Riwayat

Original Article

The Effect of DPR, SIZE, ROA, and DER on PBV Empirical Study on Food and Beverage Sector Companies Listed on the IDX for the 2018-2021 Period

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Abstract:

The Food adn Beverages industry is expanding, but the presence of the COVID-19, which began in 2019, has prompted the company to make changes to internal and external rules that have an influence on firm value. As a result, the purpose of this study was to examine the impact of dividend payout ratio, size, return on asset, and debt to equity on firm value in Food and Baverages industry companies listed on the Indonesian Stock Exchange from 2018 to 2021. This study has a total of 55 were collected. For data verification, use multiple regression analysis. According to the study's findings, dividend payout ratio and size have no effect on firm value, however return on asset and debt to equity ratio have positive significant effect on firm value.

Keywords: DPR, Size, ROA, DER, PBV

Introduction

In *the firm theory* , it is explained that the purpose or goal of the company is to maximize current or short-term profits. However, based on observations, companies often sacrifice short-term profits to increase future or long-term profits because both short-term and long-term profits are very important for the value creation of a company (Haksever et al., 2004).

For the company value manager, it is a benchmark for the work performance that he has achieved. If a manager is able to increase the value of the company, then the manager has shown good performance for the company and indirectly the manager has been able to increase prosperity for shareholders which is the company's goal (Setiani, 2011). Meanwhile, for investors, increasing the value of the company is a good perception of the company. And if an investor already has a good view of the company, the investor will be interested in investing so that this will make the company's stock price increase (Graham & McGowan, 2003).

The value of a company is the price that potential buyers are willing to pay if the company is sold (Suad, 2001). For companies *that go public*, the value of the company can be seen from the price of its shares on the stock exchange. Fama (1978) in Hardiningsih (2009) stated that the value of the company will be reflected in the market price of its shares. Prasetyo (2013) revealed that one of the approaches in determining the intrinsic value of

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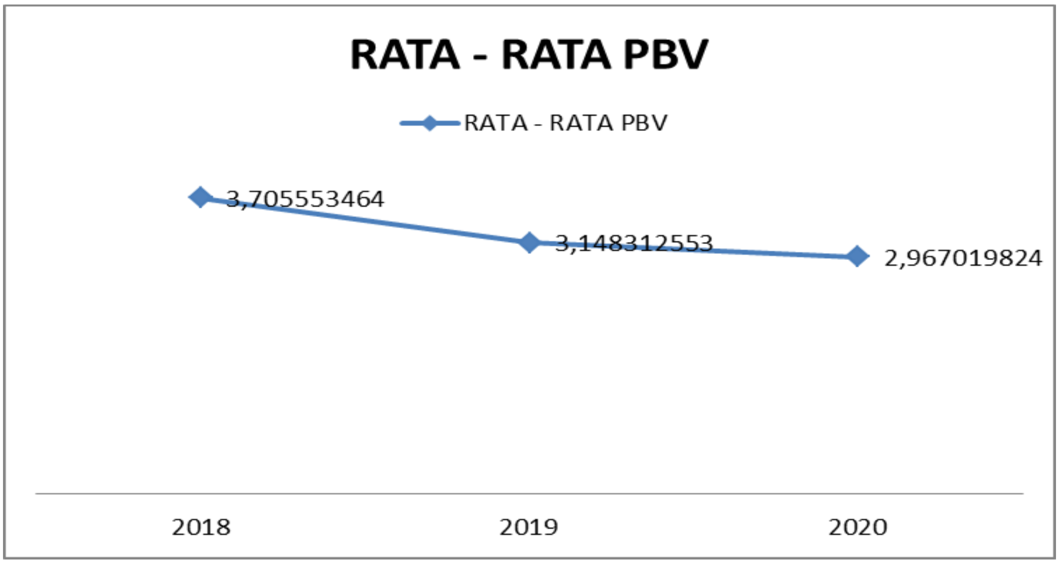
stocks is the price book value (PBV). PBV is a comparison between the stock price and the book value per share (Ang, 1997). Based on this comparison, the company's share price can be known to be above or below its book value. Therefore, the existence of PBV is very important for investors to determine their strategy. A high PBV will make investors believe in the company's future prospects. A high company value will make investors interested in buying the company's shares, because investors believe in the company's performance in managing the company as well as the company's prospects in the future. On the other hand, the low value of the company will make investors not interested in buying shares, because of the risks that will be caused.

Brigham and Gapenski (1999), *Price Book Value* is the value that the financial market provides to the management and organization of the company as a company that continues to grow. The PBV ratio shows how far a company is able to create company value relative to the amount of capital invested. The PBV ratio is said to rise or fall due to stock prices and equity values. The larger the PBV ratio, the higher the company is assessed by financiers. Companies that have performed well generally achieve this ratio reaching above one which indicates that the stock market value is greater than its book value. The following is the data on the Food *and Beverage sector stock index* available on the IDX.



Source: Data processed, 2023.

Figure 1 Average Value of Sector Companies
Food and Beverage Tahun 2018 – 2020

From the graph above, it shows that for three consecutive years, the average value of companies in the *Food and Beverage* sector has decreased, a significant decline occurred in 2019, from 3,705 in 2018 to 3,148 in 2019, the decline continued until 2020, namely 2,967. Many factors are suspected to have an influence on the value of companies in the *Food and Beverage* sector, including dividend policy, company size, leverage and capital structure.

Dividend policy is a proportion to determine the appropriate profit allocation, used between dividend payments and additional retained earnings of the company. The dividend *payout ratio* indicates the percentage of the company's profit paid to shareholders in cash and is an annual cash dividend divided by annual profit, or dividend per share divided by profit per share. The dividend policy concerns the use of profits that are the rights of shareholders. Basically, the profit can be divided as dividends or withheld for reinvestment.

Thus, the question should be when the profit will be divided and when it will be withheld, while still paying attention to the company's goal, which is to increase the company's value (Husnan, 2012). If the company chooses to distribute profits as dividends, it will reduce retained profits and subsequently reduce the total source of internal funds or *internal financing*. On the other hand, if the company chooses to hold the profits earned, then the ability to form internal funds will be even greater. Fama and French (Wijaya and Wibawa, 2010) found that investments resulting from dividend policies have positive information about the company in the future, further having a positive impact on the company's value.

Company Size is one of the variables considered in determining the value of a company. The size of a company is a total reflection of the assets owned by a company. The size of a company can be interpreted as a scale where the size of the company can be classified according to various ways, including total assets, log size, stock market value, and others (Machfoedz, 1994 in Edy and Arlen, 2005). The size of the company affects the value of the company, where a company that has a large size indicates that the company is experiencing developments that will be responded positively by investors and make the company's stock price increase so that it will increase the value of the company (Hansen, 2014).

Profitability is a tool to measure the financial performance of the company that will be carried out by management to manage the company's wealth which can be shown by the profits generated by the company (Lutfiana and Hermanto, 2021). This profitability ratio will provide an overview of the level of effectiveness of the company's management. Higher profitability can increase the company's stock price. This is in line with Sri Hermuningsih (2012) stating that the company's ability to generate profits will be able to attract investors to invest their funds to expand their business, on the contrary, the low level of profitability causes investors to withdraw their funds. Wahyudi, Chuzaimah, Sugiarti (2016) revealed that the higher the profitability of a company, the better, because the ability of holders or shareholders increases with the higher the profitability of the company.

Another factor that is suspected to have an influence on the value of the company is the capital structure is a balance or combination of foreign capital and own capital (Husnan, 2004), in other words the capital structure is a proportion in meeting the company's spending needs with long-term funding sources from internal funds and external funds. The capital structure is reflected in long-term debt and the elements of capital itself, both of which are long-term funds. The use of debt in the capital structure as an addition to marking the company's assets is expected to increase the profits that the company will get, because the company's assets are used to generate profits. The company's funding conditions need to be considered to determine its capital structure, namely by using funds from outside the company and within the company, funds from outside the company in the form of long-term debt and the right to issue more shares. The selection of funding alternatives pays attention to the interests of investors, one of the considerations for investors before making an investment is to look at the company's capital structure.

Based on the results of previous research on the factors that affect the value of companies, it tends to be inconsistent or different between one researcher and another. Based on the phenomenon and difference in the results of previous research with the inconsistency of research results, the researcher is interested in re-testing it. This research is a replication of Astika, et al (2019) who researched Profitability, Dividend Policy and Company Size on Company Value in Manufacturing Companies Listed on the Indonesia Stock Exchange (IDX) for the 2015-2018 Period. In contrast to the previous study which examined three independent variables, namely profitability, company size and dividend policy, this study examined four independent variables, namely company size, profitability, dividend policy and capital structure, the reason for adding the capital structure is based on suggestions from previous researchers in order to expand this research. In addition, the previous research period examined the years 2011 – 2014, while in this study it was in 2018-2021.

Literature Review

Agency Theory

Agency theory explains that in general, shareholders and the management of companies that have been registered in the capital market have different interests. Company management or agents are parties who make financial decisions that are beneficial for the interests of shareholders or principals, namely prospering the wealth of shareholders, but company management does not always take policies according to the wishes of shareholders (Husnan and Pudjiastuti, 2006).

Suseno (2012) mentions that agency theory explains the relationship between management and shareholders, where management has greater information compared to shareholders, so it often causes agency *problems* that occur between shareholders and management and between management and debtors (Brigham and Houston, 2006).

When agency *problems occur,* agency costs *will appear*. *Agency costs* are costs incurred due to the use of corporate debt. When a company experiences *agency problems*, it means that the use of corporate debt is detrimental to creditors, because it is likely that the debt funds are used for investments with a high level of risk, while when the risk is high, the creditor's profit is not higher (because the profit received is fixed profit). To minimize these risks, creditors provide contract agreements that contain certain limitations, such as dividend distribution limits (Sjahrial, 2007).

So, with the restriction on dividend distribution due to *agency problems*, investors will tend to choose companies that have lower debt levels, because the risk of agency *problems* is smaller and the distribution of profits in the form of dividends will be more stable. Stable dividends are a stimulant for investors to invest and affect the value of the company.

Price to Book Value / Nilai Perusahaan

The company's growth is easily seen from the high valuation of the company's external parties on the company's assets and on the growth of the stock market. According to Keown (2004), the value of a company is the market value of the company's securities and equity in circulation. In other words, the value of a company is the price that investors are willing to pay if the company is sold. Company value is the perception of investors of a company that is often associated with the stock price (Moeljadi, 2014). Fama (1978) in *Dewi dan Wirajaya (2013)*. For companies that already own shares (*go public*), the value of the company can be assessed from the price of its shares on the stock exchange. Stock prices are formed based on investor demand and supply, so that the stock price can be used as a proxy for the company's value. The higher the stock price, the higher the company's value. The higher the stock price means the higher the rate of return to investors and it means the higher the value of the company is related to the goal of the company itself, which is to maximize the prosperity of shareholders.

Hartono (2009) in Prasetyo (2013) there are three types of valuations related to stocks, namely *book value*, market value and intrinsic *value*. The book value is the value of the shares according to the issuer's bookkeeping. Market value is a bookkeeping of the value of stocks in the stock market and intrinsic value is the actual value of stocks. Investors need to know and understand these three values as important information in making stock investment decisions because it can help investors to know which stocks are growing and cheap. There are several approaches to ratio analysis according to Brigham and Houston (2001), namely: Price Earning Ratio (PER), Price Book Value (PBV), Market Book Ratio (MBR), Enterprise Value (EV), and Tobin's Q. One of the approaches in determining the intrinsic value of stocks is *the price book value* (PBV).

Price to Book Value (PBV) is used to measure the performance of stock market prices against their book value. Tandellin (2001) said that the relationship between market price and book value per share can also be used as an alternative approach to determining the value of a stock, because theoretically the market value of a stock must reflect its book value. The ratio of stock price to company book value (PBV), shows the level of a company's ability to create value relative to the amount of capital invested. A high PBV reflects a high share price relative to the book value of the share. The higher the stock price, the more successful the company is in creating value for shareholders. The success of the company in creating this value certainly gives hope to shareholders in the form of greater profits (Sartono, 2010).

Dividend Payout Ratio / Dividend Policy

The dividend policy concerns the use of profits that are the rights of shareholders. Basically, the profit can be divided as dividends or withheld for reinvestment. Thus, the question should be when the profit will be divided and when it will be withheld, while still paying attention to the company's goal, which is to increase the company's value (Husnan, 2012). Meanwhile, the value of the company is the price that prospective buyers are willing to pay if the company is sold (Husnan, 2000).

Dividend policy is often considered a *signal* for investors in assessing the company's good or bad, this is because the dividend policy can have an influence on the company's stock price (Mardiyanti et al., 2010). Investors in determining which stocks to buy or sell, will consider the available information. This information is useful in determining the level of profit along with the risk of stocks to be sold or bought. One of the information that an investor can obtain is dividend payment information. But the large dividend payment will reduce the company's ability to invest, the next impact will be to lower the stock price. Thus, dividend policy causes two conflicting effects, so an optimal dividend policy is needed (Kamaludin and Indriani, 2012).

Al-Malkawi (2008) emphasized that in a world of uncertainty and information asymmetry, the dividend is considered different from the profit balance. Investors view a bird in hand as more valuable than a thousand birds in the air. Due to the uncertainty of future cash flows, investors will often tend to choose dividends over retained earnings. This is due to the high level of uncertainty related to capital gains and dividends paid in the future. Dividends today are easier to predict than *capital gains*, because stock prices are determined by market forces and not by managers (Gordon, 1963).

Lintner (1956) revealed that a company's stock price usually changes when paying dividends. Because dividends provide "information content" that can affect the stock market price. Bhattacharya (1979) states that dividends can serve as a signal of expected future cash flows. The increase in dividends indicates that managers expect higher cash flows in the future. This theory is based on the assumption that outside investors have imperfect information regarding the company's future cash flows and capital gains. Another important assumption is that dividends are taxed at a higher rate compared to *capital gains*. Bhattacharya (1979) argues that in these circumstances despite the tax weakness for dividends, companies will choose to pay dividends to send a positive signal to shareholders and outside investors.

The effect of optimal dividend payments can be seen as a signal of future profitability (Bhattacharya, 1979). Companies that are able to generate stable and increased profits can be seen as a positive signal by investors related to the company's performance, so a positive response will increase the company's value. According to Myron Gordon and John Lintner in Eugane F Brigham & Joel F Houston (2007) in Mardiyanti et al (2010) say dividends are more certain than capital gains, the belief that dividend income has a higher value for investors than *capital gains*, this theory assumes that dividends are more certain than capital gains.

Research conducted by Pradani (2018) and Putri and Ramadhan (2020) shows that dividend policies have a positive effect on company value, so hypotheses are formulated:

H1: "The House of Representatives has a positive effect on PBV".

Company Size

The size of the company is a determination of the large and small scale of the company which is described through the company's total assets (Anjarwati & Made Dudy Satyawan, 2022). The size of a company is the size of a company in various ways, including the amount of wealth (total assets), stock market value, number of sales in one year of sales period, number of employees, and total fixed book value of the company (Yanti et al., 2020).

The size of a company can be defined as an effort to assess a company based on assets, number of sales, average total sales and average total assets (Moeljadi, at al, 2014). Meanwhile, company value is the perception of investors of companies which is often associated with stock prices (Moeljadi, 2014).

The size of the company describes the size of the company which can be assessed from the total value of the company's assets, total sales, amount of profit, tax burden and others (Brigham & Houston, 2010:4 in Ali Akbar Yulianto, 2010). A large company size will obtain funding sources both internally and externally. In the concept of *signaling theory* which explains that the size of the company is a signal for investors where companies with large assets have good prospects in the future and will affect the value of the company. The size of the company affects the value of the company, where a company that has a large size indicates that the company is experiencing developments that will be responded positively by investors and make the company's stock price increase so that it will increase the value of the company (Hansen, 2014). This is in line with the results of research by Wijaya, I Gusti (2019) which shows that company size has a positive effect on the value of the company, so a hypothesis is formulated.

H2: "Positive SIZE has an effect on PBV".

ROA / Profitability

Profitability is the ability of a company to generate profits in relation to sales, total assets and its own capital (Sartono, 2016). Profitability can signal an increase in the value of the company. Companies that have a high level of profitability will be in demand by investors. Thus, the amount of profitability generated by the company can affect the stock price (Junaidi, 2016). The higher the profitability means the better, as the prosperity of the company owner increases with the higher the profitability. Measures of profitability can be seen from various categories such as operating profit, net income, rate of return on investment or assets, and rate of return on owners' equity. Meanwhile, the value of a company is a number of prices that investors are willing to pay if the company is sold (Husnan, 2000).

Profitability growth means that the company's future prospects are considered to be better as well, meaning that the company's value in the eyes of investors is also better. If the company's ability to generate profits increases, the stock price will also increase (Husnan, 2000). The rate of return on investment to shareholders depends on the profit generated by the company. Lifessy (2011) also stated that with the high level of profit generated, it means that the company's prospects for running its operations in the future are also high so that the company's value reflected in the company's share price will also increase. Research conducted by Edi Purnomo (2019) and Rizka Aryanti (2019) shows that positive profitability affects the value of the company, so the hypothesis:

H3: "ROA has a positive effect on PBV".

DER/ Structure Modal

According to Yanti & Darmayanti (2019) Capital structure is a balance of the amount of short-term, long-term debt that is permanent and long-term with preferred shares and ordinary shares. Capital structure is a balance or combination of foreign capital and own capital (Husnan, 2004) in other words, the capital structure is a proportion in meeting the company's spending needs with long-term funding sources from internal funds and external funds. Meanwhile, company value is the perception of investors of companies that are often associated with stock prices (Moeljadi, 2014). The higher the stock price, the higher the company's value.

For companies, capital structure is very influential in achieving the company's goal to maximize returns on investments, while it can also minimize risks. In order to achieve maximum results, costs must be minimal, including capital costs, so companies must look for efficient financing alternatives to achieve the company's goals, efficient financing will occur if the company has an optimal capital structure (Brigham and Houston, 2006). This means that the lower the capital structure, the higher the value of the company because investors will be interested in investing their capital in companies that have low debt. Research conducted by Reza Novitasari (2021) shows that capital structure has a positive effect on the value of the company, so a hypothesis is formulated.

H4: "DER has a positive effect on PBV".

Research Model

The research model used in this study is as follows:

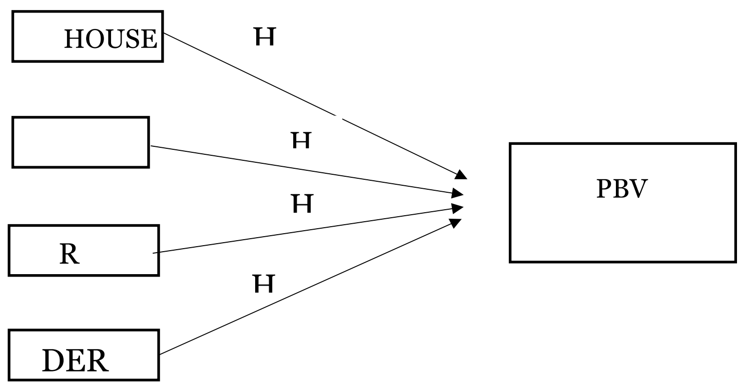


Figure 2. Research Model

Methods

The population of this study is Food *and Beverage* companies listed on the IDX during 2018-2021 obtained from the official website www.idx.co.id. These observations are expected to produce a sufficient sample and can be generalized. The selection of the period is due to the fact that it can describe relatively new conditions in the *Food and Beverage sector,* as well as a fairly long range of research years. It is hoped that the results of this study will be more relevant. The technique used in determining the sample in this study is *purposive sampling*, the selected sample is as many as 55 companies that meet the criteria.

The test used in this study is the kasik assumption test, then continued by looking at how the influence of each independent variable on the dependent variable in the study, so that the results are obtained after the test is carried out.

Results

Descriptive Statistics

Data processing is carried out electronically using SPSS 25 *for Windows* to accelerate the acquisition of result data that can explain the variables studied. Descriptive statistics include *minimum* values, *maximum values*, *mean*, and standard deviations. The data of the research variables included the dependent variable, namely PBV, and independent variables, namely DPR, SIZE, ROA, and DER. Here is a full explanation of each variable:

Table 1. Descriptive Statistical Test Results

	N	Minimum	Maximum	Mean	Std. Deviation
DPR	55	0,001	2,624	0,54337	0,537561
SIZE	55	25,690	32,820	29,05332	1,616214
ROA	55	0,013	0,424	0,10805	0,082323
DER	55	0,063	2,646	0,71762	0,516953
PBV	55	0,350	28,874	4,13784	5,340925
Valid N (listwise)	55				

Source : Processed Secondary Data, 2023

Based on the results of descriptive statistics in table 1, it can be known that the average value, standard deviation, minimum value and maximum value of each research variable can be known.

Normality Test

Table 2. Results of the Normality Test with Kurtosis-Skewness

	N	Mean	Std. Deviation	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Unstandardized Residual	55	0,0000000	2,49425918	-0,201	0,322	-0,062	0,634
Valid N (listwise)	55						

Source : Processed Secondary Data, 2023

Based on the output results of processing normality test data using this test using *Kurtosis-Skewness*, as shown in the table above, based on the results above, it can be seen that the skewness and kurtosis values are between ±1.96 which means that the data is normally distributed. So it can be concluded that the tested data is normally distributed.

Multicollinearity Test

The multicoloniality test aims to test whether the regression model finds a correlation between independent independent variables.

Table 3. Multicollinearity Test Results

1	DPR	0,926	1,080
	SIZE	0,884	1,132
	ROA	0,971	1,029
	DER	0,880	1,136

Source : Processed Secondary Data, 2023

Table 3 shows that the results of *the tolerance* test show that there are no independent variables that have *a tolerance value* of less than 0.10 (10%). The results of the VIF calculation also show that there is no single independent variable that has a VIF value of more than 10. It can therefore be concluded that there is no multicollinearity disorder between variables in the regression model.

Heteroscedasticity Test

To detect the presence or absence of heteroscedasticity can be done by the Park Test. Park proposed to multiply the residual value (U2i) and regress the LN2i variable as a dependent variable. The analysis that can be done is by looking at the significance of independent variables to dependent variables. Below are the Park Test Results can be seen as follows:

Table 4. Heteroskessity Test Results

Gregorius Anggana Lisiantara (2025). https://doi.org/10.24815/jr.v8i2.45102

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	3,677	6,746		0,545	0,588
	DPR	0,730	0,682	0,151	1,070	**0,290**
	SIZE	-0,163	0,232	-0,101	-0,701	**0,486**
	ROA	5,399	4,349	0,171	1,242	**0,220**
	DER	0,490	0,727	0,098	0,673	**0,504**

a. Predictors: (Constant), DER, ROA, DPR, SIZE

b. Dependent Variable: PBV

Source : Secondary Data processed in 2023

Based on the results of the heterokedasticity test in table 4.7, it shows that all independent variables in the study have a *probability value* (*Sig*) > 0.05. The results of the test indicated that in the regression of the equation there was no heteroscedasticity disorder.

Uji Autokorelasi

To detect the presence of autocorrelation, a test method was used by looking at the values from Durbin-Watson. The results of the autocorrelation test can be seen in the following table:

Table 5. Autocorrelation Test Results

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.884[a]	0,782	0,764	2,592110	2,128

Predictors: (Constant), DER, ROA, DPR, SIZE

Dependent Variable: PBV

Source : Secondary Data processed in 2023

Based on the table and figure above, it is known that the result of the DW value is 2.128 while the DU value is 1.724, which means that the DU < DW < 4-DU is 1.724 < 2.128 < 2.276, This shows that there is no autocorrelation.

Hypothesis Testing with Multiple Linear Regression

The results of the regression equation processed using SPSS v.25 are as follows:

Table 6. Multiple Regression Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,134	6,745		0,020	0,984
	DPR	0,384	0,682	0,039	0,563	0,576
	SIZE	-0,158	0,232	-0,048	-0,679	0,500
	ROA	52,650	4,348	0,812	12,110	0,000
	DER	3,741	0,727	0,362	5,144	0,000

a. Dependent Variable: PBV

Source : Processed secondary data, 2023

Model regression:
PBV = 0.134 + 0.384 DPR - 0.158 Size + 52.650 Roa + 3.741 der + E

Information:
HOUSE : Dividend policy
SIZE : Company Size
ROA :Profitability
DER : Capital Structure
ε : Standard Error

Individual Parameter Significance Test (t-Test)

The statistical t-test is performed to show how far one independent variable affects the dependent variable by assuming that the other independent variable is constant, or in other words to prove whether each independent variable included in the model has an influence on the dependent variable. Based on Table 6, describing the results of the statistical test t the first equation model shows the results:

1. H1 stated that the House of Representatives had a positive effect on PBV, which was rejected because the sig value of 0.576 > 0.050 meant that the House of Representatives did not have a significant effect on PBV.
2. H2 stated that SIZE had a positive effect on PBV, rejected because the sig value of 0.500 > 0.050 meant that SIZE did not have a significant effect on PBV.
3. H3 stated that ROA has a positive effect on PBV, which is accepted because a sig value of 0.000 < 0.050 means that ROA has a significant effect on PBV.
4. H4 stated that DER had a positive effect on PBV, accepted because the sig value of 0.000 < 0.050 means that the DPR has a significant effect on PBV.

Simultaneous Signification Test (Test F)

The statistical test F shows whether all the independent variables included in the model have a common influence on the dependent variables.

Table 7. Simultaneous Signification Test (Test F)

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1204,424	4	301,106	44,814	.000[b]
	Residual	335,952	50	6,719		
	Total	1540,376	54			

a. Dependent Variable: PBV
b. Predictors: (Constant), DER, ROA, DPR, SIZE
Source : Processed secondary data, 2023

From the table above, it can be seen that with a significant level of 5%, the F calculation is 44,814 with a significance of 0.000, while through *the level of significance* α of 0.050 which means that together the variables of DPR, SIZE, ROA and DER have an influence on PBV.

Determination Coefficient Analysis (R^2)

The determination coefficient in the regression model is to find out how much variation in the variables of DPR, SIZE, ROA and DER can explain the variation or change in the PBV variable.

Table 8. Determination Coefficient Test Results ($R^{2\ Test}$)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.884[a]	0,782	0,764	2,592110	2,128

a. Predictors: (Constant), DER, ROA, DPR, SIZE
b. Dependent variable: PBV
Source : Processed secondary data, 2023

Based on the calculation results, the value of the determination coefficient (*Adjusted R Square*) was obtained of 0.764. This means that the large variation of PBV variables can be explained by the variation of the variables of DPR, SIZE, ROA and DER by 76.40% while the remaining 23.60% is explained by variations or changes in other variables outside the research model.

Discussion

The Influence of the House of Representatives on PBV

The results of the DPR research analysis did not have a significant effect on PBV. The House of Representatives is a policy made by the company in determining how much of the profits should be paid to shareholders and how much should be retained back in the company (Weston and Brigham, 1981 in Sheisarvian, 2015). Meanwhile, the value of the company is the price that prospective buyers are willing to pay if the company is sold (Husnan, 2000).

Dividend policy is often considered as a signal for investors in assessing the good or bad of a company, this is because dividend policy can have an influence on the company's stock price (Mardiyati et al., 2012). Investors in determining which stocks to buy or sell, will consider the available information. This information is useful in determining the level of profit along with the risk of stocks to be sold or bought. One of the information that an investor can obtain is dividend payment information.

In the article "Dividend policy, Growth and Stock Valuation" Modigliani & Miller (1961) stated that in fricionless markets, the investment policy is fixed with all the optimal capital structure policies and decent dividends because they are all identical implying the wealth of the shareholders, so the choice between them is irrelevant. MM explained that the investment policy itself determines the wealth of shareholders in fricionless markets, and that leverage and payout decisions do not have an impact on the company's value. The results of this study are in line with research conducted by Astika, et al (2019) which proves that dividend policy has no effect on the company's value

Effect of SIZE on PBV

The results of the research analysis that have been carried out prove that SIZE does not have a significant influence on PBV. This shows that the size of the company does not guarantee in increasing investor confidence to invest in the company which can increase the value of the company. Investors are more likely to consider that asset management by the company's management is more important than the size of the company's assets. This is because the small size of the company if its assets are managed effectively can create maximum profits for the company, while companies that have large assets if they cannot be managed effectively will incur a cost that can reduce the company's profit. The results of this study are in line with the results of Pradani's (2018) research which found that company size does not have a significant effect on company value.

Effect of ROA on PBV

The results of the research analysis that have been carried out prove that ROA has a positive and significant influence on PBV. Profitability growth means that the company's future prospects are considered to be better as well, meaning that the company's value in the eyes of investors is also better. If the company's ability to generate profits increases, the stock price will also increase (Husnan, 2001:317). The rate of return on investment to shareholders depends on the profit generated by the company. Oktaviani (2008) in Lifessy (2011) also stated that with the high level of profit generated, it means that the company's prospects for running its operations in the future are also high so that the company's value reflected in the company's stock price will also increase. Research conducted by Edi Purnomo (2019), and Rizka Aryanti (2019) shows that profitability has a positive and significant effect on company value.

Effect of DER on PBV

The results of the research analysis that have been carried out prove that the DER variable has a positive and significant influence on PBV. For companies, DER is very influential in achieving the company's goal to maximize returns on investments, while also minimizing risks. In order to achieve maximum results, costs must be minimal, including capital costs, so companies must look for efficient financing alternatives to achieve the company's goals. Efficient financing will occur if the company has an optimal capital structure (Brigham and Houston, 2006 in Rasyid, 2015).

Companies that announced an increase in debt use had a positive effect on stock prices. Companies that increase the proportion of debt use mean that increased *leverage* is considered to provide benefits to financiers. Hertiana (2016). A high level of *leverage* shows the value of large debts, with large debts, where the debt can be used as capital to turn around the company's activities to get profits which will later increase the value of the company (Rakhimsyah and Gunawan, 2011; Hertiana, 2016).

Companies that have a high level of debt will be able to increase the value of the company because investors consider that a company with large debt indicates that the company is also large-scale. So that investors will invest their capital and will get a large return which will further increase the company's value. The results of a study conducted by Putri and Ramadhan (2020) found that capital structure has a positive and significant effect on the value of the company.

Conclusion

Based on empirical discussion, this study concludes that the dividend policy (DPR) has no influence on the value of companies in the Food and Beverage sector companies listed on the IDX in 2018-2021. In addition, the size of the company also has no effect on the value of the company in the same sector. On the contrary, profitability has been shown to have a positive and significant influence on the company's value, which shows that the higher the level of profitability, the higher the company's value. The capital structure (DER) also has a positive and significant influence on the company's value, indicating that the more optimal the capital structure used, the greater the impact on the increase in the company's value.

This study has several limitations, including that the number of selected populations is still relatively small, namely only 47 companies, while the number of companies that meet the criteria for sample withdrawal is 55 companies. In addition, there are two variables that have not been proven to have a significant influence on the company's value, namely the dividend policy and the size of the company. This limitation can affect the generalization of research results to other sectors in the industry.

For further research, it is recommended that the scope of the research be expanded by examining more diverse corporate sectors and extending the research period in order to obtain more comprehensive results. In addition, it is necessary to add other variables that have the potential to affect the company's value, such as Debt to Total Asset (DTA), Price to Earnings Ratio (PER), Current Ratio (CR), and other relevant variables. As such, future research could provide deeper insights into the factors that affect company value in various industry sectors.

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