e-Jurnal Apresiasi Ekonomi Volume 12, Nomor 2, Mei 2024: 336-345
ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

# THE INFLUENCE OF DEBT POLICY AND PROFITABILITY ON COMPANY VALUE WITH DIVIDEND POLICY AS A MODERATION VARIABLE (STUDY ON COAL COMPANIES LISTED ON THE BEI)

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***ABSTRACT***

*This research aims to investigate the influence of Profitability, Debt Policy and Dividend Policy on Company Value, as well as evaluating whether Dividend Policy moderates the relationship between Profitability and Debt Policy and Company Value. Research data was analyzed using the Chow and Hausman tests to select the best model, as well as direct and indirect influence tests using the regression method and Sobel test. The results of the analysis show that Profitability has a negative impact on Dividend Policy, while Debt Policy does not have a significant direct influence on Company Value. Dividend Policy, on the other hand, shows a significant positive influence on Company Value. The Dividend Policy moderation test does not show a significant influence in moderating the relationship between Profitability and Debt Policy and Company Value. Thus, these findings indicate that in the context of this research, Dividend Policy plays an important role in shaping company value, while Profitability and Debt Policy are more likely to influence Dividend Policy than directly affecting Company Value. However, it is important to note that these conclusions may be influenced by the analysis methods and models used, as well as the specific characteristics of the research data. This research contributes to further understanding of the dynamics of corporate policy and corporate value in the context of corporate* finance.

***Keywords: Debt Policy And Profitability On Company Value With Dividend Policy***

## INTRODUCTION

When investing, investors and potential investors need to collect some information to use as a basis for consideration in making investment decisions. One indicator that investors use to assess whether a company has good prospects for the future or not is the profitability ratio. The profitability ratio is a ratio used to measure ability which is considered important because profitability is an indicator in measuring the financial performance of a company so that it can be used as a reference for assessing the company.

Several previous studies discussing Company Value did not show consistent results. Such as the results of research conducted by Indrayani et al., (2021) where the research was entitled The Influence of Company Size, Profitability, Dividend Policy, Environmental Accounting, Leverage and Liquidity on Company Value. The results of his research show that profitability clearly influences company value, but dividend policy does not affect company value. In the previous year, research conducted by Kurnia (2019) showed similar results that dividend policy had no effect on company value, but profitability and share price themselves had a significant influence on company value. However, these results were denied by Zuraida, (2019) and (Astuti & Yadnya, 2019) that from the results of the research they conducted concluded that the dividend policy variable had a positive and significant influence on company value, and the profitability variable itself did not have a significant influence on value. company.

The coal industry is one of the main sectors in the Indonesian economy which has an important contribution to national company value. In recent years, coal companies listed on the Indonesia Stock Exchange (BEI) have experienced various challenges and changes in their business environment (Maryani, 2022). These changes include fluctuations in commodity prices, stricter environmental regulations, as well as changes in government policy regarding this industry (Fauzin, 2021). Therefore, efficient and effective financial management is becoming increasingly important for coal companies to maintain and increase their company value.

One important aspect of financial management is the company's debt policy, which influences the capital structure and risk level (Zuraida, 2019). On the other hand, profitability is also a key factor that influences company performance. The influence of debt policy and profitability on company value has become a research topic that is widely debated in the

 ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

financial literature (Permata, 2019). Therefore, this research aims to investigate the influence of debt policy and profitability on firm value in coal companies listed on the IDX.

The coal industry has a strategic role in the Indonesian economy, contributing significantly to state income and employment (Lung, 2020). However, coal companies face various challenges in managing their financial resources, especially in the context of debt policies, profitability and dividend distribution. This research aims to investigate the influence of debt policy and profitability on company value in coal companies listed on the Indonesia Stock Exchange (BEI) (Munawaroh & Ramadhan, 2022). We will also consider the role of dividend policy as a moderating variable in this relationship. This is supported by research conducted by Isnalita (2018) that;

*"Each company must take into account the advantages obtained, as well as with investors who want to profit from the capital that they grow in the company. A company can be said to be included in the company an attractive one from the company's ability not only to generate a profit, but also able to maintain and increase profits"*

The coal industry has long been one of the backbones of the Indonesian economy (Tapada, 2022). However, over the past few years, the industry has faced a number of serious challenges. Fluctuations in coal commodity prices, changes in environmental regulations, and increasingly fierce global competition are some of the problems that coal companies listed on the Indonesia Stock Exchange (BEI) have to face. In facing these challenges, smart financial management becomes very important.

| COMPANY | P/E RATIO | DIVIDEND RESULTS |
|---|---|---|
| PT Adaro Energy Tbk – ADRO | 2.42 | 23.72% |
| PT Akbar Indo Makmur Stimec Tbk – AIMS | | 0.00% |
| PT Atlas Resources Tbk – ARII | 7.11 | 0.00% |
| PT Transcoal Pacific Tbk – TCPI | 412.91 | 0.08% |
| PT Baramulti Suksessarana Tbk – BSSR | 3.07 | 31.33% |
| PT Bumi Resources Tbk – BUMI | 3.14 | 0.00% |
| PT Bayan Resources Tbk – BYAN | 20.93 | 4.13% |
| PT Dian Swaistika Sentosa Tbk – DSSA | 3.67 | 0.00% |
| PT Golden Energy Mines Tbk – GEMS | 3.25 | 23.47% |
| PT Harum Energy Tbk – HRUM | 5.65 | 4.48% |

*Source: Google Finance*

Debt policy is an important aspect of company financial management (Bahrun, et al, 2020). How companies choose to fund their operations, whether through debt or equity, can have a significant impact on their capital structure and financial risk. On the other hand, profitability is another key factor that influences a company's performance and value. To face external challenges and achieve sustainable growth, coal companies need to understand the relationship between debt policy, profitability and company value.

*Debt policy is the ratio used to regulate how a company's activities are financed with debt. Meanwhile, the debt policy ratio is the ratio used to measure how much the company is financed with debt (Fahmi, 2015). Excessive debt usage will endanger the company because the company will enter the extreme leverage category (extreme debt) ie, companies are stuck in high debt levels and it is difficult to release the debt burden. Therefore, companies should balance how much debt is worth taking and how sources can be used to repay debt.*

From the background explanation, the problems in this research can be formulated including (1) How does debt policy affect the company value of coal companies listed on the IDX? (2) What is the effect of profitability on company value in coal companies listed on the IDX? (3) To what extent can dividend policy moderate the relationship between debt policy, profitability and company value in coal companies listed on the IDX?

This research aims to identify the impact of debt policy on company value in coal companies listed on the IDX. Analyzing the impact of profitability on company value in coal companies listed on the IDX. Assessing the role of dividend policy as a moderating factor that influences the relationship between debt policy, profitability and company value in the context of coal companies on the IDX.

ISSN Cetak : 2337-3997
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**Dividend Policy**

Dividend policy concerns the use of profits that are the rights of shareholders. Basically, these profits can be distributed as dividends or retained for reinvestment. According to (Brigham. 2019) Dividend policy is a company's decision to distribute a portion of profits to shareholders or retain them for certain purposes. Dividend policy is one of the important decisions that must be taken by a company because it can affect company value, cost of capital and the company's business strategy.

There are several theories that explain how dividend policy can affect company value. One of the most famous theories is signaling theory. Signaling theory states that dividend policy can be used by companies to send signals to investors about the company's future prospects. Companies that distribute high dividends are considered healthy companies and have good prospects for the future. This can increase investor confidence in the company and increase company value. This is also explained in research conducted by (Lidtiadi, 2020) that Signaling Hypothesis Theory states that if there is an increase in dividends it is often followed by an increase in share prices, and vice versa. According to Modigliani and Miller, an increase in dividends is usually a signal or signal to investors that company management predicts good earnings in the future, and vice versa.

Another theory that explains dividend policy is agency theory. Agency theory states that there is a conflict of interest between managers and shareholders. Managers may have different interests from shareholders, for example managers may prioritize company growth rather than dividend distribution. Dividend policy can be used to overcome conflicts of interest between managers and shareholders.

The dividend policy can affect company value in the following ways:

a. Dividend policy can increase investor confidence in the company. Investors will have more confidence in companies that distribute high dividends. This is because the company is considered to have good performance and is able to generate stable profits.
b. Dividend policy can increase the liquidity of company shares. Shares of companies that pay high dividends tend to be easier to buy and sell because they have high demand.
c. Dividend policy can increase company value through signaling effects. Companies that distribute high dividends are considered healthy companies and have good prospects for the future. This can increase investor confidence in the company and increase company value.

Research conducted by Frenky YosuaH., Helmi Yazid and Muhamad Taqi with the title The Effect of Tax Avoidance and Profit Smoothing on Company Value with Debt Policy as a Moderating Variable (Study of Manufacturing Companies Registered on BEI for the 2016 – 2018 Period) which was conducted in 2020 The implication is that the higher the debt, the higher the company value. However, after reaching the maximum point, the use of debt by the company becomes unattractive, because the company has to bear agency costs, bankruptcy and interest costs which cause the share value to fall. So debt policy is considered to have large risks and burdens that can reduce company value. Based on the discussion of the results of research entitled the effect of tax avoidance and income smoothing on company value with debt policy as a moderating variable, which is a study on manufacturing companies in the period 2016 to 2018, the following conclusions can be drawn. Tax avoidance does not have a positive effect on company value. This is because investors do not see how much tax the company pays so they do not really consider the amount of tax avoidance carried out by the company so that it does not affect the value of the company. Income smoothing has a positive effect on company value. This is because the company carries out income smoothing actions when presenting financial reports as well as possible to increase the company's value. Debt policy as a moderating variable can strengthen the relationship between tax avoidance and firm value.

Furthermore, research conducted by Suryanti, Arna Suryani and Surono in 2021 with the research title The Influence of Liquidity, Debt Policy, Company Growth and Company Size on Company Value with Profitability as an Intervening Variable in Pharmaceutical Sub-Sector Companies on the Indonesian Stock Exchange for the 2014 - 2019 Period shows If the company value increases by 1 unit, it will have an indirect effect with a decrease of (3.07)% on the company size variable through debt policy. If the company value increases by 1 unit, it will have an indirect effect with a decrease of (4.61)% on the company size variable through company growth. The total value of the direct and indirect influence of variable X4 on Z is 1.06%, meaning that the influence of the company growth variable has an influence of 1.06% on company value. The influence of profitability on company value in pharmaceutical sub-sector companies on the

Indonesia Stock Exchange for the 2014 - 2019 period.

**The value of the company**

Company value is an investor's view of success in achieving company goals which is linked to share prices. The existence of good company value can be reflected in the share price of the company itself because investor confidence assesses that the performance produced by the company is good so that the prospects for the future will also be good (Khotimah, 2023). Company value is an important concept for investors, because it is an indicator of how to assess the market as a whole. Company value is a reflection of asset ownership. With that, if the company value is high, creditors and investors believe that if they lend the funds they will be returned (Sembiring & Trisnawati, 2022). High company value will increase an investor's trust in the company (Suwardika & Mustanda, 2017). The high value of the company also indicates high shareholder prosperity, because with this the company gets additional profits, namely capital gains from the shares it owns.

This is supported by research conducted by Mohammad Andri DA, Ninnasi M., M. Yusak A., with the research title The Influence of Investment Policy, Debt Policy and Dividend Policy on Company Value (Empirical Study of Registered Manufacturing Companies in the Basic Industry and Chemical Sectors On the Indonesia Stock Exchange (BEI) for the 2014-2018 period) in 2020 with research results showing that the results of this research suggest that dividend policy is proxied by the Dividend Payout Ratio (DPR). DPR is the ratio of dividend distribution given to shareholders to net profit per share. The dividends that will be distributed are a mutual agreement between managers and shareholders which is determined through the General Meeting of Shareholders (GMS). Dividend policy can be seen from the Dividend Payout Ratio (DPR) value, which is the part of the company's net profit that is distributed as dividends. Based on the Bird In The Hand Theory, the large dividends distributed to shareholders will be attractive to shareholders because some investors tend to prefer dividends compared to Capital Gains because dividends are more certain.

**Profitability**

Profitability in a company is the company's ability to generate profits, so it is often used as a measuring tool in assessing the level of profit obtained (Poetri & Sugijanto, 2022). Companies that are able to obtain and produce high profitability can reduce the use of more debt because the presence of profits allows for large retained earnings which make it possible to dominate the company's internal funds. So that the existence of profitability with a high value can indicate that the company is able to prove that the company has good performance.

This is further supported by research by Ibad & Dirman (2021) entitled The Influence of Free Cash Flow, Good Corporate Governance, Profitability, Liquidity and Solvency on Dividend Policy. Shows that solvency and profitability results have a negative effect on dividend policy. Based on the results of the analysis, it can be concluded that the five dependent variables in the research such as Free Cash Flow (FCF), Good Corporate Governance, Profitability, Liquidity and Solvency have a positive effect on dividend policy. This means that the higher the value of the independent variable, the higher the value of the dividend policy.

Then Diah Ragil Saputri's research. (2020). The Effect Of Leverage, Profitability, And Dividend Policy On Firm Value. International Journal of Educational Research & Social Sciences. The research results show that; Based on data analysis, hypothesis testing and discussions that have been carried out on property and real estate sector companies listed on the Indonesia Stock Exchange in 2018-2020, it can be concluded as follows: (1) Leverage has no effect on firm value. This condition illustrates that the size of the debt owned by the company against its own capital has no influence on investors in assessing the company. (2) Profitability has an effect on firm value. The company's ability to earn profits is the main benchmark for investors in considering whether the company has a high or low value to invest. (3) Dividend policy has no effect on firm value. Investors would pay more attention to the company's ability to earn profits and make the good decision of using profits for the company today and in the future. Firm value is an investor's perception of the company, so it is important for the company to increase investor confidence. The results of the study are expected to be a reference by management by increasing the company's net profit because it is the main reference for investors to decide on investment rather than how much leverage or dividend policy disclosures are. Suggestions for further research: (1) expand research and develop the population not only in property and real estate sector companies but also in other sector companies listed on the Indonesia Stock Exchange so that research results can be

ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

generalized, (2) increase the research period of more than 3 years, and ( 3) changing or adding research variables related to firm value of liquidity, managerial ownership, institutional ownership, investment opportunity, and firm size so as to increase the adjusted R square value.

**Debt policy**

Debt policy is a company policy to obtain sources of funds from creditors. Debt is an obligation that a company must pay to creditors. Creditors have the right to collect debts and secure company assets if the company cannot pay debts. The value of the company will increase as a result. Company value will also be influenced by debt policy. Apart from taxes, the company's capital structure will determine the value or price of its shares. Stock prices rise when the debt percentage is higher, but ultimately when the debt level rises, the value of the company will fall because. The findings of this study support the idea that managers can increase firm value by influencing debt regulations and regulations related to financial performance. The relationship between ownership structure and business value, where financial performance and debt policy play a role in this relationship, has not been studied by scholars to date.

However, increasing debt will also increase the risk of bankruptcy if it is not balanced with careful use of debt. The Influence of Ownership Structure and Ownership Structure has a relationship with debt policy. Several researchers found a positive relationship between managerial ownership and a company's debt ratio (Foverskov et al., 2023). Meanwhile (Miller et al., 2022) states that company value is influenced by debt policy. (Anwar et al., 2018) states that debt policy is influenced by ownership structure. They state that company value is influenced by financial performance. (A. Hardana, 2022) found a positive relationship between insider ownership and market value after controlling for company performance.

Signaling theory explains that the debt policy taken by a company will provide a reliable signal for investors. So the decision to take out debt will give the impression that the company is confident in the company's potential in the future. So it can be concluded that debt policy has a positive influence on company value.

Based on the theory that has been put forward,So the hypothesis of this research is as follows:

- Hypothesis 1: Debt policy has a positive effect on company value.
- Hypothesis 2: Profitability has a positive effect on company value.
- Hypothesis 3: Dividend policy moderates the effect of debt policy on firm value.
- Hypothesis 4: Dividend policy moderates the effect of profitability on firm value.

## RESEARCH METHODS

This research uses quantitative research methods. This research is classified as causative research, with the aim of seeing the influence of one variable on other variables. In this research to see the influence of the independent variable, Profitability as measured by ROE (Return on Equity). This variable will be the cause as a symptom that will influence the dependent variable, namely Company Value as measured by PBV (Price to Book Value). Apart from that, this research uses an intervening variable or mediating variable, namely Dividend Policy (Dividend Payout Ratio) (Hairudin, et al, 2020). This research applies causal analysis. Quality problems are considered to have a causal relationship with at least two factors in causal examination research, which aims to monitor the impact of independent factors such as certain profit strategies, dependent variables such as company value, as well as productivity as a mediator (Sephia, et al, 2023). The assessment method used in this exam is quantitative exploration and also applies an optional information selection procedure as an annual report. Testing in this survey applies a purposive inspection procedure consisting of LQ45 associations that meet the sample rules. Path analysis as well as linear regression were used to analyze the data. Both bit and intercession tests are used. Path Analysis Data Analysis Technique In this research, path analysis was used with the Eviews Program based on secondary data in the form of panel data. This data is a combination of cross section data and time series data. Panel data was introduced by Howles in 1950. The method used in this research jointly tests a model consisting of independent variables and a dependent variable. Path analysis is used to analyze the relationship between variables with the aim of determining the direct or indirect influence of a set of independent variables (exogenous) on the dependent variable (endogenous). The path analysis model is a pattern of causal relationships or a set of hypothesized causal asymmetric relationships among the variables, Ridwan and Engkos (2007). In discussing panel data regression model estimation techniques, there are three techniques that can be used, namely: 1) Model

ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

using the OLS (common) method, 2) Fixed effect model, 3) Random effect model.


Figure 1. Research Model

## RESULTS AND DISCUSSION

The descriptive statistics used in this research are average, standard deviation, maximum and minimum. Descriptive statistics of research data are shown in Table 1.

**Table 1 Descriptive Statistics of Research Data**

| Variable | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Debt Policy | 10 | 0.03 | 0.77 | 0.18 | 0.18 |
| Profitability | 10 | 0.22 | 0.97 | 0.81 | 0.18 |
| Dividend Policy | 10 | 0.06 | 0.16 | 0.16 | 0.06 |
| The value of the company | 10 | 0.07 | 0.26 | 0.14 | 0.04 |

Source: processed data, 2024

Based on Table 1, the company value variable is measured by debt policy and profitability. The debt policy variable shows that the degree of dependency ratio has a minimum value of 3 percent, the largest is 77 percent with an average of 18 percent and a standard deviation of 18 percent. The financial profitability ratio has an average value of 81 percent, the largest value is 97 percent, the minimum value is 22 percent with a standard deviation of 18 percent. The dividend policy variable has an average value of 16 percent. The highest value for this variable is 31 percent, the lowest value is 6 percent and the standard deviation is 6 percent. The company value variable has an average value of 14 percent. The highest Company Value is 26 percent with the lowest Company Value being 7 percent and a standard deviation of 4 percent.

**Model Suitability Testing**

Test results on the suitability of the most appropriate model/model use the Chow test and the Hausman test. Chow Test (Chow Test) The test results are shown as in Table 2.

**Table 2 Chow Test Results**

| Information | Equation 1 | Equation 2 |
|---|---|---|
| F Count | 23.56 | 112.38 |
| F Table | 2.17 | 2.17 |

Source: processed data, 2024

Based on this table, the calculated F value for both equations is greater than the F table, namely for equation 1, the calculated F is 23.56, while for equation 2 the calculated F is 112.38, greater than the F table of 2. 17. Based on these results, the model chosen is the fixed effect model.

**Hausman Test (Hausman Test)**

The Hausman test was carried out to test whether the data was analyzed using fixed effects or random effects. The test results are shown in table 3.

 ISSN Cetak : 2337-3997
ISSN Online : 2613-9774

**Table 3 Hausman Test Results**

| Information | Equation 1 | Equation 2 |
|---|---|---|
| Chi Square | 0.22 | 6.01 |
| P Value | 0.99 | 0.42 |

Source: processed data, 2024

Based on the table above, the P value obtained for both equations is greater than α=0.05, namely for equation 1, the P value obtained is 0.99, while for equation 2 the P value obtained is 0.42. Based on these results, the model chosen was the random effect model.

**Direct Effect Test**

Hypothesis testing shows the influence of one independent variable partially in explaining variations in the dependent variable. This test can be carried out by looking at the results of the regression carried out with the Eviews program, namely by comparing the level of each independent variable with α = 0.05. The test results are shown in Table 4.

**Table 4 Direct Effect Test Results**

| Variable | B | Bstd | t count | Sig. |
|---|---|---|---|---|
| X1 – Y | 3,126 | 0.214 | 2.9214 | 0.0048 |
| X2 – Y | -1,356 | -0.218 | -3.2620 | 0.0018 |
| X1 – Z – Y | 0.174 | -0.175 | 0.4757 | 0.6358 |
| X2 – Z – Y | 0.059 | 0.200 | -1.2773 | 0.2059 |
| X1 – X2 – Z – Y | 0.014 | 0.295 | 5.7762 | 0.0000 |

Source: processed data, 2024

Based on the t test results as in Table 4, it can be concluded that Debt Policy has a beta coefficient of 0.241 with a si value of 0.0048 which is smaller than 0.05. This means that Debt Policy has a positive effect on Dividend Policy. The Profitability Ratio has a beta coefficient of -0.218 with a si value of 0.0018 which is smaller than 0.05. This means that profitability has a negative effect on dividend policy. Debt policy has a beta coefficient of 0.175 with a si value of 0.6358 which is greater than 0.05. This means that debt policy has no effect on dividend policy and company value. Profitability has a beta coefficient of 0.200 on the dividend policy moderation variable with company value. This means that all variables do not have a positive effect on company value. The dividend policy has a beta coefficient of 0.295 with a si value of 0.000 which is smaller than 0.05. This means that dividend policy has a positive effect on the allocation of company value.

**Indirect Effect Test**

In this research, the Sobel test is used to test path analysis. Sobel test results are shown in Table 5.

**Table 5 Sobel Test Results**

| Variable | Coefficient | Std. Error | a x b | Sat | Z |
|---|---|---|---|---|---|
| X1 | 3.2162 | 1.1009 | 0.0458 | 0.0175 | 2.6069 |
| X2 | -1.3561 | 0.4157 | -0.0193 | 0.0068 | -2.8403 |
| Z | 0.1741 | 0.3661 | 0.0024 | 0.0052 | 0.4741 |
| Y | 0.5569 | 0.1339 | 0.0079 | 0.0023 | 1.2472 |

Source: processed data, 2024

Based on Table 5, it shows that the indirect effect of Debt Policy on Company Value has a Z value of 2.607 which is greater than 1.96. This proves that indirectly the Debt Policy through the Dividend Policy has a positive effect on Company Value. The indirect effect of Profitability on Company Value has a Z value of -2.840 which is greater than 1.96. This proves that indirectly profitability through dividend policy has a negative effect on company value. The indirect effect of Dividend Policy on Company Value has a Z value of 0.474 which is smaller than 1.96. This proves that indirectly the Dividend Policy through the Dividend Policy has no effect on Company Value.

**The influence of debt policy on company value**

From Table 1, we can see that the Debt Policy variable has an average of 0.18 with a standard deviation of 0.18. The minimum and maximum values are 0.03 and 0.77. Other variables observed are Profitability, Dividend Policy, and Company Value. The Chow test shows that the most appropriate model is the fixed effect model, because the calculated F is greater than the F table for both equations. The Hausman test shows that the most appropriate model is the random effect model, because the P value is greater than 0.05 for both equations.

Based on the results of the analysis, it can be concluded that Debt Policy indirectly has a positive effect on Company Value through Dividend Policy. On the other hand, Profitability has an indirect negative effect on Company Value through Dividend Policy. Dividend policy has a direct and indirect positive influence on company value. The model used in the analysis is the random effect model.

**The influence of profitability on company value**

Profitability (X2) has an average of 0.81 with a standard deviation of 0.18. The minimum and maximum values are 0.22 and 0.97. Firm Value (Z) has an average of 0.14 with a standard deviation of 0.04. The minimum and maximum values are 0.07 and 0.26. The Profitability variable (X2) has a significant negative influence on Dividend Policy (Y), with a calculated t of -3.2620 and a significance value of 0.0018. Profitability (X2) has no direct effect on Company Value (Z), because the significance value is greater than 0.05.

Based on the analysis results, Profitability has a direct negative influence on Dividend Policy and has no direct influence on Company Value. However, through path analysis, it can be seen that the indirect effect of Profitability on Company Value through Dividend Policy is negative and significant. This indicates that companies with a high level of profitability tend to have a lower dividend policy, which in turn affects company value negatively.

**Dividend policy moderates the effect of debt policy on firm value**

The Debt Policy variable (X1) has a significant positive influence on Dividend Policy (Y), with a calculated t of 2.9214 and a significance value of 0.0048. Debt Policy (X1) has no direct effect on Company Value (Z), because the significance value is greater than 0.05. The Dividend Policy variable (Y) has a significant positive influence on Company Value (Z), with a calculated t of 5.7762 and a significance value of 0.0000. The beta coefficient for the interaction between Debt Policy (X1) and Dividend Policy (Y) (X1 - Y) is 0.174 with a significance value of 0.6358. This shows that this interaction is not statistically significant for Dividend Policy. The beta coefficient for the interaction between Debt Policy (X1) and Dividend Policy (Y) on Company Value (X1 - Z - Y) is 0.059 with a significance value of 0.2059. This shows that this interaction is also not significant for Company Value.

Based on the results of the analysis, Dividend Policy does not significantly moderate the influence of Debt Policy on either Dividend Policy or Company Value. In other words, the influence of Debt Policy on Dividend Policy and Company Value is not significantly influenced by the level of Dividend Policy itself.

**Dividend policy moderates the effect of profitability on firm value**

The Profitability variable (X2) has a significant negative influence on Dividend Policy (Y), with a calculated t of -3.2620 and a significance value of 0.0018. Profitability (X2) has no direct effect on Company Value (Z), because the significance value is greater than 0.05. The Dividend Policy variable (Y) has a significant positive influence on Company Value (Z), with a calculated t of 5.7762 and a significance value of 0.0000. The beta coefficient for the interaction between Profitability (X2) and Dividend Policy (Y) (X2 - Y) is 0.059 with a significance value of 0.2059. This shows that this interaction is not statistically significant for Dividend Policy. The beta coefficient for the interaction between Profitability (X2) and Dividend Policy (Y) on Company Value (X2 - Z - Y) is 0.200 with a significance value of 0.6358. This shows that this interaction is also not significant for Company Value.

Based on the results of the analysis, Dividend Policy does not significantly moderate the influence of Profitability on either Dividend Policy or Company Value. In other words, the influence of Profitability on Dividend Policy and Company Value is not significantly influenced by the level of Dividend Policy itself.

## CONCLUSIONS

Based on the results of the analysis of the processed data, several conclusions can be drawn regarding the influence of Profitability, Debt Policy and Dividend Policy on Company Value, as well as the moderating role of Dividend Policy in the relationship between Profitability and Debt Policy and Company Value. First, Profitability directly influences Dividend Policy in a negative direction, but does not have a direct impact on Company Value. Second, Debt Policy does not have a significant direct influence on Company

Value. Meanwhile, Dividend Policy has a significant positive influence on Company Value. Third, through the moderation test, no evidence was found that Dividend Policy significantly moderates the effect of Profitability or Debt Policy on Company Value. Overall, this research highlights the crucial role of Dividend Policy in shaping firm value, while Profitability and Debt Policy are more likely to have an impact on Dividend Policy rather than directly influencing Firm Value. However, it should be remembered that these conclusions can be influenced by the analytical methods and models used as well as the special characteristics of this research data.

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