THE INFLUENCE OF DIVIDEND POLICY, INVESTMENT OPPORTUNITIES AND PROFITABILITY ON COMPANY VALUE
(Study of Manufacturing Companies Listed on the IDX 2018-2022)

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ABSTRACT
This research aims to determine the influence of dividend policy, investment opportunities and profitability on company value in manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022. This research uses quantitative methods with a descriptive approach. Through partial t-test and simultaneous f test, it is known that partially dividend policy has a significant influence on company value with a significance value of 0.000. Investment opportunities have a significant influence on company value with a significance value of 0.007 and profitability has a significant influence on company value with a significance value of 0.000. Furthermore, together dividend policy, investment opportunities and profitability have a significant simultaneous influence on the company value of manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022.
Keyword: Dividend Policy, Investment Opportunities, Profitability, Company Value.

INTRODUCTION

The development of the manufacturing industry in Indonesia is growing in line with economic conditions in Indonesia and the world. In maintaining its business, companies need to analyze the competition for their products in the market, so that the company continues to gain profits amidst competition with competitors. The profits or profits obtained by the company are managed so that the company continues to develop. Apart from company profits and financial sources that come from debtors, companies that have registered as go public companies on the capital market, rely on investors as a source of funding for the continuity of the company's life. One aspect that can attract potential investors in determining the issuer is to look at the company value, this needs to be done so that investors get investment benefits in the future.

The company's value is reflected in its ability to pay dividends. The size of this dividend can affect share prices. If the dividends paid are high, the share price tends to be high so that the company value is also high (Irnawati, 2021). However, sometimes companies fail to increase their value, this may be due to management not being careful in implementing factors that can maximize company value.

Company value is investors' perception of a public company, often linked to the share price per share (earnings per share) which can indicate how prosperous the company is, because if profits per share (earnings per share) are distributed to investors. high, this shows that the company can provide a good level of welfare to shareholders, while the income distributed to investors is high. Distribution per share (Earnings per share) is low, indicating that the company has not provided the benefits that shareholders expect (Irnawati, 2021).

Generally, when making capital investments, investors expect the profits to be generated in the form of earnings per share. Meanwhile, the amount of earnings per share distributed to investors depends on the company's dividend policy. Maximizing business value is very important for business because maximizing business value means maximizing the main goal of the business, namely generating profits. Because by increasing the value of the company, the company will gain more profits and advantages for both management and employees.

Company value is influenced by several factors, including dividend policy, investment opportunities and profitability. Dividend policy involves the decision to distribute profits or retain them (retained earnings) with the aim of reinvesting in the business (Darmawan, 2018). A company's optimal dividend policy is a policy that balances the company's current dividend yield and its future growth rate (for example, in the form of share price appreciation) to maximize company value.

Adam's opinion (2008) in Pasaribu (2013) is that when making investment decisions, each company can invest in the form of physical capital and its own human resources. These firm-specific investments lead to differences in investment opportunities between firms, including differences in the potential of investment opportunities and the distribution of expected returns from those opportunities. Differences in companies' investment decisions in the face of competing companies seeking to enter the market, as well as differences in companies' strategic choices to gain competitive advantage, mean that the way the IOS approach is measured varies greatly between countries. piecemeal across companies and industries.

Profitability is used to measure the overall effectiveness of management as indicated by the size of the level of profit obtained in relation to sellers and investments (Hidayat, 2022). The company has profitability that is not high enough so that the company can improve its performance which results in a decrease in the level of company value. Companies that succeed in increasing profitability every year will attract the interest of many investors. These experts' opinions form the basis for researchers in making research assumptions, namely the influence of dividend policy, investment opportunities and

profitability on company value in manufacturing companies listed on the Indonesian stock exchange in 2018-2022.

RESEARCH METHODS

Research Design

This type of research is quantitative research with a descriptive approach. This type of research tries to determine the influence of the independent variable on the dependent variable. In this research, the independent variables used are dividend policy, investment opportunities and profitability. Meanwhile, the dependent variable in this research is company value. The premier data in this research are manufacturing company financial reports published on the Indonesian stock exchange website for the period 2018 to 2022. Data is collected based on predetermined criteria, then the data is analyzed based on each variable measurement. After obtaining the ratio for each research variable, the data was processed using the SPSS 24.0 application program.

Research Hypothesis

A hypothesis is an initial assumption of a phenomenon to be studied and will be proven through research procedures. The hypotheses in this research are:

a) Hypothesis I: there is an influence of dividend policy on company value

b) Hypothesis II: there is an influence of investment opportunities on company value

c) Hypothesis III: there is an influence of profitability on company value

Population and Research Sample

Population is the totality of the objects being studied. According to (Sugiyono, 2018), population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to study and then draw conclusions. Population not only concerns living creatures, but also objects and other things. In this research, the population used is manufacturing companies listed on the Indonesian stock exchange from 2018 to 2022.

Meanwhile, sampling in this study used a purposive sampling technique, the samples in this study were 35 companies listed on the Indonesian stock exchange, while data was taken from financial reports published in the period 2018 to 2022.

Data Collection Techniques

The technique for collecting data to this research is to use the documentation method. The data collected in this research was taken from the Indonesian stock exchange website (www.idx.co.id) with the following criteria:

a) Opening and closing stock prices at the end of the year

b) Number of outstanding shares

c) Total company assets

d) Total Equity

e) Current assets

f) Annual net profit

g) Current Debt

Data Analysis Techniques

After the research data is obtained and deemed sufficient, the next step is to carry out data analysis. The data analysis carried out is as follows:

a) Measuring Financial Ratios

1) Dividend Policy

In this research, the indicator used in measuring dividend policy is the Dividend Payout Ratio (DPR) which is calculated using the formula:

$$\text{Dividend Payout Ratio (DPR)} = \frac{\text{Dividend Per share}}{\text{Net Profit Per share}}$$

Investment Opportunities

Investment opportunities in this research are measured using the market to book value/book value of equity (MVE/BVE) formula. The Market to Book Value ratio reflects that the market assesses the return from a company's investment in the future from the expected return from its equity. The following formula is used to measure investment opportunities:

MVE/BVE = Number of outstanding shares x closing share price

Total Equity

$$\text{MVE/BVE} = \frac{\text{Number of outstanding shares x closing share price}}{\text{Total Equity}}$$

Profitability

Profitability measures a company's ability to generate profits at certain levels of sales, assets and capital. ROA is a measure of company profitability. Return on Assets (ROA) is the level of net profit that a company has managed to obtain in carrying out its operations. The following formula is used to measure profitability:

$$\textit{Return on Asset} = \underline{\textit{Net Income}}$$

$$\frac{}{Total\ Assets}$$

Company Value

Company value can be measured using the price book value ratio. Price to book value is a ratio that shows how much a company is able to create relative company value through the amount of capital invested. The following formula is used to measure the company value ratio:

$$PBV = \frac{Market\ Price\ Per\ Share}{Book\ Price\ Per\ Share}$$

Descriptive Statistical Analysis

Descriptive statistical analysis in this research is used to determine the average value, maximum value, minimum value and standard deviation of each research variable in the financial reporting period used as the research period. The results of the basic statistical calculations are then described in a narrative text for analysis regarding the state of the financial ratios for each research variable. In this research, the SPSS 24.0 application program was used.

Hypothesis Testing

The hypothesis test carried out in this research used the t test. The t test aims to show how much influence an independent variable individually has on the dependent variable. Determining the significance level (α), which is 5%, can be done based on the probability value, the value of the t-test can be seen from the P-value (in the sig column) for each independent variable. Next, to determine the simultaneous influence of the three independent variables on the dependent variable, a simultaneous test was carried out, namely the F test.

RESEARCH RESULTS AND DISCUSSION
1) Data Analysis
a) Descriptive Statistical Analysis

In this research, the primary data source used is the financial reports of manufacturing companies listed on the Indonesia Stock Exchange for the period 2018 - 2022. After the data is collected, financial ratios are then measured and then analyzed statistically. The following are the statistical test results:

Table: Descriptive Analysis

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
dpr	175	-1,64	6,22	,5692	,68827
mva	175	,36	60,67	3,8706	8,13834
roa	175	-,21	,47	,1019	,08244
pbv	175	,02	2,74	,7590	,65826
Valid N (listwise)	175				

Based on these calculations, it is known that in the period 2018 to 2022 the average dividend policy ratio for manufacturing companies listed on the Indonesia Stock Exchange was 0.57 while the highest was 6.22 and the lowest was -1.64. The investment opportunity ratio in the same period, on average, was 3.87 with a maximum value of 60.67 and the lowest value of 0.36. Then the average profitability ratio in that period was 0.10 with a maximum value of 0.47 and the lowest was -0.21 and the average company value ratio in that period was 0.76 with a maximum value of 2.74 and a minimum of 0.02.

b) Test the Research Hypothesis

This research was conducted to determine the influence of each independent variable consisting of dividend policy, investment opportunities and profitability on the dependent variable, namely company value. So that hypothesis testing is carried out partially and simultaneously. The following are the results of simultaneous hypothesis testing with the t test via the spss 24.0 program:

Table: T Test Testing (Partial)

Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

1	(Constant)	1,177	,075		15,707	,000
	dpr	,286	,069	,299	4,121	,000
	mva	,029	,006	,364	5,135	,007
	roa	3,555	,682	,445	5,214	,000

a. Dependent Variable: pbv

Based on the test results, it can be interpreted into the research hypothesis as follows:

a) The significance value of the dividend policy variable on firm value is 0.000, less than the alpha value of 0.05, so the first hypothesis in this research is accepted, namely that there is a significant influence of dividend policy on firm value.

b) The significance value of the investment opportunity variable on company value is 0.007, less than the alpha value of 0.05, so the second hypothesis in this research is accepted, namely that there is a significant influence of investment opportunities on company value.

c) The significance value of the profitability variable on company value is 0.000, less than the alpha value of 0.05, so the third hypothesis in this research is accepted, namely that there is a significant influence of profitability on company value.

Based on the results of this interpretation, it can be concluded that each independent variable has a significant influence on the dependent variable. Next, to determine the simultaneous influence of the three variables on the dependent variable, a simultaneous test was carried out using the f test via the spss 24.0 program. Following are the test results:

Table: Simultaneous Test (f Test)

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	19,616	3	6,539	20,045	,000 [b]
	Residual	55,779	171	,326		
	Total	75,395	174			

a. Dependent Variable: pbv

b. Predictors: (Constant), roa, dpr, mvp

Based on the test results, it is known that the significance value of 0.000 is less than 0.05 so that the results of this test provide the conclusion that together dividend policy, investment opportunities and profitability have a significant effect on company value.

2) Discussion

The economic situation in Indonesia is experiencing developments following global economic developments, this has become a driving factor for manufacturing companies in developing their business and expanding their business wings. One of the capital required by the company comes from investors who invest capital in the company through the Indonesian Stock Exchange. Manufacturing companies report financial reports regularly as consideration for investors and potential investors. In attracting potential investors, manufacturing companies need to maintain the value of the company so that it has good value so that investors are able to project profits in the future.

Company value can be influenced by a company's dividend policy. In this research, dividend policy has a significant effect on the company value of manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022. This is proven by the test results which show a significance value of 0.000, less than the alpha value of 0.05. The results of this research are in line with research conducted by Debby Chintya Ovami in 2020 and Sarah Syafira Rahma in 2022, who in their research also explained that dividend policy affects company value.

Furthermore, company value can also be influenced by investment opportunities, this is in accordance with the results of this research which explains that investment opportunities have a significant influence on company value in manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022. These results are based on test results which show The significance value of 0.007 is less than the alpha value of 0.05, thus indicating a significant influence. The results of this research are similar to research results conducted by Syahni Tiska, in 2015 and Sri Ayem's research in 2021 which obtained research results that investment opportunities have a significant influence on company value.

The research results in this research also show that profitability has a significant influence on company value in manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022. This is shown in the test results which obtained a significance value of 0.000 less than 0.05. The results of this research also support the

results of research conducted by Purnomo in 2019 and Robiyanto in 2020 which explained that profitability has a significant influence on company value.

Based on the test results in this research, it is also known that the three variables simultaneously have an influence on company value. This is based on the results of the f test which obtained a significance value of 0.000 less than 0.05. This means that together dividend policy, investment opportunities and profitability have a significant influence on the company value of manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022.

CONCLUSION

Based on the results of this research, the conclusions in the research on the influence of dividend policy, investment opportunities and profitability on company value in manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022, are as follows:

1) Dividend policy has a significant effect on the company value of manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022.
2) Investment opportunities have a significant effect on company value in manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022
3) Profitability has a significant influence on company value in manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022
4) Together, dividend policy, investment opportunities and profitability have a significant influence on the company value of manufacturing companies listed on the Indonesian stock exchange for the period 2018 to 2022.

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