4470
Sum Sq. Dev.	17.62628	280.5439	1.292867	175.2312
Observations	105	105	105	105

Normality Test Results

In this research, the normality test does not need to be carried out in this research, because the most appropriate model used is the Fixed Effect Model. Ajija, Sari, Rahmat, & Primanti (2011) added that the normality test is a test used if the number of observations is less than 30, to find out whether the error term approaches a normal distribution. So, in this study using a number of observations of more than 30, there is no need to carry out a normality test.

Multicollinearity Test Results

The following are the results of the multicollinearity test as shown in table 2:

Table 2. Multicollinearity Test Results

	X1	**X2**	**Z**
X1	1.000000	0.037030	0.372906
X2	0.037030	1.000000	0.190216
Z	0.372906	0.190216	1.000000

Based on the test results on the correlation coefficient value in the fixed effect model, each variable has a coefficient value of <0.8, so it can be concluded that the model does not experience multicollinearity problems.

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Autocorrelation Test Results

In this study, researchers used panel data (pooled data), namely a combination of time series and cross section data, where the cross section properties are more representative of panel data, while the time series properties are not so dominant, therefore autocorrelation testing is not needed.

Heteroscedasticity Test Results

The following are the results of the heteroscedasticity test as shown in table 4:

Table 3. Heteroscedasticity Test Results

Dependent Variable: RESABS
Method: Panel Least Squares
Date: 03/20/24 Time: 14:40
Sample: 2018 2022
Periods included: 5
Cross-sections included: 21
Total panel (balanced) observations: 105

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-3.598828	2.354575	-1.528440	0.1303
X1	0.002966	0.111404	0.026626	0.9788
X2	0.453891	0.267435	1.697200	0.0935

The regression results of the squared residual log on all variables show a probability of more than 0.05. This shows that there are no heteroscedastic symptoms in the panel data regression model. So panel data regression can be continued after passing the classical assumption test.

Hypothesis Test Results

Based on the model specification test, the regression model with the Fixed Effect Model approach has passed the classical assumption test. Therefore, the estimation results are consistent and unbiased. The estimation results of the panel data regression model are as follows:

Table 4. Hypothesis Test Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 03/20/24 Time: 14:06
Sample: 2018 2022
Periods included: 5
Cross-sections included: 21
Total panel (balanced) observations: 105

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-17.77478	7.550127	-2.354236	0.0210
X1	0.506999	0.301982	1.678905	0.0970
X2	1.234918	0.491971	2.510146	0.0140

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.606244	Mean dependent var	1.432829
Adjusted R-squared	0.500602	S.D. dependent var	1.298043
S.E. of regression	0.917302	Akaike info criterion	2.856094
Sum squared resid	68.99831	Schwarz criterion	3.437438
Log likelihood	-126.9449	Hannan-Quinn criter.	3.091666
F-statistic	5.738674	Durbin-Watson stat	2.107560
Prob(F-statistic)	0.000000		

Based on the table above, it is known that X1 (dividend policy) has a value of Prob. amounting to 0.0970, which is greater than 0.05, which means that dividend policy has no effect on company value with a coefficient value of 0.506999. Then, X2 (company size) has the value Prob. amounting to 0.0140, which is smaller than 0.05, which means that company size has a positive effect on company value with a coefficient value of 1.234918.

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The Moderated Regression Analysis (MRA) test is used to determine whether the moderating variable can strengthen or weaken the relationship between the independent variable and the dependent variable. Based on the model specification test, the panel data regression model should use estimates using the Fixed Effect Model (FEM) and this model has passed the classical assumption test, so that the estimation results are consistent and unbiased. The estimation results of the panel data regression model are as follows.

Table 5. Hypothesis Test MRA Results

Dependent Variable: Y
Method: Panel Least Squares
Date: 03/20/24 Time: 14:25
Sample: 2018 2022
Periods included: 5
Cross-sections included: 21
Total panel (balanced) observations: 105

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	6.281682	7.739348	0.811655	0.4194
X1	-0.305353	0.423559	-0.720924	0.4731
X2	-0.313766	0.502366	-0.624576	0.5340
Z	-78.71464	18.10021	-4.348825	0.0000
X1Z	7.091571	2.619963	2.706744	0.0083
X2Z	4.814413	1.126833	4.272517	0.0001

Effects Specification

Cross-section fixed (dummy variables)

R-squared	0.723894	Mean dependent var	1.432829
Adjusted R-squared	0.636519	S.D. dependent var	1.298043
S.E. of regression	0.782582	Akaike info criterion	2.558290
Sum squared resid	48.38236	Schwarz criterion	3.215461
Log likelihood	-108.3102	Hannan-Quinn criter.	2.824589
F-statistic	8.284883	Durbin-Watson stat	2.434195
Prob(F-statistic)	0.000000		

Based on the regression results of the MRA test in table 5.12 above, it shows that the interaction of profitability in moderating the influence of dividend policy on firm value has Prob. is 0.0083, which is smaller than 0.05, so profitability can moderate the influence of dividend policy on company value. Meanwhile, the interaction of profitability in moderating the influence of company size on company value has Prob. equal to 0.0001, which is smaller than 0.05, then profitability can strengthen the influence of company size on company value. So the type of moderation (profitability) is a quasi moderating variable. Pseudo moderation is a variable that moderates the relationship between an independent variable and a dependent variable which is also an independent variable (Erlina, Atmanegara, & Nasution, 2023)

DISCUSSION

Effect of Dividend Policy on Firm Value

Based on the regression results and significance tests that have been carried out, it is known that dividend policy has no effect on company value. In this research, the dividend policy calculated by the dividend payout ratio cannot affect company value as proxied by Tobin's Q in energy sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period. Whether the amount of funds distributed as dividends from the company's net profit is large or small cannot influence share price movements which ultimately have an impact on company value.

There are several reasons why dividend policy has no effect on company value. First, descriptive data shows that there are companies that do not distribute dividends, reduce the level of dividend distribution, and increase the level of distribution of dividends to shareholders, the market does not react. This is reflected in the company's value which continues to fluctuate. Second, this research was conducted in the period 2018 to 2022, namely when the COVID-19 pandemic in 2020 occurred, which had an impact on risky economic and business conditions (Mazur, Dang, & Vo, 2020), this was due to the uncertainty experienced by investors, so that market estimates can motivate investors to reduce risk rather than obtain higher profits. Third, there is investor sentiment that is concerned about dividend traps even though the level of profitability is high, as happened in June 2021 with the company PT Bukit

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Asam Tbk (PTBA). Fourth, energy sector companies are companies to the climate crisis and environmental issues, so that when companies announce the amount of dividend distribution, the market does not react. Sixth, energy sector companies have high financial risks such as large debts or high capital costs, so investors do not react to the amount of dividends distributed.
The results of this research are in line with the research results of Zainudin & Khaw (2021), Driver, Grosman, & Scaramozzino (2020), and Lumapow & Tumiwa (2017). However, this is not in line with the research results of Qureshi (2007), Dang, Vu, Ngo, & Hoang (2020) and Priya & Mohanasundari (2016).

Effect of Firm Size on Firm Value

Based on the results of the regression and significance tests that have been carried out, it is known that company size has a positive and significant effect on company value. In this research, company size as measured by the natural logarithm of company assets can explain the company value of energy sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period. The larger the company size, the higher the company value, and vice versa, the smaller the company size, the lower the company value.
Energy sector companies registered in Indonesia are companies that have large and complex assets such as oil fields, power plants or gas pipeline networks. With a large company size, the company has greater flexibility to obtain the funds needed to implement profitable investment opportunities (Karlsson, 2021).
The results of this research are in line with the results of research conducted by Bukit, Nasution, Ginting, Nurzaimah, & Sambath (2017), Lumapow & Tumiwa (2017) and Sudiyatno, Puspitasari, Suwarti, & Asyif (2020), but are not in line with the results of research conducted conducted by Hirdinis (2019) and Susanti & Restiana (2018).

Profitability Able to Moderate the Effect of Dividend Policy on Firm Value

Based on the hypothetical decision in the Moderated Regression Analysis test that has been carried out, it is known that profitability as proxied by the return on assets ratio is able to moderate the influence of dividend policy on company value in energy sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period. The higher the level of profitability will be able to strengthen the positive influence of the company's dividend policy on company value.
The results of this research are in line with signaling theory. Shareholders can interpret the level of profitability as a signal that the company has good performance and future prospects, thus having an impact on the company's share price and ultimately the company's value. The results of this research are also in line with agency theory, where it is said that dividend policy can be used as a disciplinary tool to limit managerial policies when the company's profitability level is high and is the optimal impact of reducing agency transaction costs in managing company funds to increase company value.
The results of this research are in line with the research results of Tekin & Polat (2021), Jóźwiak (2015) and Vasconcelos & Martins (2019), which state that companies that have a higher increase in profitability tend to increase dividends to maximize company value. However, the results of this research are not in line with Lumapow & Tumiwa (2017), which states that for companies that are experiencing increasing profitability, increasing dividends can be bad news for investors.

Profitability Able to Moderate the Effect of Firm Size on Firm Value

Based on the hypothetical decision in the Moderated Regression Analysis test that has been carried out, it is known that profitability calculated using the return on assets ratio is able to strengthen the influence of company size on company value in energy sector companies listed on the Indonesia Stock Exchange for the 2018-2022 period. Companies with a large growth rate in company size tend to have a high level of profitability (Pervan & Višić, 2012). Companies that have increased profitability are companies that have assets that are managed efficiently (Alarussi & Alhaderi, 2018).
Profitability is one of the considerations for investors when making investments so that it will increase the value of the company. When a company has increased profitability, this will have an impact on the company's ability to generate increased profits as well. Increasing profits will have an impact on increasing wealth or increasing company assets. When a company has large assets, the company will have a more stable condition and can help the company face risks and strengthen the company's image in the future and will increase the company's value. This has been proven by the company PT. Indo Tambangraya Megah Tbk (ITMG) in 2022. Therefore, profitability can strengthen the influence of company size on company value.
The results of this research are in line with the research results of Lalitha, Sandhyavani, & Sudha (2020), Ríos (2023), Putri & Mutumanikam (2022), Firda & Efriadi (2020), and Pervan & Višić (2012), which state that profitability can strengthen the influence of company size on company value. However, the results of this research are not in line with research conducted by Khotimah,

Mustikowati, & Sari (2020) on Real Estate and Property companies listed on the Indonesian Stock Exchange for the 2016-2018 period, which states that profitability can weaken the influence of company size on company value.

CONCLUSION

This research aims to analyze the influence of dividend policy and company size with profitability as a moderating variable in energy companies listed on the BEI in 2018-2022. Based on the test results from research data using secondary data, it can be concluded that the results of this research are that dividend policy has no effect on company value in energy sector companies listed on the IDX for the 2018-2022 period, company size has a positive and significant effect on company value in companies. energy sector listed on the BEI for the 2018-2022 period, profitability is able to strengthen the influence of dividend policy on company value in energy sector companies listed on the BEI for the 2018-2022 period, and profitability is able to strengthen the influence of company size on company value in energy sector companies listed on IDX for the 2018-2022 period.

IMPLICATION

By paying attention to the research findings and research limitations, namely only focusing on energy sector companies listed on the BEI for the 2018-2022 period and the sample size is only 21 companies, there are several theoretical and practical suggestions that can expand the findings in this research, including : Theoretically for future researchers, it is hoped that it can become a reference, reference material, and increase knowledge for future researchers in developing research related to factors that have an impact on company value, such as adding types of measurements and dimensions of company value, namely price to book value, company cash flow, or price earnings ratio. Practically for companies, namely to be able to increase company value optimally, companies should be able to focus on optimizing company asset management and investing in productive assets, not on how much dividends will be distributed to shareholders, so that when the company shows good performance , will improve investor sentiment. The greater the assets a company owns, the more flexibility the company has so that it can increase the value of the company for the welfare of shareholders and for investors and potential investors, to be able to consider company fundamental analysis in determining investment decisions, such as focusing on company size and the company's level of profitability. , not on the size and size of the dividends distributed to shareholders.

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