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The Effect Of Liquidity, Dividend Policy, Profitability, And Company Size On The Value Of Manufacturing Companies Listed In The Jakarta Islamic Index (JII) Year (2020–2024)

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Abstract

This study aims to analyze the influence of liquidity, dividend policy, profitability, and company size on company value in manufacturing companies listed in the Jakarta Islamic Index (JII) in 2020-2024. In this study, a quantitative method was used and the analysis method used was multiple regression of panel data with the help of the eviews program 12. The data of this study is secondary data. The data collection technique uses financial statements registered on the IDX website with purposive sampling techniques. The results of the study show that it partially shows that liquidity (X_1) partially has no effect on the company's value (Y), this is proven by the company's value of 0.1503 > 0.05. The dividend policy (X_2) partially has no effect on the company's value (Y), this is evidenced by showing the company's value of 0.1693 > 0.05. Profitability (X_3) partially affects the value of the company (Y), this is proven to show a probability value of 0.0010 < 0.05. The size of the company (X_4) partially affects the value of the company (Y), this is proven by showing a probability value of 0.0074 < 0.05. The results of simultaneous hypothesis testing showed that liquidity, dividend policy, profitability and company size had an influence on the company's value.

Keywords: Liquidity, Dividend Policy, Profitability, Company Size, Company Value.

INTRODUCTION

Stock prices can reflect the value of the company which is the benchmark for investors' overall assessment of each equity that the company holds. The high value of the company indicates that the company's performance is getting better (Deasy & Suryanto,

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2022). Based on data from the Investment Coordinating Board obtained from bkpm.co.id in 2023. Capital (BKPM) that throughout 2023, manufacturing companies reaped investments worth Rp. 596.3 trillion. This achievement increased by 19.81 percent compared to the previous year.

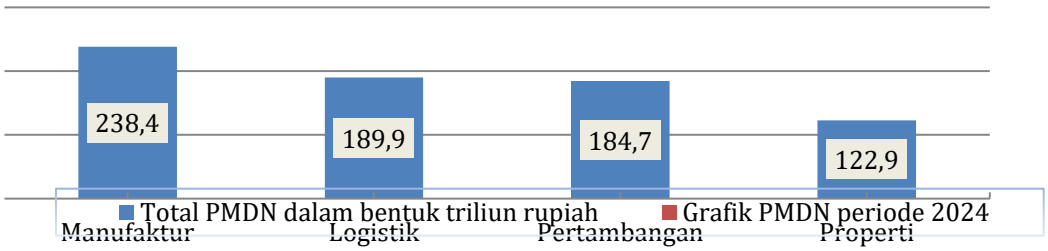


Figure 1. Total PMDN in 2024

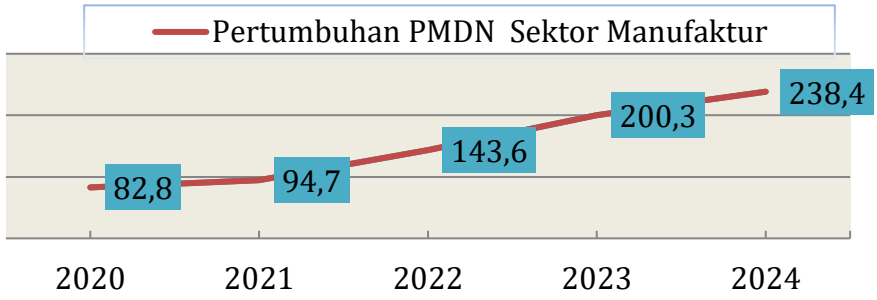


Figure 2. Total PMDN in Trillions of Rupiah
(Source: bkpm.co.id, 2025)

Based on figures 1 and 2 above, data obtained from and BKPM, manufacturing companies are still the largest contributors of investment compared to other companies and have always experienced a significant increase from year to year. It can be seen from figures 1 and 2 above that the value of liquidity in 2020 of manufacturing companies reached 82.8 trillion, then in 2021 there was an increase of 14%, from 82.8 trillion to 94.7 trillion, in 2022 there was an increase of 50% from 94.7 trillion to 143.6 trillion, and in 2023 there was an increase of 39.58 from 143.5 trillion to 200.3 trillion, Then in 2024 it will increase by 19% from 200.3 trillion to 238.4 trillion rupiah. This happens because of the high confidence of investors in manufacturing companies so that they choose to stay or increase investment in manufacturing companies. In addition, it also happens because manufacturing companies are companies that provide or produce basic needs that are the needs of the community.

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Table 1. Value of Manufacturing Companies Listed in Jakarta Islamic Index (JII)

Code	Price to Book Value (PBV)				
	2020	2021	2022	2023	2024
SMGR	2,07	1,08	0,94	0,81	0,32
INDF	1,31	1,22	1,15	0,62	0,59
ICBP	2,61	2,26	2,20	2,93	3,28
INTP	2,60	2,40	1,20	1,52	0,84
ASII	1,57	1,34	1.20	1,15	0,97
KLBF	3,99	3,87	3,77	3,48	2,34
AKRA	1,43	1,74	2,52	2,58	2,26
UNVR	35,6	36,3	36,89	46,96	48,35
Average	6,40	6,28	3,72	5,25	5,86

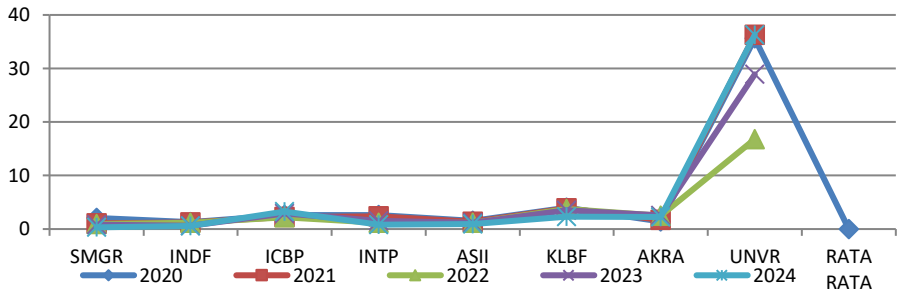
(Source: IDX processed by researchers, 2025)

Based on table 1 above, it shows that the value of Price to Book Value (PBV), manufacturing companies listed in the Jakarta Islamic Index (JII) show a relatively good company value. The minimum PBV value indicates that there are still companies that are judged by the market to be below their book value, while the maximum PBV value reflects the high appreciation of the market for a particular company. An average PBV above one indicates that in general manufacturing companies in JII have good prospects and are able to create added value for shareholders, although there are variations in market valuations that are reflected in the standard value of PBV deviation.

Figure 3. Price to Book Value Development of Manufacturing Companies Listed in the Jakarta Islamic Index Period 2020-2024

(Source: IDX processed by researchers, 2025)

Based on figure 3 above, we can see that the development of PBVs from companies listed on the Jakarta Islamic Index (JII) during the 2020-2024 period has mostly fluctuated. The increase in declines, as well as fluctuations from companies is an interesting



phenomenon to study. Companies certainly need to consider what factors can affect the

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company's value. The practice of achieving the company's values is not easy and takes a long time, therefore support is needed in order to achieve maximum company value.

Liquidity is a factor that affects the value of the company. Liquidity is the company's benchmark in paying off debts that have matured. Liquidity management contributes to the creation of good company value. In general, liquidity is the issuer's ability to fulfill short-term liabilities. The liquidity ratio that will be used in this study is the Current Ratio. Current Ratio is an overview of the ability of all current assets to guarantee their current debt. The Current Ratio can be used as the basis for calculating short-term liquidity, which is the most important because it includes all current asset components and all current debt components regardless of the liquidity level (Moeljadi, 2006).

The second factor that can affect a company's value is profitability. Profitability is the company's ability to profit from the use of company assets. Maintaining or distributing profits is a decision of the company in responding to the profits it earns. The ratio that is often used to predict stock prices or stock returns is Return On Equity (ROE). ROE is also a benchmark for the issuer's effectiveness in making profits by utilizing company assets (Jenny & Mineva, 2021).

Dividend policies are essential because they affect a company's investment opportunities, stock price, financial structure, funding flows and liquidity position. In other words, future policies. Dividends provide information about the company's performance. Each company sets a different dividend policy, because the dividend policy has an effect on paying dividends to its shareholders, so the company may not be able to maintain enough funds to finance its growth in the future (Alexander, 2022). The size of the company is also one of the additional internal factors besides performance that can determine the value of the company. In accordance with the theory of large corporate signals, it provides a good signal for investors, so that it can ultimately increase the value of the company (Ainun, 2016).

Research conducted by Yuniastri et al., (2021) shows that profitability has no effect on company value, dividend policy has no effect on company value, investment policy has a positive effect on company value, capital structure has no effect on company value, and company size has a negative effect on company value. Meanwhile, from Eka's (2017) research, it shows that the size of the company does not have a significant effect on the company's value, profitability is directly proportional to the company's value. The higher the profitability, the more the value of the company increases, and vice versa, the size of the company, and profitability are directly proportional to the value of the company.

There is a difference in the results of the previous research between the first researcher stating that profitability and company size do not have a positive effect on the

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company's value, while the results of the second researcher stated that profitability and company size have a positive effect on the company's value. Based on the inconsistency of previous researchers, the researcher is interested in raising the title "The Influence of Liquidity, Profitability, Dividend Policy, and Company Size on the Value of Manufacturing Companies Listed in the Jakarta Islamic Index in 2020-2024"

LITERATURE REVIEW

Signal Theory

Signal theory proposes how companies should provide signals in the form of information to the public (Syaifuddin, 2003). The relationship of signal theory in this study variable is profitability, which is one of the important information for investors where they can analyze the development of the company's profitability. The higher the company's profits, the more it gives a positive signal to investors that indicates that they will benefit from their investment.

Agency Theory

Agency theory or agency theory is a theory that describes the working relationship between the company owner and management. This theory explains two contradictory economic actors, namely the principal and the agent. An agency relationship is a contract, in which one or more people (principals) order another person (agent) to perform a service on behalf of the principal, as well as authorizing the agent to make decisions that are in the best interest of the principal (Jensen & Meckling, 1976).

Liquidity (X1)

Liquidity is a measure of a company's performance appraisal that is meant to measure a company's ability to pay short-term liabilities (Astuti & Yadnya, 2019). In this study, the current ratio is used to measure liquidity. The formula for the current ratio includes the following:

$$\text{CR} = \frac{\text{Current assets}}{\text{Current liabilities}}$$

Dividend Policy (X2)

The dividend policy is a decision whether the profits earned by the company at the end of the year will be distributed to shareholders in the form of dividends or will be withheld to increase capital to finance investments in the future (Triyonowati & Dewi, 2022). In this study, dividends per share are used to measure dividend policy. The dividend per share formula is as follows:

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$$\text{DPS} = \frac{\text{Total dividends paid}}{\text{Number of shares outstanding}}$$

Profitability (X3)

Profitability is the ability of a company to generate profits and shows whether the company has good prospects for the future. In addition, profitability shows how well a company can generate profits for its shareholders (Sartono, 2008). In this study, return on equity is used to measure profitability. The return on equity formula is as follows:

$$\text{ROE} = \frac{\text{Net profit}}{\text{Shareholders' equity}}$$

Company Size (X4)

The size of a company can be determined based on profits, assets, workforce, sales rates and other factors that are all highly correlated. The size of a company can be attributed to a company's market share (Thomas, 2023). The use of total assets is based on the fact that total assets reflect the size of the company and tends to affect timeliness. In this study, a neutral logarithm of total assets is used to measure the size of a company.

$$\text{Company Size} = \text{Ln Total Aset}$$

Company Value (Y)

The value of the company will be reflected in its share price. The market price of the company's shares formed between the buyer and seller at the time of the transaction is called the company's market value, because the market price of the shares is considered a reflection of the value of the company's actual assets (Jeni, 2021). In this study, price to book value is used to measure the value of a company. The price to book value includes the following:

$$\text{PBV} = \frac{\text{Share price per share}}{\text{Book value per share}}$$

FRAME OF MIND

Liquidity is assumed to have a significant impact on the company's value in companies listed on the JII in 2020–2024. This is a logical consequence of the nature of liquidity. Short-term debt affects the value of a company. Research conducted by Oktaviarni et al., (2019) and Antari et al., (2022) found that liquidity affects a company's value.

The dividend policy is assumed to affect the value of the company because the dividends distributed can be a positive signal regarding the company's financial prospects to investors. The higher the dividend distributed, the higher the investor perception of the company, which has an impact on the company's value. Research conducted by Oktaviarni

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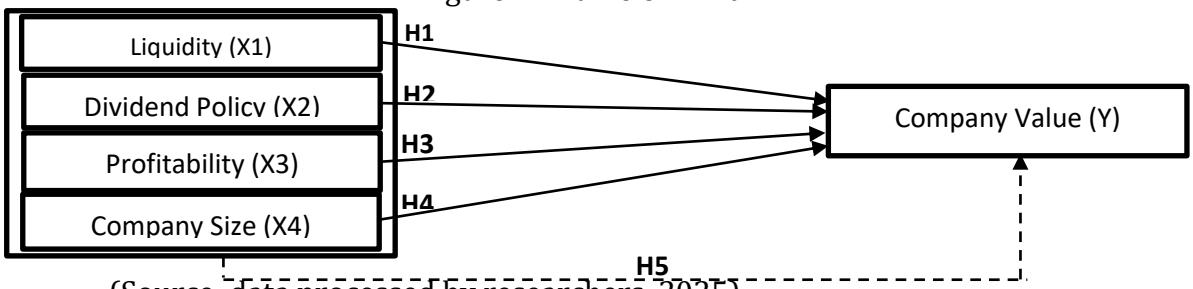
et al., (2019) and Amrulloh & Amalia (2020) found that dividend policies affect the value of companies.

Profitability is assumed to have an influence on the value of the company because companies that are able to generate high profits are considered to have good performance. Investors tend to value companies with high profitability higher, which will ultimately increase the value of the company. Research conducted by Akbar & Fahmi (2020) and Astiani et al., (2019) found that profitability affects company value.

The size of the company is also considered to have an effect on the value of the company. Larger companies tend to have greater resources, stronger resilience, and are more likely to obtain outside financing. These factors provide a sense of security to investors thereby increasing the value of the company. Research conducted by Antari et al., (2022) found that company size affects company value.

The influence of liquidity, dividend policy, profitability, and company size on company value is assumed to have a significant impact on manufacturing companies listed in the Jakarta Islamic Index in 2020-2024. This is a logical consequence of the fact that it must be able to meet the elements of utilization of a financial management object in a company listed in the Jakarta Islamic index. Research conducted by Astika et al., (2019) found that liquidity, dividend policy, profitability and company size affect company value.

Figure 4. Frame of Mind



(Source: data processed by researchers, 2025)

Based on figure 4. The above thinking framework, the research hypotheses include the following:

H1: Liquidity affects the value of the company.
H2: Dividend policy affects the value of the company.
H3: Profitability affects the value of the company.
H4: The size of the company affects the value of the company.
H5: Liquidity, dividend policy, profitability and company size affect the company's value.

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RESEARCH METHODS

This research is a causal associative research using a quantitative approach. This research was conducted on registered manufacturing companies (JII) Jakarta Islamic Index starting at the end of the month until March 2025. The data used in this study, panel data is a type of data consisting of time series and cross sections. In addition, the secondary data used in this study are the financial statements of companies listed in the Jakarta Islamic Index from 2020 to 2024. The population in this study is manufacturing companies listed in the Jakarta Islamic Index. The sampling technique in this study uses purposive sampling with criteria including manufacturing companies listed in the Jakarta Islamic Index; manufacturing companies that are inconsistently listed in the Jakarta Islamic Index; companies that do not record deferred tax burdens. From the purposive sampling criteria, companies that meet the criteria were obtained as many as 8 companies consisting of Unilever Indonesia Tbk, Astra Internasional Tbk, Indofood Sukses Makmur Tbk, Semen Indonesia Tbk, Indocement Tunggal Perkasa Tbk, Kalbe Farma Tbk, AKR Corporindo Tbk and Indofood CBV Sukses Makmur Tbk.

The data analysis technique in this study using the Eviews 12 application consists of descriptive statistical analysis and panel data analysis (common effect model, fixed effect model, random effect model). In addition, the model tests carried out include chow test, hausman test, lagrange multiplier test, classical assumption test (normality test, multicollinearity test, heterokedasticity test, autocorrelation test), hypothesis test (F test, t test, determination coefficient test).

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

Table 2. Descriptive Statistical Analysis

	Y	XI	X2	X3	X4
Red	10.01615	1.980000	3895.051	11.39436	113.9277
Median	2.520000	1.540000	194.0000	12.32000	76.99000
Maximum	56.80000	4.910000	39208.00	24.69000	460.0000
Minimum	0.590000	0.450000	10.00000	1.330000	16.00000
Std. Dev.	15.18907	1.174723	9137.887	6.243574	127.4280
Skewness	1.702413	0.983530	2.499059	-0.079029	1.562524
Kurtosis	4.591945	2.975713	8.382876	2.323935	4.352950
Jarque-Bera	22.95658	6.288606	87.67937	0.783325	18.84415
Probability	0.000010	0.043097	0.000000	0.675932	0.000081
Sum	390.6300	77.22000	151907.0	444.3800	4443.180

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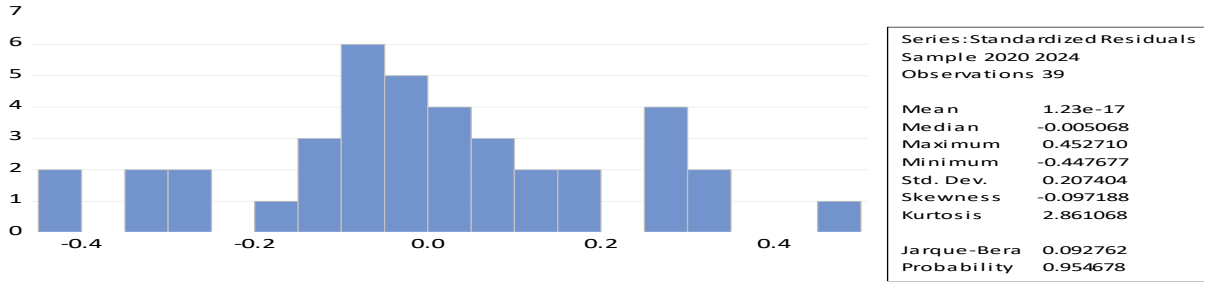
Sum Sq. Dev.	8766.902	52.43900	3.17E+09	1481.324	617040.4
Observations	39	39	39	39	39

(Source: Eviews, 2025)

Based on table 2, it is known that the value of the company value (Y) is a minimum value of 0.590000, a maximum value of 56.80000, a mean (average) of 10.01615 and a deviation of 15.18907. The value of liquidity (X1) is the minimum value of 0.450000, the maximum value is 4.910000, the mean (average) is 1.980000 and the std deviation (standard deviation) is 1.174723. The value of the dividend policy (X2) is the minimum value of 10.00000, the maximum value of 39208.00, the mean (average) of 3895.051 and the std deviation (standard deviation) of 9137.887. The value of profitability (X3) is a minimum value of 1.330000, a maximum value of 24.69000, a mean (average) of 11.39436 and a std deviation of 6.243574. The value of the company size (X4) is the minimum value of 16.00000, the maximum value is 460.0000, the mean (average) is 113.9277 and the std deviation (standard deviation) is 127.4280.

Normality Test

Figure 5. Normality Test



(Source: Eviews, 2025)

Based on figure 5 above, the results of the jarque-bera test can be found that the jarque-bera value is 0.092762 with a probability of 0.0954678 > 0.05, so it can be said that the data is normally distributed.

Multicollinearity Test

Table 3. Multicollinearity Test

	Coefficient	Uncentered	Centered
Variable	Variance	VIVID	VIVID
C	52.99585	73.10453	OR

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X1	4.561325	25.69418	1.026755
X2	2.13E-08	1.641698	1.196839
X3	0.110016	21.04075	1.337457
X4	0.002824	51.72545	1.154744

(Source: Eviews, 2025)

Based on table 3. multicollinearity test, all independent variables have a tolerance value greater than the VIF value of less than 10. Thus, it can be concluded that the regression model does not experience the problem of multicollinearity, so that the relationship between independent variables does not interfere with each other in explaining the dependent variable.

Heterokedasticity Test

Table 4. Heterokedasticity Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	2.085202	4.051951	0.514617	0.6109
X1	-0.125053	1.174427	-0.106480	0.9160
X2	8.26E-06	8.29E-05	0.099685	0.9213
X3	0.056072	0.188058	0.298162	0.7678
X4	-0.000762	0.030214	-0.025236	0.9800

(Source: Eviews, 2025)

Based on table 4 above, it shows that the value of all variables has a probability value above the significance value of 0.05 (5%), this shows that the variables are free and bound free from the heteroscedasity problem or the heterosdecency test is not met.

Autocorrelation Test

Table 5. Autocorrelation Test

Root MSE	0.204728	R-squared	0.975848
Mean dependent var	1.333731	Adjusted R-squared	0.966008
S.D. dependent var	1.334567	S.E. of regression	0.246052
Akaike info criterion	0.281113	Sum squared resid	1.634624
Schwarz criterion	0.792978	Log likelihood	6.518295

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Hannan-Quinn crister.	0.464766	F-statistic	99.17448
Durbin-Watson stat	1.574428	Prob(F-statistic)	0.000054

(Source: Eviews, 2025)

Based on table 5 above, the results of the Durbin-Watson (DW) test obtained a DW value of 1.574428. With the number of samples (N) = 80 and the number of independent variables (k) = 4, the values dL = 1.5339 and dU = 1.7430 were obtained. Since the DW value (1.574428) is between dL (1.5339) and dU (1.7430), the test results are in the inconclusive region, meaning there is no need to carry out follow-up tests on the classical assumption test.

Chow Test

Table 6. Chow Test

Effects Test	Statistic	D.F.	Prob.
Cross-section F	13.422535	(7,27)	0.0000
Cross-section Chi-square	58.484572	7	0.0054

(Source: Eviews, 2025)

Based on table 6. above, it can be seen that the probability of Chi-squares is 0.0054 < 0.05, so it can be concluded that Ho is rejected so that the fixed effect model is more appropriate so that it is used and what is chosen is the fixed effect model.

Hausman Test

Table 7. Hausman Test

Test Summary	Chi-Sq. Statistic	Chi-Sq. D.F.	Prob.
Cross-section random	15.373991	4	0.0054

(Source: Eviews, 2025)

Based on table 7. Above the results of the Hausman test, it can be seen that the Chi-square probability value is 0.0054 < 0.05, then it can be concluded that Ho is accepted and the chosen model is the fixed effect model.

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Panel Data Regression Analysis

Table 8. Test Panel Data Regression Equation

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.173469	0.336874	3.483411	0.0017
X1	0.146340	0.098831	1.480713	0.1503
X2	9.53E-06	6.75E-06	1.412415	0.1693
X3	0.056570	0.015349	3.685613	0.0010
X4	-0.007120	0.002459	-2.895172	0.0074

(Source: Eviews, 2025)

Based on table 8. Above the results of the panel data regression processing using the fixed effect model, the regression equation is obtained as follows:

Yit = 1.173469 + 0.146340X1it + 9.53E-06X2it + 0.056570X3it – 0.007120X4 + εít

The constant of = 1.173469 means that if the liquidity, dividend policy, profitability and company size value is 1, then the value of the company is 1.173469.

The regression coefficient of the liquidity variable (X1) of 0.146340 means that every increase in liquidity (X1) of 1 unit, it will increase the value of the company (Y) by 0.146340 units, assuming that other independent variables have a fixed value.

The regression coefficient of the dividend policy variable (X2) of 9.53E-06 means that every increase in the dividend policy (X2) by 1 unit, will increase the company's value (Y) by 9.53E-06 units, assuming that the value of other independent variables remains the same.

The regression coefficient of the profitability variable (X3) of 0.056570 means that every increase in profitability (X3) by 1 unit, will increase the company value (Y) by 0.056570 units, assuming that other independent variables have a fixed value.

The regression coefficient of the company size variable (X4) of -0.007120 means that every increase in the company size (X4) by 1 unit, will increase the company value (Y) by -0.007120 units, assuming that other independent variables have a fixed value.

T test

Table 9. T test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1.173469	0.336874	3.483411	0.0017
X1	0.146340	0.098831	1.480713	0.1503

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X2	9.53E-06	6.75E-06	1.412415	0.1693
X3	0.056570	0.015349	3.685613	0.0010
X4	-0.007120	0.002459	-2.895172	0.0074

(Source: Eviews, 2025)

Based on table 9 above, it shows that liquidity has a calculated t of 1.480713 > ttable 1.440 and a probability value of 0.1503 > 0.05 so that it can be concluded that liquidity partially does not have a significant effect on the company's value, so Ha is rejected and H0 is accepted. The dividend policy has a calculated t of 1.412415 < ttable of 1.440 and a probability value of 0.1693 > 0.05 so it can be concluded that the dividend policy partially does not have a significant effect on the company's value, so Ha is accepted and H0 is rejected. Profitability has a calculated t of 3.685613 > ttable of 1.440 and a probability value of 0.0010 < 0.05 so that it can be concluded that the profitability variable partially has a significant effect on the value of the company, so that Ha is accepted and H0 is rejected. The size of the company has a calculated t of -2.895172 < ttable of 1.440 and a probability value of 0.0074 < 0.05 so that it can be concluded that the variable of the size of the company partially has a significant effect on the value of the company, so that Ha is accepted and H0 is rejected.

Test F

Table 10. Test F

R-squared	0.975848	Root MSE	0.204728
Adjusted R-squared	0.966008	Mean dependent var	1.333731
S.E. of regression	0.246052	S.D. dependent var	1.334567
Sum squared resid	1.634624	Akaike info criterion	0.281113
Log likelihood	6.518295	Schwarz criterion	0.792978
F-statistic	99.17448	Hannan-Quinn crister.	0.464766
Prob(F-statistic)	0.000070	Durbin-Watson stat	1.574428

(Source: Eviews, 2025)

Based on table 10 above, the F value is obtained as 99.17448 with a probability of 0.000070 < 0.05, so it can be concluded that liquidity (X1), dividend policy (X2), profitability (X3) and company size (X4) together have a significant effect on the profitability variable (Y).

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Coefficient Determination Test

Table 11. Coefficient Determination Test

R-squared	0.975848	Root MSE	0.204728
Adjusted R-squared	0.966008	Mean dependent var	1.333731
S.E. of regression	0.246052	S.D. dependent var	1.334567
Sum squared resid	1.634624	Akaike info criterion	0.281113
Log likelihood	6.518295	Schwarz criterion	0.792978
F-statistic	99.17448	Hannan-Quinn crister.	0.464766
Prob(F-statistic)	0.000070	Durbin-Watson stat	1.574428

(Source: Eviews, 2025)

Based on table 11 above, the value of adjusted r squared is 0.966008, this shows that the contribution of all independent variables in explaining the dependent variable is 96.66% while the remaining 3.34% (100 – 96.66) is explained by other variables outside the model.

The Effect of Liquidity on Company Value

Based on the results of the partial test (t), namely the results of the partial test between liquidity and company value, the calculated t value is 1.480713 < ttable 1.440 and the probability value is 0.1503 > 0.05. Therefore, from this study, the proposed hypothesis is rejected. Thus, it can be concluded that liquidity partially has no effect on the value of the company. The results of this study are in line with research conducted by Santoso & Junaeni (2022) that liquidity has no effect on the value of the company. This indicates that investors do not make the level of liquidity a major factor in valuing a company.

Investors tend to pay more attention to the company's ability to generate profits, growth prospects, and asset management efficiency, rather than simply its ability to meet short-term obligations. In addition, a liquidity level that is too high can reflect the existence of idle assets or idle funds that have not been optimally utilized for productive activities, so that they do not increase the company's value. In companies that are members of an index such as the Jakarta Islamic Index (JII), the relative liquidity level has been at a safe limit according to the prudential principle, so the variation in liquidity between companies is not strong enough to affect market perception of the company's value.

The Effect of Dividend Policy on Company Value

Based on the results of the partial test (t), namely the results of the partial test between the dividend policy and the company's value, it shows a calculated t value of

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1.412415 > ttable 1.440 and a probability value of 0.1693 > 0.05. Therefore, from this study, the proposed hypothesis is rejected. Thus, it can be concluded that the dividend policy partially has no effect on the company's value. The results of this study are in line with research conducted by Budi & Maryono (2022) found that dividend policy has no effect on company value. This indicates that the size of the dividends distributed is not the main consideration of investors in assessing the value of the company.

Investors tend to pay more attention to the company's fundamental performance, such as profitability, growth opportunities, and cash flow stability, than dividend distribution policies. In addition, some investors are indifferent to dividends because they can make profits through capital gains, so that changes in dividend policies do not directly affect stock prices and company values.

The Effect of Profitability on Company Value

Based on the results of the partial test (t), namely the results of the partial test between profitability and company value, it shows a calculated t value of 3.685613 < ttable 1.440 and a probability value of 0.0010 < 0.05. Therefore, from this study, the proposed hypothesis was accepted. Thus, it can be concluded that profitability partially affects the value of the company. The results of this study are in line with research conducted by Akbar & Fahmi (2020) found that profitability affects company value. This indicates that the higher the level of profitability, the higher the value of the company.

A high level of profitability gives a positive signal (good news) to investors regarding the effectiveness of management in managing company resources. Stable and rising profits indicate the company's good prospects for the future, thereby boosting investor confidence and driving up stock prices. The increase in the stock price is ultimately reflected in the increase in the company's value. In addition, high profitability increases the company's opportunities to distribute dividends, expand its business, and strengthen its capital structure, which overall has a positive impact on market perception. Therefore, profitability is one of the main factors that investors consider in assessing the value of a company.

The Effect of Company Size on Company Value

Based on the results of the partial test (t), namely the results of the partial test between the size of the company and the value of the company, it shows a calculated t value of 2.895172 > ttable 1.440 and a probability value of 0.0010 < 0.05. Therefore, from this study, the proposed hypothesis was accepted. Thus, it can be concluded that the size of the company partially affects the value of the company. The results of this study are in line with

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research conducted by Antari et al., (2022) found that company size affects company value. This indicates that the larger the size of the company, the higher the value of the company.

Companies with larger sizes tend to have better operational stability, wider access to funding sources, and a higher level of trust from investors. This condition makes large companies perceived to have lower risks and more stable prospects, so the market gives a higher valuation to the company. In addition, large-sized companies generally have larger production capacity, a wider market share, and better operational efficiency. These advantages increase the company's competitiveness and ability to generate profits sustainably, which ultimately has a positive impact on the company's value.

The Influence of Liquidity, Dividend Policy, Profitability and Company Size on Company Value

Based on the results of the F Test (Simultaneous), the F value was obtained calculated as 97.17448 with a probability of 0.00070 < 0.05, so it can be concluded that liquidity, dividend policy, profitability, and company size simultaneously have a significant effect on the company's value. The results of this study are in line with research conducted by Astika et al., (2019) found that liquidity, dividend policy, profitability and company size affect company value. This indicates that a company's value is not determined by a single factor, but rather by a combination of financial performance and overall company characteristics.

Liquidity reflects a company's ability to meet short-term liabilities, dividend policy reflects management's decisions in managing and distributing profits, profitability describes a company's ability to generate profits, while company size reflects the stability and scale of the business. When these four variables are considered together, investors get a more comprehensive picture of the company's financial condition, prospects, and risk level. Although partially some variables may not have a significant effect, they simultaneously complement each other in shaping market perception of the company. The combination of adequate liquidity, proper dividend management, high level of profitability, and large company size can increase investor confidence, which is ultimately reflected in the increase in the company's value.

CONCLUSION

Based on the results of hypothesis testing and analysis that has been carried out, it can be concluded that:

1. Liquidity partially has no effect on the value of the company.
2. The dividend policy partially has no effect on the company's value.
3. Profitability partially affects the value of the company.

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4. The size of the company partially affects the value of the company.
5. Liquidity, dividend policy, profitability and company size simultaneously affect the company's value.

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